

1 **Economic damage and spill-overs from a tropical cyclone**

2 Manfred Lenzen¹, Arunima Malik^{1,2}, Steven Kenway³, Peter Daniels⁴, Ka Leung Lam³, Arne Geschke¹

3 ¹ISA, School of Physics A28, The University of Sydney, NSW, 2006, Australia.

4 ²Discipline of Accounting, The University of Sydney Business School, The University of Sydney, NSW, 2006, Australia.

5 ³School of Chemical Engineering, The University of Queensland, St Lucia, 4072, Australia.

6 ⁴School of Environment, Griffith University, Brisbane, 4222, Australia.

7 *Correspondence to:* Arunima Malik (arunima.malik@sydney.edu.au)

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29 **Abstract** – Tropical cyclones cause widespread damage in specific regions as a result of high winds, and flooding. Direct
30 impacts on commercial property and infrastructure can lead to production shortfalls. Further losses can occur if business
31 continuity is lost through disrupted supply of intermediate inputs from, or distribution to, other businesses. Given that
32 producers in modern economies are strongly interconnected, initially localised production shortfalls can ripple through
33 entire supply-chain networks and severely affect regional and wider national economies. In this paper, we use a
34 comprehensive, highly disaggregated, and recent multi-region input-output framework to analyse the negative impacts of
35 Tropical Cyclone Debbie which battered the north-eastern Australian coast in March 2017. In particular, we show how
36 industries and regions that were not directly affected by storm and flood damage suffered significant job and income losses.
37 Our results indicate that the disaster resulted in the direct loss of about 4802 full-time equivalent jobs and AU\$ 1544 million
38 of value added, and an additional indirect loss of 3685 jobs and AU\$ 659 million of value added. The rapid and detailed
39 assessment of the economic impact of disasters is made possible by the timely data provision and collaborative environment
40 facilitated by the Australian Industrial Ecology Virtual Laboratory (IELab).

41
42 **Keywords:** Tropical cyclone, economic damage, spill-over, input-output analysis, hurricane, typhoon

43

44 **1. Introduction**

45

46 On Tuesday 28 March 2017, Severe Tropical Cyclone Debbie made landfall at Airlie Beach, in North Queensland,
47 Australia. As a Category 4 system (equivalent to a major Hurricane or a Typhoon), it hit coastal communities with torrential
48 rain and wind gusts up to 265 km/h, destroying or damaging homes, businesses, crops and infrastructure and, tragically,
49 led to 12 fatalities (Queensland Government, 2017). The initial impact was felt mainly on the iconic Great Barrier Reef
50 coral ecosystems of the Whitsunday Coast, and the surrounding communities including Bowen and Proserpine. Within 24
51 hours, Debbie was approximately 250 km inland, and had degenerated into a high-rainfall low-pressure system. The system
52 progressively tracked over 1,000 km south, where it moved back out to sea around the Queensland-New South Wales
53 Border on 31 March after significant flooding across the region. Rainfall of 150-250 mm was recorded regionally, with
54 peaks of 400-1,000 mm, swamping remote rural, coastal and urban communities. More than a week later, widespread
55 flooding was still being felt in the region (Queensland Government, 2017).

56

57 Dubbed the “Lazy Cyclone”, Debbie moved at under 6 km/h at times, causing atypically high levels of social, economic,
58 and environmental destruction. Over 63,000 emergency calls were made, and over 50,000 insurance claims subsequently
59 lodged (Queensland Government, 2017). Particular impact was felt in the farming, mining and tourism industries in the
60 northern part of the afflicted region, and by flooded businesses in the south. Annual and perennial crops and trees were
61 destroyed, export-oriented coal mines closed, and tourism heavily impacted. Roads, rail systems and bridges were damaged
62 or destroyed, along with community halls, airfields, tele-communications and other systems. All schools and many
63 businesses were temporarily closed. The Australian government responded at all levels including federal military
64 deployment of air, sea and land support, Queensland Police, Fire and Emergency, and State Emergency Systems.

65

66 Severe tropical cyclones are not an isolated phenomenon. Past tropical cyclones, in Australia and elsewhere, have disrupted
67 food systems in Madagascar (Cyclone Gafilo in 2004), Vanuatu (Cyclone Pam in 2015), and Fiji (Cyclone Winston in
68 2016). The cyclone-prone area of coastal Queensland produces three quarters of Australia’s perishable vegetables. In 2006,
69 Cyclone Larry, and 2011 Cyclone Yasi (Staff, 2017) lead to shortages of bananas in Australia (Brown, 2017).

70

71 Direct economic damage caused by Debbie is significant: it has been estimated to include AU\$ 1.5 billion in lost coal sales,
72 and approximately AU\$ 0.5 billion in agriculture, with major adverse impacts on sugar cane and winter horticulture
73 supplies to southern Australia. Infrastructure damage has been estimated at over AU\$1 billion (Queensland Government,
74 2017). Flood damage to business and trade was also significant in northern New South Wales (the state south of
75 Queensland). Debbie also caused temporary shortages to water and energy supplies (Parnell, 2017), damaged information
76 technology infrastructure, and led to price increases for tomatoes, capsicums, eggplants, and other vegetables (Hatch,
77 2017), affecting winter vegetable supply for Sydney and Melbourne. Across all sectors insurance claims of over AU\$ 300
78 million were lodged (Underwriter, 2017).

79

80 Given that the frequency of extreme weather events such as tropical cyclones will increase due to climate change
81 (Mendelsohn et al, 2012), developing and testing methods for assessing economic consequences of natural disasters is of
82 growing importance. In our case study, this significance is reinforced in view of the importance of northern Australia in
83 plans for the nation's ongoing economic development, notably in mining and agriculture (Regional Institute of Australia,
84 2013).

85

86 In this work, we use multi-region economic input-output (MRIO) analysis in order to investigate the economy-wide
87 repercussions of the biophysical damage wrought by Tropical Cyclone Debbie upon the North Queensland region of
88 Australia. Input-output (IO) analysis, as developed from Leontief's work in the 1930s, is capable of interrogating economic
89 data on inter-industry transactions, final consumption and value added, in order to trace economic activity rippling
90 throughout complex supply-chain networks and to unveil both immediate and indirect impacts of systemic shocks
91 (Leontief, 1966). Over the past seventy years, IO analysis has been used extensively for a wide range of public policy and
92 scientific research questions (Rose and Miernyk, 1989). Over the past two decades, IO analysis has experienced a surge in
93 applications, especially in carbon footprints (Wiedmann, 2009) and global value chains (Timmer et al., 2014), and in the
94 disciplines of life-cycle assessment (Suh and Nakamura, 2007) and industrial ecology (Suh, 2009).

95

96 This article is structured as follows: Section 2 provides a review of relevant prior work and the state of knowledge in IO-
97 based disaster analysis, and describes the methodology underlying the disaster analysis undertaken using IO modelling. In
98 particular, we build on prior work (Schulte in den Bäumen et al., 2015) and present an innovative approach for estimating
99 infrastructure damages resulting from the disaster. We present the results and a discussion of key findings in Section 3,
100 followed by conclusions in Section 4.

101

102 **2. Methods**

103

104 In this paper, we determine the supply-chain impacts of Tropical Cyclone Debbie, using highly disaggregated MRIO tools
105 (Sections 2.2 and 2.3) developed within the new Australian Industrial Ecology Virtual Laboratory ("IELab") (see Section
106 2.5). Our approach incorporates a number of unique and powerful capabilities. First, we are able to identify the
107 consequences of the cyclone, not only for the directly affected regions and industry sectors, but for the wider Australian
108 economy. Such indirect effects stem from afflicted businesses being unable to supply goods and services and from their
109 inability to acquire necessary production inputs from suppliers. As the economy is an integrated chain of production and
110 consumption, suppliers and consumers associated with damaged business are also affected, and economic activity winds
111 down elsewhere. Such effects are called indirect impacts or (regional and sectoral) spill-overs. Capturing spill-overs
112 highlights the innovative strength of the Australian IELab, which offers unprecedented spatial resolution, hence allows for
113 a comprehensive assessment of the direct as well as indirect supply-chain effects of disasters. In addition, the IELab offers
114 sophisticated tools that, to our knowledge, have so far not been applied to disaster analysis: For example, Production Layer
115 Decomposition is able to pinpoint the sequence of indirect impacts rippling across the regional supply-chain network. One
116 additional advanced capability is the in-built data updating functionality in the IELab, allowing for the inclusion of recent

117 economic and social data and enabling the timely and cost-effective analysis of disaster impacts to support expeditious
118 decision-making. Finally, the IELab also offers data-sets and analytical tools for assessing the local/regional effects in
119 terms of a range of physical indicators, such as carbon dioxide emissions, water use, energy use and waste, to name a few.
120 Whilst such an assessment is beyond the scope of this study, this is surely an area of research that warrants further
121 investigation.

122

123 In the following we will first provide a review of prior work on IO-based disaster analysis, and then explain IO theory,
124 disaster analysis, our case study, and utilised data and updating processes.

