

Inquiry into the impact of the COVID-19 pandemic on the tourism and events sectors

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Background

I operate a small business in the outer eastern suburbs of Melbourne called Aussie Events & Amusements. We commenced operation in 2005 and have grown the business to 2020 where we had an annual turnover of 2.5 million and employed 6 full time staff, 5 Part-time staff and over 80 casuals across the busy season September through to May.

My business operates in the less glamorous, but just as important, part of the events industry. My main area of work is the school fete circuit, community events, sporting club events, corporate events and family parties. The dancing girls you see are from the local dance club and music is provided by the local school bands and its Dads or the Lions club cooking the \$2 sausages. These are community events where families come together to support the organisation, raise money for a cause or just enjoy the sunshine and entertainment with their children.

Initial CoVid Impact

At the beginning of March 2020, the business was looking to have its best March and April ever, with bookings from the weekend of 13th March through to Easter 2020 at \$370,000 and most likely the best financial year for the company.

I will never forget Friday 13th March 2020. In the days that lead up to that date we had been receiving calls from organisers about what to do should something happen and had been providing advice in line with information from government. Events had already commenced postponing and we were being advised that this was because of information from the education department. I do not know if this is true or not, but that was the reason given. My wife was so upset about this occurring when the Grand Prix was going ahead that she wrote to Daniel Andrews.

The Grand Prix was cancelled and the phones didn't stop ringing. By the end of the day we had only one event left for that weekend. I had staff returning to venues to remove equipment that had been erected earlier in the day/week. My wife was now answering the phone with the tag "what event do you want to postpone". By the end of Wednesday 18th March 2020 I had no bookings until October 2020.

After the event industry was shut down, it was still a few weeks before the rest of country was shutdown.

During CoViD

For small businesses, the environment created by the pandemic was challenging, however the Event industry was particularly hard hit with revenues falling to zero. The business costs did not change.

Figures for the period March 13th 2020 to November 2020 were:

Revenue

\$110 - Thank goodness for World Potato Day

Costs

- The major cost for small business are the fixed costs that you have to maintain with regular payments, then there are all the other costs for
- Public Liability insurance - \$32,000 we were fortunate that our insurer gave us 3 months for free and helped to reinsure us at a greatly reduced cost.
- Vehicle registrations - \$26,000. No assistance. My large vehicles are purpose built and cannot be used for anything else
- Vehicle insurance - \$32,000 for entire fleet. No assistance. Let insurance lapse and reinsured when started back working. Entire fleet is still not insured as full fleet still not being used
- Rent - \$9300 per month. Victorian Government provided support
- Business loan - \$3800 per month. Bank assisted by allowing interest only

I started delivering waste bins on a casual basis to assist with income

Support

Vic Government

I was grateful for the business support from the Victorian government. The funds provided to my business through the supporting Business program was helpful but it was never going to be enough when your revenue stream dropped to \$0. The Rental assistance was of great benefit giving me the opportunity to stay at my warehouse and not vacate.

Federal Government

The federal government Job keeper program was really beneficial to my business but it came at a cost in regards to staff, as there were a few loopholes that were exploited by some staff.

The cash flow boost was also of great support.

Staff

Under the Job keeper program, I was able to maintain a relationship with 8 staff and provide a wage to my wife and myself. Unfortunately, the majority of my long-term workers were foreign students and so I was not able to provide any support or keep them. Most are no longer working in the industry. The size of the Job keeper payment at the inception was \$750 per week and for some of my staff this was not enough and so they left the industry, and moved to transportation and logistics because they could get a better wage. Some staff obtained casual work in other industries, as was allowed, and as soon as they were being asked to return to work for the business they left.

Present

From November 2020 to today the business has had revenue of \$153,000 compared to the same time in the 2020 financial year of \$813,000 or revenue at 17%, comparing to the last unaffected financial year 2019 the business is at 13%.

We are very grateful that we have been able to make this level of revenue and were very happy with the support we received when we ran a large marketing campaign with schools at the end of 2020.

