

April 15<sup>th</sup> 2021

## **Submission to the Parliamentary Inquiry into the impact of the COVID-19 pandemic on the tourism and events sectors**

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### **Impact on the Visitor Economy in Gippsland**

The visitor economy in Gippsland is worth \$1.3billion in visitor expenditure each year and employs over 13,000 people.

Covid-19 has had a devastating impact on the Gippsland visitor economy. Over 1.8 million visitors, 1.6 million visitor nights and \$330 million in visitor expenditure were lost in the six months between April – September 2020 (compared with the same period in 2019) *Source: Tourism Research Australia 2020*. Contributing to this economic impact was the cancellation of over 50 events and many more large community gatherings. Events such as the Twin Rivers Fishing Classic have been running for 25 years and are integral to the local community.

### **Assistance provided**

Destination Gippsland acknowledges the support provided by the State Government with the November 2020 budget commitment of \$465 million in its Regional Tourism Recovery Package. Included in this package were the Regional Travel Voucher Scheme and Regional Accommodation Program that were initiatives that provided direct assistance to many tourism businesses in Gippsland.

### **Industry feedback**

We surveyed the Gippsland tourism sector in late 2020 and early 2021 and the main trends identified were:

- Heavy reliance on Federal Job Keeper and other financial assistance – this affects bank loans, forward planning and self-esteem
- Uncertainty about the future for tourism (border closures, further lockdowns, consumer confidence, cheap flights to other destinations, staff shortages in some areas/not enough work in others) – this affects employing staff, investing in their business and career pathways
- Last minute booking trends by customers – which makes it hard to roster staff, order supplies and manage cashflow
- Confusion over changing Covid regulations and requirements – adds to the administrative time and stress on small businesses; and creates tension with customers
- Fatigue after enduring drought, bushfires and then pandemic – impacts on mental health, reduction in volunteering in the community; and less ability to engage with available services and programs

## **Gippsland Tourism Business Case Studies**

### Café number 1

The owner was faced with three choices: 1 Shut down; 2. Scrape through and continue hoping for an improvement in the Covid situation; or 3 Close for an extended period and complete previously planned refurbishment taking advantage of lockdown. This was assisted by business premises being owned outright and the business rationalising other investments in previous businesses but still relying on cash reserves to instigate refurbishment. Some government grants and Job keeper assistance contributed to the decision – this assistance varied over the lockdown period and ceased in Dec 2020. The business owner chose Option 3 and was able to trade marginally during the lockdown offering take away however they will not recoup the losses of 2020.

### Caravan Park

The owners have had a busy Summer and Easter, which is an expectation for this time of year. They were eligible for some Job keeper assistance but their advantage as a family business allowed them to rationalise staff. They are waiting to see how the following months pan out as their ability to get to the other side of winter has been compounded by loss of income in the previous year. While happy and busy over the past few months they are not 100% sure of the outcome for their business.

### Café number 2

Extremely busy Easter and Christmas however owner commented on how difficult the last year had been and how much they had eaten into savings which they would never recoup. Still waiting to see how the next couple of months pan out as they are unsure whether they will be able to get through the winter this year. Noted that the second snap lockdown was more difficult as it happened so quickly there was not enough time to consider options and plan for issues around staffing and rostering. They felt it was harder emotionally to deal with the snap lockdown. They received some assistance for outdoor furniture.

### Accommodation Business

Generally reliant on international visitation, they have had to pivot their offering to reach out to the domestic market. They eventually qualified for Job keeper and felt that without the assistance they would have had to consider closing the doors. Having survived drought, bushfire and now Covid19 they are seriously considering their options to remain in the industry. There has been a significant emotional toll on having to deal with customer cancellations and rearrangements due to changing rules and regulations.

## **Recommendations/Recovery response needed for Gippsland**

1. Release the Victorian Tourism Review/Recovery Plan; fast-track the tourism programs and funding announced in the November 2020 budget including confirming the timelines and structures of proposed Visitor Economy Partnerships
2. Fund the signature projects identified in the Destination Management Plan including all remaining Tracks and Trails connected to the Gippsland Trail
3. Add resources to the Gippsland Events Acquisition Fund and the establishment of Events Gippsland; streamline the Public Events Framework and approvals process for event organisers; develop technology for events and venues to use large crowds

4. Provide additional competitive funding for brand marketing campaigns to drive visitor demand into the region
5. Consider a Job Keeper 2.0 type of business and wage support program for the Visitor Economy
6. Deliver a State-wide and Gippsland-specific Skills and Workforce planning and actions to overcome skills shortages in the visitor economy
7. Provide access to insurance protection through the Victorian Managed Insurance Authority for tourism businesses affected by the lack of access to, and affordability of, insurance coverage

Destination Gippsland is the Regional Tourism Board for Gippsland and is responsible for marketing, industry and product development, and infrastructure and investment priorities. Our organisation has the policy and financial support of six local governments, Regional Development Victoria, Parks Victoria, and Visit Victoria and is governed by a skills-based board of Directors.

I would welcome the opportunity to appear before the inquiry committee to discuss this in more detail and can be contacted [REDACTED]

Kind regards,

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**Terry Robinson**  
Chief Executive Officer