125

126

127 2.1 Input-output based disaster analysis – a review

128

129 IO analysis studies feature a sub-stream dealing with disaster analysis. Okuyama (2007) provides a comprehensive review
130 of the use of IO analysis for economic analysis of disasters. Quantitative disaster analysis is needed for understanding the
131 impacts of a disaster, for driving effective disaster response, for informing disaster risk reduction and adaptation efforts,
132 and for pre-emptive planning and decision-making (Cannon, 1993; Lesk et al., 2016; Prideaux, 2004; Temmerman et al.,
133 2013). It is intuitively clear that a disaster results in direct losses in the form of infrastructure damages, and indirect higher-
134 order effects in the form of subsequent losses in business activity (Rose, 2004). The ability of IO analysis to capture the
135 upstream interconnected supply chains of an industry or region affected by a disaster makes it an ideal tool for assessing
136 the full scope of impacts of a disaster event. In addition to IO analysis, computable general equilibrium (CGE) models,
137 econometric models and social accounting matrices (SAM) are alternative modelling frameworks for estimating the indirect
138 higher-order effects of a disaster (Cole, 1995; Guimaraes et al., 1993; Koks et al., 2016; Koks and Thissen, 2016; Okuyama,
139 2007; Okuyama and Santos, 2014; Rose and Guha, 2004; Rose and Liao, 2005; Tsuchiya et al., 2007). A discussion of
140 these models is beyond the scope of this study and we focus on IO analysis, in particular the post-disaster consumption
141 possibilities, and possible spill-overs (explained further below). IO modelling has been applied to many disasters such as
142 earthquakes in Japan (Okuyama, 2014, 2004), floods in Germany (Schulte in den Bäumen et al., 2015) and London (Li et
143 al., 2013), terrorism (Lian and Haimes, 2006; Rose, 2009; Santos and Haimes, 2004), hurricanes (Hallegatte, 2008) and
144 blackouts (Anderson et al., 2007) in the USA, and diseases and epidemics (Santos et al., 2013; Santos et al., 2009), to name
145 a few.

146

147 Prior research on disaster impact analysis, based on IO analysis, has sought ways of improving the standard IO model, for
148 example by extending the standard framework to include temporal and spatial scales (Okuyama, 2007). For example,
149 Donaghy et al. (2007) propose a flexible framework for incorporating short- and long-time frames using the regional
150 econometric IO model (REIM), and Yamano et al. (2007) apply a regional disaggregation method to a MRIO model to
151 estimate higher-order effects according to specific districts. Furthermore, a so-called “inoperability index” within the
152 inoperability input-output model (IIOM) has been proposed as a way of assessing the effect of a disaster or initial
153 perturbation on interconnected systems (Haimes et al., 2005). Both the static and the dynamic versions of IIOM have been

154 applied to the case of terrorism for assessing the economic losses resulting from interdependent complex systems (Lian
155 and Haimes, 2006; Santos and Haimes, 2004). Using the dynamic version of IIOM, it is possible to assess recovery times
156 and also to identify and prioritise systems and sectors that are most economically critical and those crucial for guiding the
157 recovery process (Haimes et al., 2005).

158

One particular type of disaster IO analysis, proposed by Steenge and Bočkarjova (2007) aims at investigating post-disaster consumption possibilities as a consequence of production shortfalls resulting from a disaster. As this method uses Leontief's demand-driven model, it captures backward, upstream supply-chain impacts resulting from a disaster. Such an assessment has been applied, for example to widespread flooding in Germany (Schulte in den Bäumen et al., 2015) and electricity blackouts from possible severe space weather events (Schulte in den Bäumen et al., 2014). Here, we apply this method for the first time to undertake an estimation of post-disaster consumption possibilities, and subsequent losses in employment and economic value added resulting from the 2017 Tropical Cyclone Debbie in Australia. To this end, we use the Australian IELab to construct a customised sub-national MRIO table for Australia with extensive detail on regions directly affected by the cyclone. In particular, and this is the novelty of our research, we examine detailed, disaggregated regional and sectoral spill-overs including the consequences of this cyclone not only for directly affected regions and industry sectors, but also for the wider national economy.

170

171

2.2 Input-output disaster analysis – mathematical formulation

173

174 A specific stream of IO analysis is disaster analysis (Okuyama, 2014, 2007), focused upon IO databases employed to
175 explore how an economy can be affected by a sudden slowdown or shutdown of individual industries. Since we are
176 primarily interested in post-disaster consumption possibilities and ensuing employment and value-added loss, we utilise
177 the approach by Steenge and Bočkarjova (2007). In essence, a disaster reduces total economic output x_0 of industry sectors
178 1,...,N to levels

179

$$\tilde{\mathbf{x}} = (\mathbf{I} - \boldsymbol{\Gamma})\mathbf{x}_0, \quad (1)$$

181

where Γ is a diagonal matrix of fractions describing sectoral production losses as a direct consequence of the disaster, and \mathbf{I} is an identity matrix with the same dimensions as Γ . The entries of Γ are populated on the basis of primary data, in our case about cyclone Debbie (Section 2.4). Post-disaster consumption possibilities \mathbf{y}_1 are then the solution of the linear problem

186

$$\max(\mathbf{1}\mathbf{y}_1) \text{ s.t. i) } \mathbf{y}_1 = (\mathbf{I} - \mathbf{A})\mathbf{x}_1, \text{ ii) } \mathbf{x}_1 \leq \tilde{\mathbf{x}}, \text{ and iii) } \mathbf{y}_1 \geq 0, \quad (2)$$

188

189 where $\mathbf{1} = \underbrace{[1, 1, \dots, 1]}_N$ is a summation operator, $\mathbf{A} = \mathbf{T}\widehat{\mathbf{x}_1}^{-1}$ is a matrix of input coefficients, \mathbf{T} is the intermediate
 190 transactions matrix, the ‘ $\widehat{}$ ’ (hat) symbol denotes vector diagonalisation, and \mathbf{x}_1 is post-disaster total economic output.

191 Constraint i) in Eq. 2 is the standard fundamental IO accounting relationship stating that in every economy intermediate
192 demand \mathbf{T} and final demand \mathbf{y} sum up to total output \mathbf{x} . This can be seen by writing $\mathbf{y}_1 = (\mathbf{I} - \mathbf{A})\mathbf{x}_1 = \mathbf{x}_1 - \mathbf{T}\mathbf{1} \Leftrightarrow \mathbf{T}\mathbf{1} +$
193 $\mathbf{y}_1 = \mathbf{x}_1$. Constraint ii) states that in the short term, post-disaster total output is limited by pre-disaster total output minus
194 disaster-induced losses. Constraint iii) ensures that final demand is strictly positive.

195

196 Condition i) is different from the approach in Steenge and Bočkarjova, because we need to ensure the positivity of final
197 demand \mathbf{y} . Taking these authors' equation 23, and re-calculating for $\mathbf{I} - \mathbf{A} = \begin{bmatrix} 0.2 & 0 \\ 0 & 0.8 \end{bmatrix}$, we obtain negative post-disaster
198 consumption possibilities $[-1 \ 32.4]'$. Our approach would yield the post-disaster situation $\begin{bmatrix} 0.25 & 0.4 \\ 0.14 & 0.12 \end{bmatrix} \begin{bmatrix} 20 \\ 37.5 \end{bmatrix} +$
199 $\begin{bmatrix} 0 \\ 30.2 \end{bmatrix} = \begin{bmatrix} 20 \\ 37.5 \end{bmatrix}$, with non-negative post-disaster final demand, and with post-disaster output $\mathbf{x}_1 = \begin{bmatrix} 20 \\ 37.5 \end{bmatrix} \leq \tilde{\mathbf{x}} = \begin{bmatrix} 20 \\ 40 \end{bmatrix}$.

200

201

202 2.3 Disaster impact on value added and employment

203

204 A disaster-induced transition to lower consumption levels $\mathbf{y}_1 = \mathbf{y}_0 - \Delta\mathbf{y}$ has implications for the state of regional
205 economies, as it causes losses in value added and employment

206

$$207 \Delta Q = \mathbf{q}\Delta\mathbf{x} = \mathbf{q}(\mathbf{I} - \mathbf{A})^{-1}\Delta\mathbf{y}, \quad (3)$$

208

209 where \mathbf{q} holds value-added and employment coefficients. The sequence of these losses can be enumerated by carrying out
210 a *production layer decomposition*, that is by unravelling the inverse in Eq. 3 into an infinite series (see (Waugh, 1950) as

211

$$212 \Delta Q = \mathbf{q}\Delta\mathbf{y} + \mathbf{qA}\Delta\mathbf{y} + \mathbf{qA}^2\Delta\mathbf{y} + \mathbf{qA}^3\Delta\mathbf{y} + \dots = \sum_{n=0}^{\infty} \mathbf{qA}^n\Delta\mathbf{y}, \quad (4)$$

213

214 where the term $\mathbf{q}\Delta\mathbf{y}$ represent the job and value-added losses borne by producers immediately affected by the reduction of
215 consumption possibilities due to the cyclone, $\mathbf{qA}\Delta\mathbf{y}$ describes 1st-order losses fielded by suppliers of cyclone-affected
216 producers, $\mathbf{qA}^2\Delta\mathbf{y}$ 2nd-order losses for suppliers of suppliers, and so on for subsequent upstream production layers. 1st- and
217 higher-order upstream losses can in principle occur anywhere in Australia, depending on the reach of the supply-chain
218 network of local northern Queensland producers.

219

220

221

222

223

224

225

226

227

228 2.4 Case study: Tropical Cyclone Debbie

229

230 In order to quantify indirect economic impacts of Cyclone Debbie, we first constructed a 19-region, by 34-sector IO model
231 of Australia, with particular regional detail for the regions close to disaster centres, that is, 10 subregions of Queensland as
232 well as northern New South Wales (see also Figure 1). The compilation of this table and underlying data are outlined in
233 Section 2.5.

234

235 2.4.1 Reduction in industry output, and creation of the gamma matrix

236

237 In order to estimate indirect consequences of Cyclone Debbie we further developed the method of Schulte in den Bäumen
238 et al. (2015) and created the so-called gamma matrix, a diagonal matrix of fractions Γ_i (see Eq. 1) describing reduced post-
239 disaster production possibilities (19×34 region-sector pairs). We determined the relative reductions in industry output by
240 (a) sourcing public information on actual or estimated financial damages and (b) dividing these by gross output taken from
241 our MRIO table. Information on damages included (a) the reduction of total industry output (in 2017 compared to 2016),
242 plus (b) an annualised value of infrastructure damage, as explained below. A value of $\Gamma_i = 0.1$ indicates a 10% loss of
243 production value (including related infrastructure costs) from 2016 to 2017. Information on the direct damages by the
244 cyclone was sourced from a range of published government reports, informal enquiries to government offices, government
245 and research websites, media releases, and many other media and industry reports and online sources. Table 1 provides a
246 summary of the main impacts – further details and related data sources are provided in SI2.2, including a summary of
247 infrastructure damage caused by the cyclone shown in Table SI2.3. The reliability of the damage estimates varies as they
248 were sourced from different data sets. Cross-validation using multiple sources was attempted where possible. This was
249 possible for some major sector groups (notably coal with its close monitoring by government authorities). The rapid nature
250 of the assessment also creates some uncertainties and error potential and the values should be treated as estimates. Ideally,
251 they should be validated or updated when the more accurate costs become known.