We were very hopeful that the 1st half of 2021 would be good as bookings were fair but the lockdown in February saw every major event through to Easter 2021 postpone due to the fear there would be another snap lockdown. This hurt a great deal as the only way to survive winter is to stockpile money. We have not been able to do this as we are hoping for work and spending the last of our savings.

The end of Job keeper means I can only afford to keep one person on as a part time employee, and if there is work, I contact my staff to see if they are available and employ them as casuals.

I am a 55-year-old male. To help survive this rough period I have delivered rubbish bins, delivered Glass and am presently delivering timber, all on a casual basis. I tried retraining as I have a lot of knowledge in OH&S, and have completed a Certificate IV in Workplace Health and Safety. I have applied for numerous part time and casual positions in both logistics and OH&S with no success. All the work I have picked up has been through friends.

Disappointments

I have not seen an acknowledgement that the events/amusement is important to the Victorian government. Support has only been provided to the industry in the same way it was provided to every other industry. We have seen the government provide \$10,000,000 in targeted support to 100 businesses in hospitality, we have seen a voucher system be setup to assist tourism. Nothing for the Events industry where most business revenues have plummeted.

Job keeper coming to an end, whilst Job keeper needed to be looked at it should not have ended. Support should have continued in some form. I know this was not the realm of the Victorian government, but it must disappoint all that when Jobkeeper ends the Government starts a new program "employee retention" for QANTAS, you are left wondering why you are ignored.

Rental Assistance ended as of 31st of December 2020 with the program continuing but you only had deferment on the amount unpaid. At this time, I wrote to the owners of my building advising my situation and asking for ongoing rental deferment support. This was declined by the owner, and at this time the relationship soured. The very next correspondence I received from the building agent was an email outlining the situation and telling me that they would start action to have me vacate the premise. At this time, we had no money outstanding, and they have a \$36,000 bond. I then received a phone call from the agent advising me that the rental market was very hot and that they could relet the building for me. In April I received a call from the agent wanting to know why the rent hadn't been paid. He was right it hadn't been paid because the due date was not the 1st April it was the 4th. I asked the agent should I expect a call next month.

The pandemic is not one single Australians' fault. Yet we now seem to be in the situation where our alleged leaders have decided that some people can and should fail, and we are going to do nothing to help. They recognise that some industries have been hit harder than others but choose not to do something. This is borne out by the announcement last year when Supporting Business three was

released. Martin Pakula said “These measures are designed to get businesses through the next few weeks” I had to wait months for any change in my revenue!!

Lack of support from Local Government. I have contacted councils to try and find locations where I may have been able to setup a carnival only to be told its too hard, this application will take six weeks, ... I was gobsmacked. Unprecedented times alright – Business as usual in other places.

Support Now

The Events industry needs help, my unglamorous part of the events industry needs help. We have seen our revenues sliced since March 13th 2020 and again because of the February 2021 Circuit breaker lockdown.

For people in this industry to survive we need help to get through the next few months but I fear that the government is not listening.

We need support to survive the short term.

- Grants would be a fantastic start to assist with continuing to retain staff and to pay bills. These grants could be based on a revenue model, the more the turnover the larger the grant
- A voucher system where community groups, schools etc can get a financial amount \$5000 to hold an event, but it must include amusements or other equipment. This money can then be paid to the operator as a deposit to help survive. Another approach could be to hold the event prior to 30th September
- HECS style loans so that Business’ get short term support that they repay when revenue reaches a set level.

The future

Bookings are reasonable for the coming Spring and Summer season so that is a good start. The main concern is with where we will get staff from. As an industry we are used to a casual work force, and having to train new people. The real issue is the experience that the business has lost.

I am concerned for the future as I am a big believer in habits and some schools/organisations have not held a fundraising community event for two seasons. School communities change over time and the people may not want to hold that type of event again and that changes for everyone.

Finally, I have real concerns for members of the industry. We have had to endure a really difficult 13 plus months and now we are entering winter. I routinely talk to other members of the industry about what we are facing and I would describe what people are feeling as having had a big cloud over them for the since March 2020. And it is still going. This is starting to take a toll on some families.