252

253

254 2.4.2 Estimation of infrastructure damage

255

256 Infrastructure damage from the cyclone in the state of Queensland was estimated at well over a billion dollars (Queensland
257 Government, 2017). The localities of Mackay and Fitzroy had bridges, roads, airport, community infrastructure, water and
258 wastewater treatment plants damaged or destroyed. Severe damages were also noted in Richmond-Tweed (from significant
259 flooding), and in Brisbane (over seven bridges damaged, significant degradation of at least 350 local roads and 200 major
260 culverts etc), as well as northern Queensland (see Supplementary Information SI2 for details).

261

262 As an innovation of the work of Schulte in den Bäumen et al. (2015), we estimated infrastructure damage and its attribution
263 to sectors of the economy using an “infrastructure gamma matrix”, and added this to the matrix describing production

shortfalls (Section 2.4.1). In addition to the conventional current output losses, we attempted to estimate production shortfalls Δx caused by damages to capital infrastructure such as roads. In principle, gamma matrix entries describing infrastructure damages can be estimated using information on the productivity of capital π , as $\Gamma_i = \Delta x_i / x_{0,i} = \pi_i \Delta c_i / x_{0,i}$, where Δc_i are annual losses of fixed capital inputs. To this end, we approximated capital productivity by the ratio of gross output and gross operating surplus: $\pi_i = x_i / GOS_i$. Values for annual losses of fixed capital inputs Δc_i were obtained by annualising the total value of infrastructure damages, using a 25-year time-frame for capital depreciation. A similar, more generalised approach has been outlined by Hallegatte (2008). The total production loss coefficients (fractions in Γ) were calculated by adding the current output losses and the losses induced by infrastructure damage (Table 2). The main infrastructure impacts of the cyclone were borne in sectors such as electricity, gas, water, trade, accommodation, cafes, restaurants, road transport, rail and pipeline transport, other transport, and communication services.

274

275

276 2.4.3 Qualifications

277

278 First, since this study uses Leontief's demand-driven IOA version, we are only able to quantify backward, or upstream
279 supply-chain effects, such as impacts from decline of demands due to damages to production facilities and changed
280 consumption possibilities. We are unable to quantify the forward or downstream effects of supply-side shocks due to the
281 unavailability of non-replaceable production inputs, or substitution effects due to the unavailability of replaceable
282 production inputs. As such, this study covers only a subset of Oosterhaven (2017) classifications of potential disaster
283 impacts. A more comprehensive, but also significantly more data-hungry approach would be to use dynamic CGE
284 modelling, however in this context Steenge and Bočkarjova (2007) warn against overly optimistic assumptions regarding
285 market flexibility and substitution. A promising way forward is the linear programming approach by Oosterhaven and
286 Bouwmeester (2016) in which the authors minimise the information gain between pre- and post-disaster inter-regional IO
287 tables.

288

289 Second, in compiling the gamma matrices, damages were only considered where we could find empirical monetary
290 information. With respect to modelling the effect of capital infrastructure damages on production, we were bound by the
291 gamma-matrix formalism of the Steenge-Bočkarjova method. We note that other more detailed and sophisticated modelling
292 frameworks have been used, such as Tsuchiya et al. (2007).

293

294 Finally, beneficial effects can result from natural disasters. In Queensland for example, the replacement or repairs to
295 damaged buildings and infrastructure, or any other demand for commodities required especially for post-disaster recovery,
296 is likely to have created additional employment and value added and may have spawned technology updates. In addition,
297 above-average rainfall may have been beneficial for pastures and water supply, and increased freshwater run-off and
298 turbidity could have increased catches of prawn trawling. As no data were available for quantifying such repercussions,
299 these effects are not accounted for in our study.

300

301 Steenge and Bočkarjova (2007) remark that a preferred method for disaster impact analysis does currently not exist, due to
302 (a) many possible research questions, and (b) many relevant items of information surrounding disasters being unknown.
303 Steenge and Bočkarjova (2007) also clarify the strengths and weaknesses of static input-output analysis against dynamic
304 CGE modelling. In this context, they warn against overly optimistic assumptions regarding market flexibility and
305 substitution. Oosterhaven (2017) summarises the shortcomings of input-output-based disaster analysis approaches in their
306 attempt to estimate real-world consequences of disasters.

Table 1: Summary of major direct impacts (see Supplementary Information SI2 for details and sourcing).

Aspect	Region	Industries	Example impact
Coal exports	All QLD	Coal, oil and gas	Coal exports may have taken a AU\$1.5 billion hit from Cyclone Debbie as more than 22 mines were forced to halt production while roads and ports were shut.
Sugar Cane	QLD- Mackay	Sugar cane growing	Damage to Queensland's sugar industry is expected to cost AU\$150 million (US\$114.4 million). The majority of these costs lie in Proserpine and Mackay.
Vegetables	QLD-Mackay	Other agriculture	The Queensland Farmers Federation (QFF) said early figures show actual crop damage to Bowen's vegetable industry is about AU\$100 million, accounting for about 20 percent of the season's crop.
Vegetables	NSW Richmond & Tweed	Other agriculture	Lost nut production of approximately AU\$ 8 million.
Agriculture, grains and sugarcane	All QLD regions and NSW Richmond & Tweed.	Grains Other agriculture Sugar cane growing	The National Farmers' Federation has cited industry groups estimating damage to crops of up to AU\$ 1 billion.
Business	NSW Richmond & Tweed.	Accommodation, Cafes, and Restaurants, Trade	50 to 80 percent of these businesses will not reopen in the community of 50,000 people.
Dairy	QLD - Brisbane	Dairy cattle and pigs	It is anticipated that the cost to the farming industry in South East Queensland will be in excess of AU \$6 million.
Infrastructure	All QLD	Multiple industries	The cost of recovery would 'be in the billions' of dollars, with roads, bridges, crops, homes and schools all needing serious repairs.
Insurance	All 19 regions (with most focus on QLD and Northern NSW)	Multiple Industries	Insurance losses AU\$ 306 million. Over a AU\$ 1Billion in insurance claims.
Fatalities	-	-	12 Fatalities.
Evacuation costs	-	-	25,000 residents evacuated in Mackay, and 55,000 in Bowen.
Schools	-	-	400 schools closed.
Airflights	-	-	Flights cancelled Townsville from March 27. Virgin Airlines losses in the 3 months to March AU\$ 62.3 million was impacted by Cyclone Debbie.
Rail	-	-	QLD Rail suspended trains between Rocky and Townsville NQ Bulk Ports closed at Mackay, Abbot Point and Hay Point.
Emergency workers	-	-	1,000 emergency workers deployed, 200 Energex workers.
Defence forces	-	-	1,200 personnel deployed.

Table 2 – Entries of the Γ matrix (fractional production losses) including (a) industry output and (b) infrastructure costs annualised over 25 years. Note that a fraction of 0.1 means a 10% reduction in reduced production (between 2016 and 2017) including both lost productivity plus a share of cost relating to infrastructure damage (annualised over 25 years).

	Rest of NSW	NSW-Richmond-Tweed	VIC	QLD-Brisbane	QLD-Wide-Bay-Burnett	QLD-Darling Downs	QLD-South West	QLD-Fitzroy	QLD-Central West	QLD-Mackay	QLD-Northern	QLD-Far North	QLD-North West	SA	WA	TAS	ACT	NT
1 Sheep	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Grains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Beef cattle	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Dairy cattle and pigs	0	0	0	0.110	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Other agriculture	0	0.070	0	0	0	0	0	0	0.186	0.530	0	0	0	0	0	0	0	0
6 Sugar cane growing	0	0	0	0	0	0	0	0.035	0	0.263	0.112	0	0	0	0	0	0	0
7 Forestry and fishing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Coal, oil and gas	0	0	0	0	0	0	0	0.056	0	0.053	0.078	0	0	0	0	0	0	0
9 Non-ferrous metal ores	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Other mining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Food manufacturing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Textiles, clothing and footwear	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Wood and paper manufacturing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Chemicals, petroleum and coal products	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Non-metallic mineral products	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Metals, metal products	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Machinery appliances and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Miscellaneous manufacturing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Electricity supply, gas and water	0	0.004	0	0.001	0	0	0	0.003	0	0.020	0.001	0	0	0	0	0	0	0
20 Residential building construction	0	0.016	0	0	0	0	0	0	0.015	0	0.020	0.013	0	0	0	0	0	0
21 Other construction	0	0.000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Trade	0	0.042	0	0.002	0	0	0	0.017	0	0.013	0.010	0	0	0	0	0	0	0
23 Accommodation, cafes and restaurants	0	0.220	0	0.005	0	0	0	0.005	0	0.100	0.005	0	0	0	0	0	0	0
24 Road transport	0	0.016	0	0.002	0	0	0	0.051	0	0.082	0.009	0	0	0	0	0	0	0
25 Rail and pipeline transport	0	0	0	0	0	0	0	0.014	0	0	0	0	0	0	0	0	0	0
26 Other transport	0	0	0	0	0	0	0	0.006	0	0	0	0	0	0	0	0	0	0
27 Communication services	0	0	0	0	0	0	0	0.011	0	0.032	0.001	0	0	0	0	0	0	0
28 Finance, property and business services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29 Ownership of dwellings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 Government administration and defence	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31 Education	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32 Health and community services	0	0.007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33 Cultural and recreational services	0	0.021	0	0.002	0	0	0	0.056	0	0.097	0.006	0	0	0	0	0	0	0
34 Personal and other services	0	0	0	0	0	0	0	0.055	0	0	0	0	0	0	0	0	0	0

242 2.5 Data

243

244 We used the Australian Industrial Ecology Virtual Laboratory (IELab; (Lenzen et al., 2014)) to construct a customised sub-
245 national MRIO table (including the input coefficients matrix \mathbf{A} and initial total output \mathbf{x}_0) for Australia with extensive
246 detail on regions directly affected by the cyclone. The IELab is a cloud-computing environment that allows for the
247 construction of customised IO databases. IO tables document the flow of money between various industries in an economy
248 – national IO tables present national data on intra- and inter-industry transactions between industries in a national economy,
249 whereas MRIO tables harbour detailed data on trade between two different regions (Tukker and Dietzenbacher, 2013); see
250 (Leontief, 1953) for an account of MRIO theory). MRIO tables can either be global or sub-national. Global tables feature
251 more than one country, and provide detailed data on international trade between countries, whereas sub-national MRIO
252 tables provide detailed trade data for regions within one country. These tables have been extensively used for undertaking
253 environmental, social and economic footprint assessments (Alsamawi et al., 2014; Hertwich and Peters, 2009; Lenzen et
254 al., 2012; Oita et al., 2016; Simas et al., 2014; Wiedmann et al., 2013). Coupling of economic MRIO data with so-called
255 physical accounts, as conceived by Nobel Prize winner Wassily Leontief in the 1970s, allows for the enumeration of direct
256 as well as indirect supply-chain impacts (Leontief, 1970, 1966).

257

258 The IELab is capable of generating MRIO databases, where industry sectors can be distinguished for a number of Australian
259 regions. Users are able to choose from a set of 2214 statistical areas (Level 2; (ABS, 2016f)) to delineate MRIO regions
260 with their specific research question in mind. The regional and sectoral flexibility of the IELab (see (Lenzen et al., 2017a))
261 was exploited by generating a regional partition of Australia that is more detailed around the regions where the cyclone
262 caused most of its damage (Queensland and Northern New South Wales), and less detailed elsewhere (Fig. 1). As a sectoral
263 breakdown we used the 34-sector industry classification from the Queensland regional IO database ((OGS, 2004); see
264 Supplementary Information S11).

265

266 A number of national, state and region-specific data sources were used for constructing the MRIO database used in this
267 work. These are the income, expenditure and product accounts (ABS, 2016c), the IO tables (ABS, 2016b, 2017b) for the
268 national level; the state accounts (ABS, 2016a) and the Queensland IO tables (OGS, 2002) for the state level; and the
269 household expenditure survey (ABS, 2011), Queensland regional IO tables (OGS, 2004), the business register (ABS,
270 2016d), the census (ABS, 2012) and the agricultural commodities survey (ABS, 2016g) for the regional level. Detailed
271 regional employment data were taken from the labour force survey (ABS, 2016e).

272

273

274 2.5.1 Primary economic data

275

276 In order to be meaningful, any regional IO analysis needs to be supported by specific regional data (see an IELab-based
277 analysis of Western Australia by Lenzen et al. (2017a)). We therefore sourced primary economic data to update the IO data
278 for sub-regions and sectors most affected by Cyclone Debbie, with the most recent financial and economic information
279 available. In particular, data were sought covering value of production, total output, salaries paid, gross operating values,

280 regional export, turnover, and regional economic productivity (Table 3). Key resources identified included detailed
281 government analyses of Gross Regional Product in the 10 Queensland regions (Queensland Treasury and Trade, 2013) and
282 Northern NSW (Wilkinson, 2014).

283

284 Primary data collection was also targeted to those sectors most influenced by the cyclone in order to improve the reliability
285 of the estimate of primary damage. For example, to improve the accuracy of coal productivity data, correspondence and
286 consultation was initiated with the Queensland Department of Natural Resources and Mines. This yielded high-resolution
287 information on production value data at SA4 level (Statistical Area Level 4) across Queensland. Importantly this also
288 identified which of the study regions produced negligible coal and this information was also included as constraints in the
289 MRIO balancing process.

290

291 Key sources of information included accounts published by the Australian Bureau of Statistics (ABS), e.g. covering the
292 gross value of agriculture and manufacturing sales and wages. Grey literature including regional economic studies, value
293 of production accounts kept by State agencies, and Treasury investigations also provided important data within which to
294 constrain the reconciliation of our MRIO base table.

295

296

297

298

299

300

301

Table 3 Summary of primary economic data used as constraints in compilation of the MRIO.
 (All values in AU\$ 2017 unless period otherwise specified)

Data aspect	Region	Sector/s	Years	Example data	Reference
GRP	All Queensland sub-regions.	All	2010-11	GRP Mackay 2011 = \$22 billion	Queensland Treasury and Trade, 2013
GRP - Richmond Tweed	NSW - Richmond & Tweed	All	2011-12	GRP > \$8.5 billion	(Wilkinson, 2014)
Coal	QLD – all regions	Coal, oil and gas	2015-16	Production value by SA4** area, eg \$19.437 billion sales for 2015-16 calendar year with \$12.234 billion in SA4 Mackay; and \$6.170 billion in Fitzroy.	(Keir, 2017)
Import and export of horticulture products	QLD – all regions	Part of other agriculture	2014-15	\$112.9 million of horticulture products import; \$156.8 million of horticulture products export	(Horticulture Innovation Australia, 2016)
Gross Value and Local Value of Agricultural Commodities	SA4 region	Over 60 agricultural commodities	2007-08 to 2014-15	\$1,119 million gross value of agricultural commodities produced in Mackay in 2014-15	(ABS, 2016g)
Manufacturing sales & service income, wages and salaries, employment	10 QLD regions and NSW-Richmond & Tweed	Food product manufacturing and all other manufacturing	2006-07 is latest	Food product manufacturing in Mackay = \$1,051 million in 2007.	(ABS, 2008)
Manufacturing sales & service income, wages and salaries, employment	QLD – all regions	Food product manufacturing and all other manufacturing	2010-11 to 2014-15	Food product manufacturing in QLD = \$20,131 million in 2015.	(ABS, 2017a)

* GRP - Gross Regional Product; ** SA4 – Statistical Area 4

3. Results and Discussion

In this section, we first present an analysis of the magnitude of the direct impacts and economic spill-overs of Cyclone Debbie (in Section 3.1). We then further explore the nature of these spill-overs by production layers and by detailed products (Section 3.2). Finally, the implications for disaster recovery plans (Section 3.3) and the outlook (Section 3.4) are discussed.

3.1 Overview of spill-overs

Not surprisingly, Tropical Cyclone Debbie wreaked the most intense havoc where it made landfall, in the regions of Mackay (QLD-M), Fitzroy (QLD-F), and Northern Queensland (QLD-N), and where heavy rains caused widespread flooding, around Brisbane (QLD-B) and in Northern New South Wales (NSW-Rm&T; see Figure 1). There is not a single region in the remainder of Australia that is unaffected by the cyclone. In the multi-region IO disaster model in Eq. 2, these spill-overs come about because businesses experiencing production losses are unable to supply their clients, and also cancel orders for their own inputs, thus leaving businesses elsewhere with reduced activity. Our results for indirect damage are obtained from a model and as such might only approximate the damage that really occurred in the regions. However, an application of the same model to a case study where indirect effects were known (see Fig. 5 in (Lenzen et al., 2017b)) shows that measured outcomes were reproduced with reasonable accuracy.

Our results show that tropical Cyclone Debbie affected about 8487 jobs (Table 4), and caused a loss in value added of about AU\$ 2.2 billion (Table 5). Employment losses are expressed in terms of *full-time equivalent (FTE) employment temporarily affected*. Full-time equivalent means that part-time jobs are expressed as fractional full-time jobs, so that they are added into a total. The time span of a job disruption may range between a number of weeks (for example for coal mines that could be re-opened soon after the cyclone; (Ker, 2017; Robins, 2017) to one year (for example tree crops that will not yield until one year later).

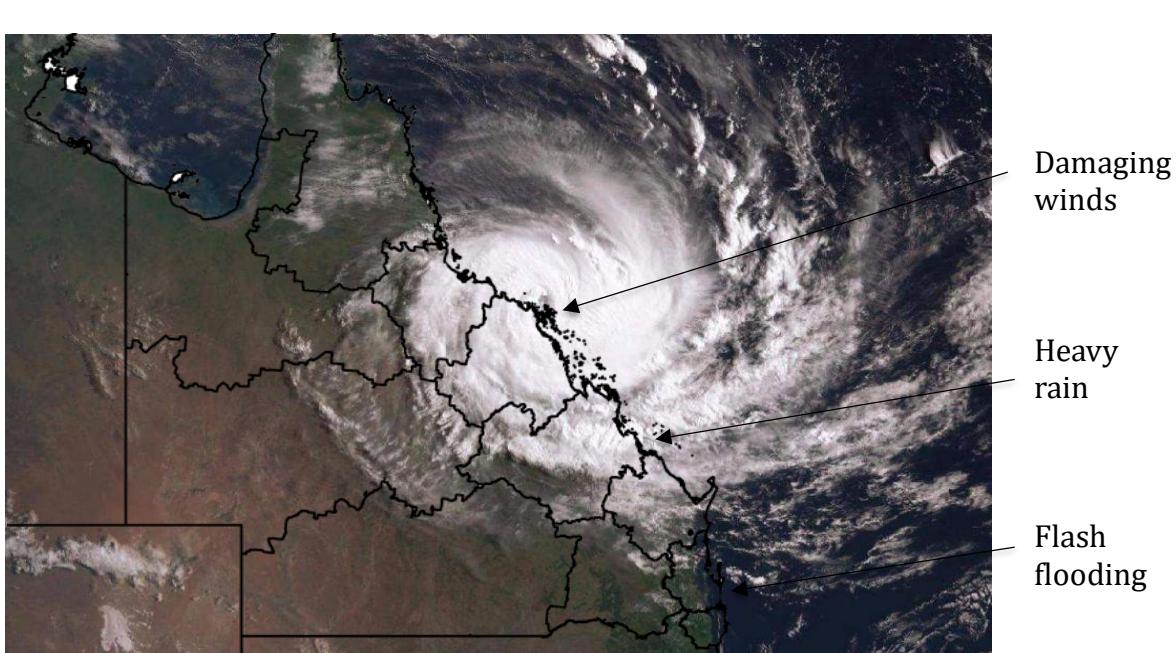
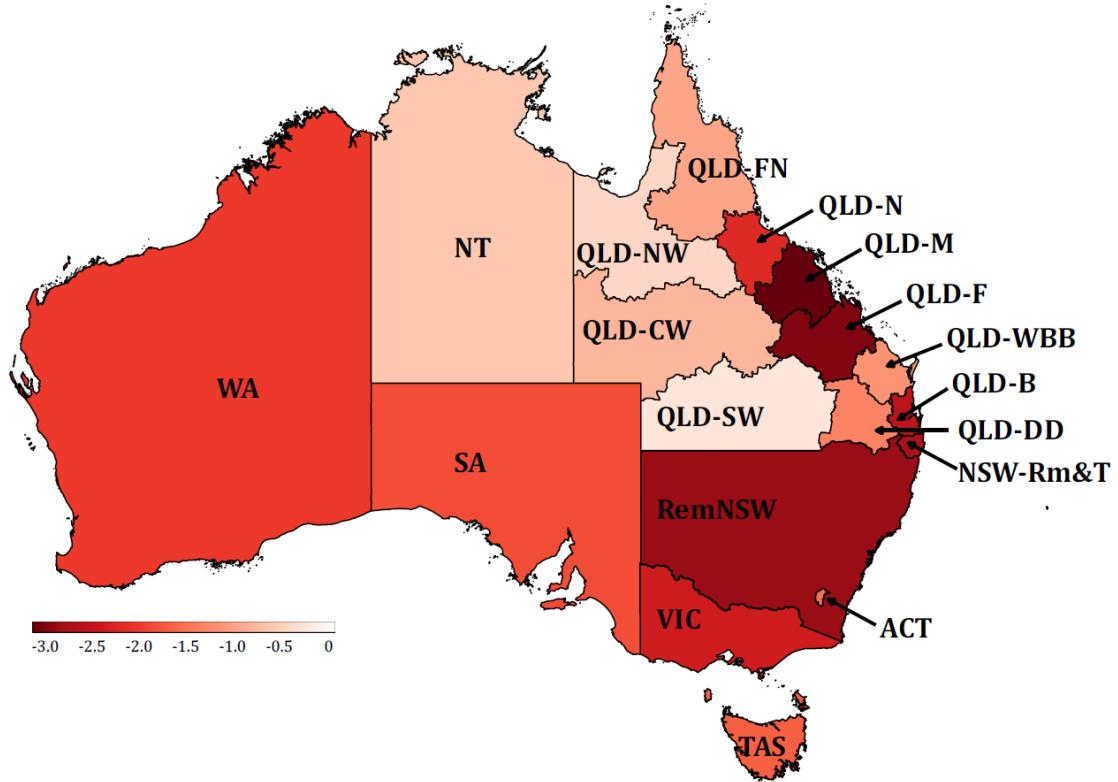


Figure 1: Geographical distribution of Value Added loss caused by Tropical Cyclone Debbie. Value-added (VA) loss is expressed as $\Delta VA = \mathbf{q}_{VA}(\mathbf{I} - \mathbf{A})^{-1}\Delta y$. A comparison of our results (top, $-\log_{10}(\Delta VA)$, with ΔVA in AU\$m) with a satellite image of the cyclone (ABC, 2017) (bottom) shows losses in northern Queensland regions as a direct consequence of the destructive winds, and losses in southern Queensland and northern NSW as a result of heavy rain and floods occurring in the cyclone's wake. Region acronyms: RemNSW: Rest of New South Wales (NSW); NSW-Rm&T: NSW Richmond & Tweed; VIC: Victoria; QLD-B: Queensland (QLD) – Brisbane; QLD-WBB: Wide Bay Burnett; QLD-DD: Darling Downs, QLD-SW: South West; QLD-F: Fitzroy; QLD-CW: Central West; QLD-M: Mackay; QLD-N: Northern; QLD-FN: Far North; QLD-NW: North West; SA: South Australia; WA: Western Australia; TAS: Tasmania; ACT: Australian Capital Territory; NT: Northern Territory.)

57 3.2 Spatial analysis of spill-overs by production layers and by products
 58
 59

60 The production layer decomposition defined in Eq. 4 indicates how the direct and spill-over impacts of the cyclone unfolded
 61 regionally. In Fig. 2, production layers 1&2 indicate that the total value added losses in all of the regions physically affected
 62 was about AU\$ 1,500 million. In addition, the cyclone caused another AU\$ 660 million of value added lost across the
 63 supply-chain network of the directly affected businesses. These additional losses are shown in the production layers that
 64 follow.

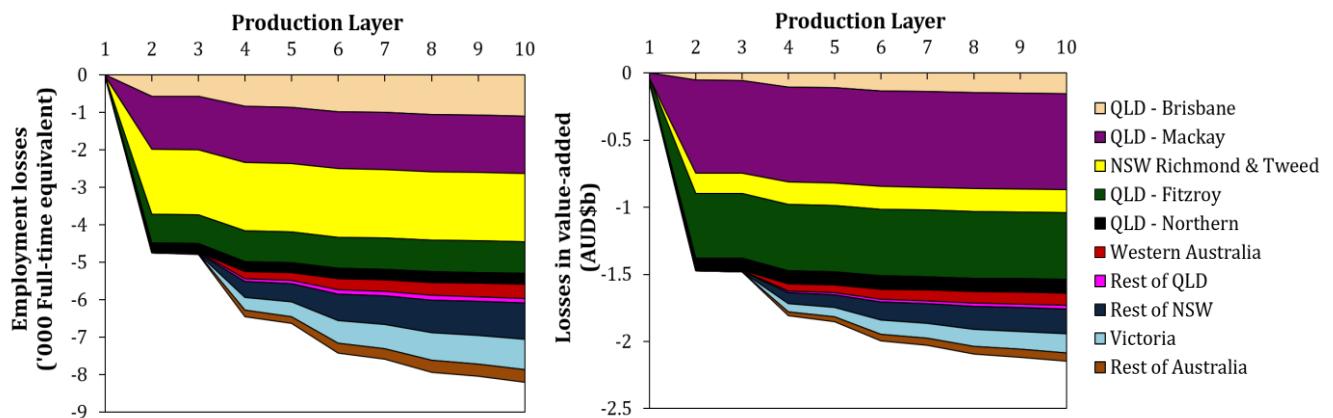
65

66 As shown in Fig. 2, about 4,800 jobs were directly affected (production layers 1&2), and an additional 3,700 indirectly
 67 (from production layer 2 onward). The combined sectoral and regional spill-overs are therefore significant.

68

69 Whilst the coastal areas of Northern Queensland, Mackay, Fitzroy, Brisbane (in South Queensland) and Northern New
 70 South Wales (Richmond-Tweed area) were affected immediately by storm and flood damage, repercussions were
 71 subsequently felt in the rest of the affected regions, and later on within the rest of Australia. Losses in value added and
 72 employment cascaded throughout inter-regional supply-chains, as subsequent transactions were cancelled. Shortfalls were
 73 noticeable even by distant suppliers, removed from directly affected producers by four or more transaction nodes (Fig. 2).

74



85 Figure. 2: Total losses in value added and employment resulting from Tropical Cyclone Debbie for various regions across
 86 a number of upstream production layers. The figure shows the first ten production layers, which are upstream layers of the
 87 supply chain (See SI3 for underlying data).

88

89 Our production layer assessment reveals the employment and value added losses in different layers of production. Each of
 90 these layers are comprised of a range of industries. It is important to identify the industries affected in different layers of
 91 production. Our assessment shows that whilst only a selected number of industries and regions were directly affected by
 92 the storm and flooding (coal, tourism, sugar cane, road transport, vegetable growing; black stripes in Fig. 3), these direct
 93 losses resulted in many more indirect losses in the supply chain. We further analysed the losses in different layers of
 94 production (Fig. 3) and identified top 20 sectors that experienced the greatest total (direct and indirect) employment and
 95 value added losses.

96
97 The top-ranking industries affecting employment directly and elsewhere are those connected to tourism (such as
98 accommodation, restaurants, recreational services, and retail trade, (see Table 4 and Figure 3). In the Richmond-Tweed
99 area of New South Wales, 1132 jobs were affected directly in accommodation, cafes and restaurants, and about 466
100 indirectly in other industries and regions due to supply-chain effects (spill-over). Similar effects are observed in Mackay
101 and Brisbane in Queensland. The temporary coal mine shutdown in Mackay and Fitzroy affected as many jobs indirectly
102 as directly. Damaged and closed roads affected road transport establishments, and almost equally the industries that
103 depended on them. Likewise, value added losses are observed both directly and indirectly in the supply chain (Table 5).

104

105 3.3 Implications for disaster recovery plans

106 Analysis of the impacts of disasters, such as undertaken in this paper, can have constructive uptake by informing disaster
107 recovery plans as well as regional plans more generally. In August 2017, the government of the Australian state of
108 Queensland released a management review of Cyclone Debbie and recommended improved Business Continuity Planning
109 (BCP) as a way to build: “*... business and organisational resilience [...] Enhanced BCP within state agencies, businesses
110 and communities will help all to be more resilient to the impact of events. [...] should feature permanently in disaster
111 management doctrine.*” In addition, the report noted that “*BCP needs to consider supply chains, and the numbers and skills
112 of frontline staff required to ensure functioning of critical services*” (IGEM, 2017).

113

114 Consideration of the large indirect impacts identified in this article, would help improve future planning while recognising
115 that only part of the impacts of the Cyclone have been considered, and that wider analysis of positive and downstream
116 impacts would be beneficial as suggested by Oosterhaven 2017. However, a step forward in consideration of negative
117 upstream impacts could be achieved, for example, by considering the large number of employees indirectly affected by the
118 disaster (as shown in Table 4), and the related services and products they provide. For instance, as shown in Table 4 for
119 the indirect employment impacts for the “Accommodation, cafes and restaurants” sector, some 466 employees providing
120 services were affected in the Richmond-Tweed area. However, this impact is currently not mentioned in disaster recovery
121 planning documents.

122

123

124

125

126

127

128

129

130

131

132

133

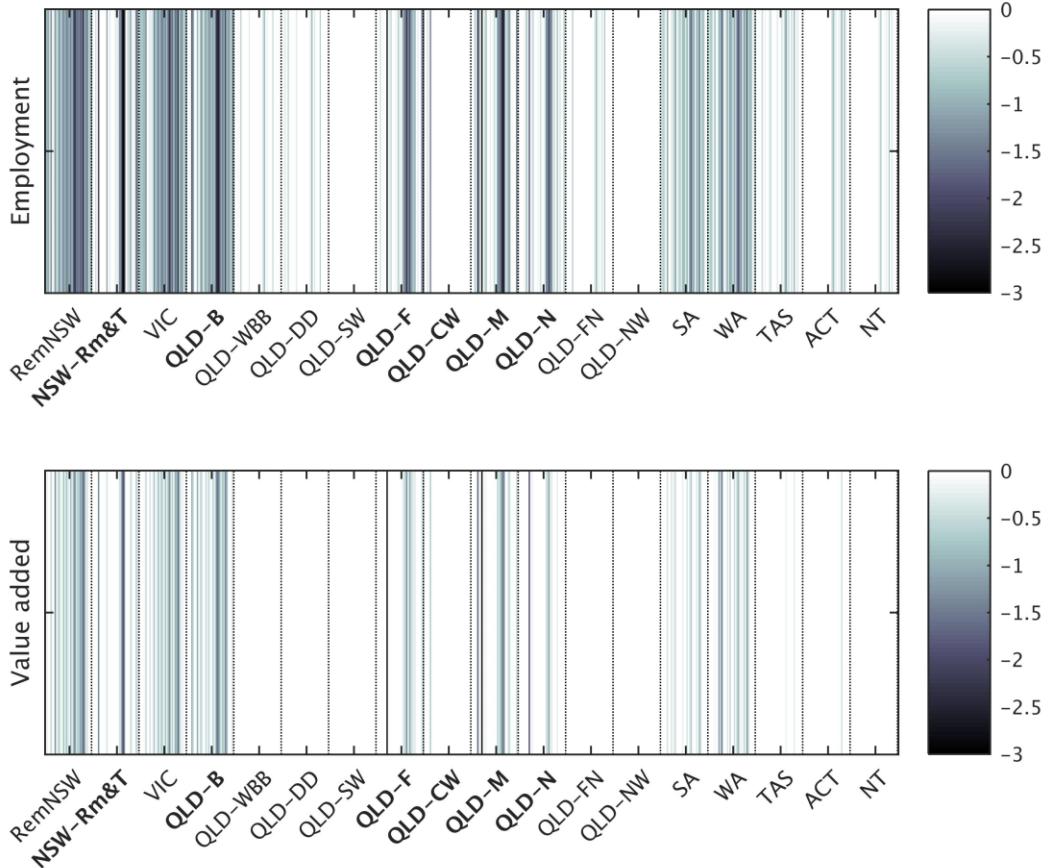
134

135
136
137
138
139

Table 4: Direct, indirect and total employment affected by Cyclone Debbie, by state and sector.

Region	Sector	Direct employment impacts (FTE)	Indirect employment impacts (FTE)	Total employment impacts (FTE)
NSW-Rm&T	Accommodation, cafes and restaurants	-1132	-466	-1597
QLD-M	Coal, oil and gas	-466	-821	-1287
QLD-F	Coal, oil and gas	-349	-616	-964
QLD-M	Accommodation, cafes and restaurants	-421	-171	-592
NSW-Rm&T	Trade	-367	-184	-551
QLD-M	Other agriculture	-208	-260	-468
QLD-Brisbane	Accommodation, cafes and restaurants	-272	-113	-385
QLD-Brisbane	Trade	-187	-99	-286
QLD-M	Road transport	-137	-93	-231
QLD-F	Trade	-146	-68	-214
NSW-Rm&T	Other agriculture	-87	-103	-191
QLD-N	Coal, oil and gas	-57	-102	-159
QLD-F	Road transport	-93	-63	-155
QLD-N	Trade	-90	-47	-137
QLD-M	Trade	-94	-42	-137
QLD-Brisbane	Dairy cattle and pigs	-56	-53	-109
QLD-F	Personal and other services	-72	-27	-99
QLD-M	Residential building construction	-22	-76	-98
QLD-F	Residential building construction	-22	-74	-96
QLD-N	Residential building construction	-22	-70	-92
Total		-4802	-3685	-8487

140



141

142 Fig. 3: Spill-over in employment and value added losses resulting from a tropical cyclone, by state and sector.

143 (The magnitude of employment and value-added losses is expressed as $\log_{10}|\Delta Q|$ and visualised as lines on a grey scale. Each line
 144 represents one of the 34 industries in each region, in the sequence order listed in Supplementary Information SI1. Region acronyms as
 145 in Fig. 1, bold regions are those directly affected. See also SI4)

146

147

148

149

150

151

152

153

154

155

156

157

158

159

160

161

162
163
164
165

Table 5: Direct, indirect and total value added affected by Cyclone Debbie, by state and sector.

Region	Sector	Direct value added impacts (AU\$m)	Indirect value added impacts (AU\$m)	Total value added impacts (AU\$m)
QLD-M	Coal, oil and gas	-581	-176	-757
QLD-F	Coal, oil and gas	-435	-133	-567
NSW-Rm&T	Accommodation, cafes and restaurants	-81	-83	-164
QLD-N	Coal, oil and gas	-71	-22	-93
QLD-M	Other agriculture	-41	-47	-88
NSW-Rm&T	Trade	-39	-34	-73
QLD-M	Accommodation, cafes and restaurants	-30	-31	-61
QLD-Brisbane	Accommodation, cafes and restaurants	-19	-20	-40
QLD-Brisbane	Trade	-20	-18	-38
NSW-Rm&T	Other agriculture	-17	-19	-36
QLD-M	Road transport	-14	-16	-31
QLD-F	Trade	-16	-13	-29
QLD-F	Road transport	-10	-11	-20
QLD-N	Trade	-10	-9	-18
QLD-M	Trade	-10	-8	-18
QLD-Brisbane	Dairy cattle and pigs	-9	-10	-18
QLD-M	Residential building construction	-2	-13	-16
QLD-F	Residential building construction	-2	-13	-15
QLD-N	Residential building construction	-2	-12	-15
NSW-Rm&T	Residential building construction	-2	-12	-14
Total		-1544	-659	-2203

166
167
168
169
170
171
172
173
174
175
176
177
178

179

180 3.4 Outlook

181

182 In this work, we have focused upon losses of employment and value added, because these are currently of immediate
183 importance for governments, insurers and the media. Future work could investigate possibilities for re-structuring the
184 geography of production and supply-chain networks with the aim of finding more “disaster-resilient” configurations. In
185 addition, there are variants of IO-analytical methods that allow establishing optimal recovery paths (Koks et al., 2016), and
186 these approaches could be integrated into the Australian Industrial Ecology Virtual Laboratory.

187

188 Future work could also consider the effects of cyclones beyond national borders. The disruptions of coal exports due to
189 Tropical Cyclone Debbie, for example, caused bottlenecks in Indian and Chinese steel mills (The Barrel, 2017), and during
190 the aftermath of the storm, steel producers were looking for alternative sources of coal such as Russia, Mongolia or
191 Mozambique (Serapio, 2017). Such trade relationships can be taken into account using nested, multi-scale, global multi-
192 region IO frameworks (Bachmann et al., 2015; Tukker and Dietzenbacher, 2013; Wang et al., 2015).

193

194 Our approach can be applied to other regions, and ultimately extended to include impacts well beyond employment and
195 value added, such as wider environmental or social consequences of disasters. The IELab already has many satellite
196 accounts (and is being expanded) to assess broader environmental and social flow-on effects. The growing number of
197 “virtual laboratories” for IO analysis (Geschke and Hadjikakou, 2017) for countries in disaster-prone zones (Indonesia,
198 Taiwan, China) means that the work described in this paper can be readily applied to other geographical settings.

199

200

201
202 **4. Conclusions**
203

204 Powerful tropical cyclones have the ability to cause severe disruptions of economic production that are felt far beyond the
205 areas of landfall and flooding. Here, we used an IO-based analytical tool for enumerating the post-disaster consumption
206 possibilities, and ensuing direct and indirect losses of employment and value added as a consequence of the Tropical
207 Cyclone Debbie that hit the Queensland regions of Australia in March and April 2017. Our work contributes an innovative
208 approach for (a) quantifying the impact of disasters in a detailed and timely manner and (b) incorporating infrastructure
209 damages into the assessment of losses in employment and value-added.

210

211 Our results from this Australian case study suggest that Cyclone Debbie caused substantial damage to spill over into regions
212 and sectors not directly affected: Industries directly hit by the cyclone suffered approximately 4802 job losses, but some
213 3685 jobs were affected in these industries' supply chains. A total of AU\$ 2203 million losses in value added was observed,
214 AU\$ 1544 million of which were direct with particular impact around Mackay and Fitzroy, as well as the coastal areas of
215 Northern Queensland, Brisbane and northern New South Wales (Richmond-Tweed area). These findings demonstrate that
216 the full supply-chain effects of major disruptions on national economies are significant, and that this type of study will
217 become increasingly important in a future likely to be fraught with extreme weather events, as the frequency and intensity
218 of tropical cyclones increase as a result of climate change (Mendelsohn et al., 2012).

219

220 This work demonstrates rapid analysis of the wide indirect impacts of Cyclone Debbie. It shows how significant
221 consequences can be felt, as spill-overs, in regions well outside the landfall and flood zones caused by the cyclone. Our
222 work suggests improved planning could help account for these impacts, minimise them in future, and thereby help transition
223 the affected economies towards greater resilience.

224
225
226
227
228
229

230 **Competing interests**

231

232 The authors declare that they have no conflict of interest.

233

234

235

236

237

238

239

240

241

242

243

244

245

246

247

248

249

250

251

252

253

254

255

256

257

258

259

260

261

262

263

264

265

266

267

268

269

270

271

272

273

274

275

276

277 **References**

- 278
- 279 ABC: <http://www.abc.net.au/news/2017-03-28/cyclone-debbie-edges-closer-to-the->
280 [mainland/8392702](#), last access: 20 June 2017.
- 281 ABS: Australian Bureau of Statistics, 2008. 8221.0 - Manufacturing Industry, Australia, 2006-07,
282 Australian Bureau of Statistics, Canberra, Australia, ABS Catalogue No. 5215.0.55.001, 2008.
- 283 ABS: Australian Industry, 2015-16, Australian Bureau of Statistics, Canberra, Australia, ABS
284 Catalogue No. 8155.0, 2017a.
- 285 ABS: Australian National Accounts - State Accounts, 2015-16, Australian Bureau of Statistics,
286 Canberra, Australia, ABS Catalogue No. 5220.0, 2016a.
- 287 ABS: Australian National Accounts, Input-Output Tables (Product Details), 2013-14, Australian
288 Bureau of Statistics, Canberra, Australia, ABS Catalogue No. 5215.0.55.001, 2016b.
- 289 ABS: Australian National Accounts: Input-Output Tables, 2013-14, Australian Bureau of
290 Statistics, Canberra, Australia, ABS Catalogue No. 5209.0, 2017b.
- 291 ABS: Australian National Accounts: National Income, Expenditure and Product, Sep 2016,
292 Australian Bureau of Statistics, Canberra, Australia, ABS Catalogue No. 5206, 2016c.
- 293 ABS: Census of Population and Housing 2011, Australian Bureau of Statistics, Canberra,
294 Australia, Internet site <http://www.abs.gov.au/census>, 2012.
- 295 ABS: Counts of Australian Businesses, including Entries and Exits, Jun 2011 to Jun 2015,
296 Australian Bureau of Statistics, Canberra, Australia, ABS Catalogue No. 8165.0, 2016d.
- 297 ABS: Household Expenditure Survey, Australia: Summary of Results, 2009-10, Australian Bureau
298 of Statistics, Canberra, Australia, ABS Catalogue No. 6530.0, 2011.
- 299 ABS: Labour Force, Australia, Detailed - Electronic Delivery, Nov 2016, Australian Bureau of
300 Statistics, Canberra, Australia, ABS Catalogue No. 6291.0.55.001, 2016e.
- 301 ABS: National Regional Profile, 2010-14 (data cube Population and People, Statistical Area
302 Levels 2-4, 2014), Australian Bureau of Statistics, Canberra, Australia, ABS Catalogue No.
303 1379.0.55.001, 2016f.
- 304 ABS: Value of Agricultural Commodities Produced, Australia, 2014-15, Australian Bureau of
305 Statistics, Canberra, Australia, ABS Catalogue No. 7503.0, 2016g.
- 306 Alsamawi, A., Murray, J., and Lenzen, M.: The Employment Footprints of Nations: Uncovering
307 Master-Servant Relationships, *J Ind Ecol*, 18, 59-70, 2014.
- 308 Anderson, C. W., Santos, J. R., and Haimes, Y. Y.: A risk-based input-output methodology for
309 measuring the effects of the August 2003 northeast blackout, *Economic Systems Research*, 19,
310 183-204, 2007.
- 311 Bachmann, C., Roorda, M. J., and Kennedy, C.: Developing a multi-scale multi-region input-output
312 model, *Economic Systems Research*, 27, 172-193, 2015.
- 313 Brown, V.: <http://www.news.com.au/lifestyle/food/eat/how-cyclone-debbies-destruction-will-impact-the-cost-of-australias-fresh-produce/news-story/72c2e056322930c3c0dc039ac51ed09c>, last access: 7 June 2017.
- 314
- 315 Cannon, T.: A hazard need not a disaster make: vulnerability and the causes of 'natural' disasters,
316 Natural disasters: protecting vulnerable communities. Thomas Telford, London, 1993. 92-105,
317 1993.
- 318 Cole, S.: Lifelines and livelihood: a social accounting matrix approach to calamity preparedness,
319 *Journal of Contingencies and Crisis Management*, 3, 228-246, 1995.
- 320 Donaghy, K. P., Balta-Ozkan, N., and Hewings, G. J.: Modeling unexpected events in temporally
321 disaggregated econometric input-output models of regional economies, *Economic Systems
322 Research*, 19, 125-145, 2007.
- 323

- 324 Geschke, A. and Hadjikakou, M.: Virtual laboratories and MRIO analysis – an introduction,
325 Economic Systems Research, 29, 143-157, 2017.
- 326 Guimaraes, P., Hefner, F. L., and Woodward, D. P.: Wealth and income effects of natural disasters:
327 An econometric analysis of Hurricane Hugo, The Review of Regional Studies, 23, 97, 1993.
- 328 Haimes, Y. Y., Horowitz, B. M., Lambert, J. H., Santos, J. R., Lian, C., and Crowther, K. G.:
329 Inoperability input-output model for interdependent infrastructure sectors. I: Theory and
330 methodology, Journal of Infrastructure Systems, 11, 67-79, 2005.
- 331 Hallegatte, S.: An adaptive regional input - output model and its application to the assessment
332 of the economic cost of Katrina, Risk Analysis, 28, 779-799, 2008.
- 333 Hatch, P.: <http://www.smh.com.au/business/retail/fears-for-tomato-and-capsicum-supply-after-cyclone-debbie-destruction-20170328-gv8nit.html>, last access: 7 June 2017.
- 335 Hertwich, E. G. and Peters, G. P.: Carbon footprint of nations: A global, trade-linked analysis,
336 Environ Sci Technol, 43, 6414-6420, 2009.
- 337 Horticulture Innovation Australia: Australian Horticulture Statistics Handbook 2014-2015,
338 Horticulture Innovation Australia, Sydney, 2016.
- 339 IGEM:
<http://www.parliament.qld.gov.au/documents/tableOffice/TabledPapers/2017/5517T2058.pdf>, last access: 10 August 2017.
- 342 Keir, K.: Personal Communication with Kathryn Keir, Department of Natural Resources and
343 Mines. 2017.
- 344 Ker, P.: <http://www.afr.com/business/mining/queensland-coal-miners-facing-disruption-after-debbie-aurizon-sees-earnings-hit-20170403-gvc5qw>, last access: 10 June 2017.
- 346 Koks, E., Carrera, L., Jonkeren, O., Aerts, J. C. J. H., Husby, T. G., Thissen, M., Standardi, G., and
347 Mysiak, J.: Regional disaster impact analysis: comparing input-output and computable general
348 equilibrium models, Natural Hazards and Earth System Science, 16, 1911-1924, 2016.
- 349 Koks, E. E. and Thissen, M.: A Multiregional Impact Assessment Model for disaster analysis,
350 Economic Systems Research, 28, 429-449, 2016.
- 351 Lenzen, M., Geschke, A., Malik, A., Fry, J., Lane, J., Wiedmann, T., Kenway, S., Hoang, K., and
352 Cadogan-Cowper, A.: New multi-regional input-output databases for Australia – enabling timely
353 and flexible regional analysis, Economic Systems Research, 29, 275-295, 2017a.
- 354 Lenzen, M., Geschke, A., Malik, A., Fry, J., Lane, J., Wiedmann, T., Kenway, S., Hoang, K., and
355 Cadogan-Cowper, A.: New multi-regional input-output databases for Australia – enabling timely
356 and flexible regional analysis, Economic Systems Research, 29, in press, 2017b.
- 357 Lenzen, M., Geschke, A., Wiedmann, T., Lane, J., Anderson, N., Baynes, T., Boland, J., Daniels, P.,
358 Dey, C., Fry, J., Hadjikakou, M., Kenway, S., Malik, A., Moran, D., Murray, J., Nettleton, S., Poruschi,
359 L., Reynolds, C., Rowley, H., Ugon, J., Webb, D., and West, J.: Compiling and using input-output
360 frameworks through collaborative virtual laboratories, Science of the total environment, 485,
361 241-251, 2014.
- 362 Lenzen, M., Moran, D., Kanemoto, K., Foran, B., Lobefaro, L., and Geschke, A.: International trade
363 drives biodiversity threats in developing nations, Nature, 486, 109-112, 2012.
- 364 Leontief, W.: Environmental repercussions and the economic structure: an input-output
365 approach, The Review of Economics and Statistics, 1970. 262-271, 1970.
- 366 Leontief, W.: Input-output economics, Oxford University Press, USA, 1966.
- 367 Leontief, W.: Interregional theory. In: Studies in the Structure of the American Economy,
368 Leontief, W., Chenery, H. B., Clark, P. G., Duesenberry, J. S., Ferguson, A. R., Grosse, A. P., Grosse,
369 R. N., Holzman, M., Isard, W., and Kistin, H. (Eds.), Oxford University Press, New York, NY, USA,
370 1953.

- 371 Lesk, C., Rowhani, P., and Ramankutty, N.: Influence of extreme weather disasters on global crop
372 production, *Nature*, 529, 84-87, 2016.
- 373 Li, J., Crawford - Brown, D., Syddall, M., and Guan, D.: Modeling Imbalanced Economic Recovery
374 Following a Natural Disaster Using Input - Output Analysis, *Risk Analysis*, 33, 1908-1923, 2013.
- 375 Lian, C. and Haimes, Y. Y.: Managing the risk of terrorism to interdependent infrastructure
376 systems through the dynamic inoperability input-output model, *Systems Engineering*, 9, 241-
377 258, 2006.
- 378 Mendelsohn, R., Emanuel, K., Chinabayashi, S., and Bakkensen, L.: The impact of climate change
379 on global tropical cyclone damage, *Nature Climate Change*, 2, 205-209, 2012.
- 380 OGS: Queensland Input-Output Tables, 1996-97, 107 Industries, Office of the Government
381 Statistician, Queensland Government, Brisbane, Australia, 2002.
- 382 OGS: Queensland Regional Input-Output Tables, 1996-97, 34 Industries, Office of the
383 Government Statistician, Queensland Government, Brisbane, Australia, 2004.
- 384 Oita, A., Malik, A., Kanemoto, K., Geschke, A., Nishijima, S., and Lenzen, M.: Substantial nitrogen
385 pollution embedded in international trade *Nature Geoscience*, 9, 111-115, 2016.
- 386 Okuyama, Y.: Disaster and economic structural change: Case study on the 1995 Kobe earthquake,
387 *Economic Systems Research*, 26, 98-117, 2014.
- 388 Okuyama, Y.: Economic Modeling for Disaster Impact Analysis: Past, Present, and Future,
389 *Economic Systems Research*, 19, 115-124, 2007.
- 390 Okuyama, Y.: Modeling spatial economic impacts of an earthquake: Input-output approaches,
391 *Disaster Prevention and Management: An International Journal*, 13, 297-306, 2004.
- 392 Okuyama, Y. and Santos, J. R.: Disaster impact and input-output analysis, *Economic Systems
393 Research*, 26, 1-12, 2014.
- 394 Oosterhaven, J.: On the limited usability of the inoperability IO model, *Economic Systems
395 Research*, 29, 452-461, 2017.
- 396 Oosterhaven, J. and Bouwmeester, M. C.: A new approach to modeling the impact of disruptive
397 events, *Journal of Regional Science*, 56, 583-595, 2016.
- 398 Parnell, S.: [http://www.theaustralian.com.au/news/nation/cyclone-debbie-food-and-water-
399 running-short-with-power-outages/news-story/d03cf40ae74e535f3e73cc55011c33bf](http://www.theaustralian.com.au/news/nation/cyclone-debbie-food-and-water-running-short-with-power-outages/news-story/d03cf40ae74e535f3e73cc55011c33bf), last
400 access: 6 June 2017.
- 401 Prideaux, B.: The need to use disaster planning frameworks to respond to major tourism
402 disasters: Analysis of Australia's response to tourism disasters in 2001, *Journal of Travel &
403 Tourism Marketing*, 15, 281-298, 2004.
- 404 Queensland Government: The State Recovery Plan 2017-2019. Operation Queensland Recovery.
405 Working to recover, reconnect and rebuild more resilient Queensland communities following
406 the effects of Severe Tropical Cyclone Debbie. Queensland Government, Brisbane, 2017.
- 407 Queensland Treasury and Trade: Experimental Estimates of Gross Regional Product 2000-01,
408 2006-07 and 2010-11. Queensland Treasury and Trade, Brisbane, 2013.
- 409 Regional Institute of Australia: Rethinking the Future of Northern Australia's Regions, *Regional
410 Research Report*, Canberra, 2013.
- 411 Robins, B.: [http://www.smh.com.au/business/cyclone-debbie-coal-disruption-set-to-ease-
20170407-gvg1x2.html](http://www.smh.com.au/business/cyclone-debbie-coal-disruption-set-to-ease-
412 20170407-gvg1x2.html), last access: 10 June 2017.
- 413 Rose, A.: Economic principles, issues, and research priorities in hazard loss estimation, In: Y.
414 Okuyama and S.E. Chang (Eds) *Modeling Spatial and Economic Impacts of Disasters*, New York:
415 Springer, 2004.
- 416 Rose, A. and Guha, G.-S.: Computable general equilibrium modeling of electric utility lifeline
417 losses from earthquakes. In: *Modeling spatial and economic impacts of disasters*, Springer, 2004.

- 418 Rose, A. and Liao, S. Y.: Modeling regional economic resilience to disasters: A computable general
419 equilibrium analysis of water service disruptions, Journal of Regional Science, 45, 75-112, 2005.
- 420 Rose, A. and Miernyk, W.: Input-output analysis: the first fifty years, Economic Systems Research,
421 1, 229-271, 1989.
- 422 Rose, A. Z.: A framework for analyzing the total economic impacts of terrorist attacks and natural
423 disasters, Journal of Homeland Security and Emergency Management, 6, 9, 2009.
- 424 Santos, J. R. and Haimes, Y. Y.: Modeling the Demand Reduction Input - Output (I - O)
425 Inoperability Due to Terrorism of Interconnected Infrastructures, Risk Analysis, 24, 1437-1451,
426 2004.
- 427 Santos, J. R., May, L., and Haimar, A. E.: Risk - Based Input - Output Analysis of Influenza
428 Epidemic Consequences on Interdependent Workforce Sectors, Risk Analysis, 33, 1620-1635,
429 2013.
- 430 Santos, J. R., Orsi, M. J., and Bond, E. J.: Pandemic Recovery Analysis Using the Dynamic
431 Inoperability Input - Output Model, Risk Analysis, 29, 1743-1758, 2009.
- 432 Schulte in den Bäumen, H., Moran, D., Lenzen, M., Cairns, I., and Steenge, A.: How severe space
433 weather can disrupt global supply chains, Natural Hazards and Earth System Science, 14, 2749-
434 2759, 2014.
- 435 Schulte in den Bäumen, H., Többen, J., and Lenzen, M.: Labour forced impacts and production
436 losses due to the 2013 flood in Germany, Journal of Hydrology, 527, 142-150, 2015.
- 437 Serapio, M.: With Australia's supply disrupted by Cyclone Debbie, coal buyers race elsewhere.
438 In: Sydney Morning Herald, 2017.
- 439 Simas, M. S., Golsteijn, L., Huijbregts, M. A., Wood, R., and Hertwich, E. G.: The "Bad Labor"
440 Footprint: Quantifying the Social Impacts of Globalization, Sustainability, 6, 7514-7540, 2014.
- 441 Staff, A. G.: <http://www.australiageographic.com.au/topics/science-environment/2017/03/how-will-cyclone-debbie-compare-to-australias-worst-cyclones-in-history>, last access: 5 June 2017.
- 442 Steenge, A. E. and Bočkarjova, M.: Thinking about imbalances in post-catastrophe economies: an
443 input-output based proposition, Economic Systems Research, 19, 205-223, 2007.
- 444 Suh, S. (Ed.): Handbook of Input-Output Economics in Industrial Ecology, Springer, 2009.
- 445 Suh, S. and Nakamura, S.: Five years in the area of input-output and Hybrid LCA, International
446 Journal of Life Cycle Assessment, 12, 351-352, 2007.
- 447 Temmerman, S., Meire, P., Bouma, T. J., Herman, P. M., Ysebaert, T., and De Vriend, H. J.:
448 Ecosystem-based coastal defence in the face of global change, Nature, 504, 79-83, 2013.
- 449 The Barrel: Cyclone Debbie swings China into metallurgical coal supplier,
450 <http://blogs.platts.com/2017/04/27/cyclone-debbie-swings-china-metallurgical-coal-supplier/>. In: The Barrel: The essential perspective on global communities 2017.
- 451 Timmer, M. P., Erumban, A. A., Los, B., Stehrer, R., and de Vries, G. J.: Slicing Up Global Value
452 Chains, Journal of Economic Perspectives, 28, 99-118, 2014.
- 453 Tsuchiya, S., Tatano, H., and Okada, N.: Economic loss assessment due to railroad and highway
454 disruptions, Economic Systems Research, 19, 147-162, 2007.
- 455 Tukker, A. and Dietzenbacher, E.: Global multiregional input-output frameworks: An
456 introduction and outlook, Economic Systems Research, 25, 1-19, 2013.
- 457 Underwriter, C.: Insured losses from Cyclone Debbie reach AU\$306 million: Insurance Council of
458 Australia In: Canadian Underwriter, 4 April 2017.
- 459 Wang, Y., Geschke, A., and Lenzen, M.: Constructing a time series of nested multiregion input-
460 output tables, International Regional Science Review, 38, 1-24, 2015.
- 461 Waugh, F. V.: Inversion of the Leontief matrix by power series, Econometrica, 18, 142-154, 1950.

- 465 Wiedmann, T.: Carbon footprint and input-output analysis: an introduction, Economic Systems
466 Research, 21, 175–186, 2009.
- 467 Wiedmann, T. O., Schandl, H., Lenzen, M., Moran, D., Suh, S., West, J., and Kanemoto, K.: The
468 material footprint of nations, Proceedings of the National Academy of Sciences, 2013.
469 201220362, 2013.
- 470 Wilkinson, J.: E-brief 2014 The Richmond-Tweed Region: An Economic Profile, NSW
471 Parliamentary Research Service,, Sydney, 2014.
- 472 Yamano, N., Kajitani, Y., and Shumuta, Y.: Modeling the regional economic loss of natural
473 disasters: the search for economic hotspots, Economic Systems Research, 19, 163-181, 2007.
- 474
- 475
- 476
- 477
- 478