



Patrick O'Brien,
Committee Manager,
Legislative Council Economy
& Infrastructure Committee,
Parliament of Victoria.

Dear Patrick,

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

The Echuca Moama Region is part of The Murray Region which is quite significant in that it is one of the only tourism regions that crosses two states (Victoria and NSW).

Echuca Moama, being a very strong tourism destination has been devastated by the COVID-19 Pandemic over the past 12 months. The destination has experienced the full impacts of the travel restrictions imposed by the Victorian Lockdowns, the NSW & Victorian Border closures from our key source markets of Melbourne (66% visitors), NSW (22% of visitors) and South Australia (6% visitors) which our region is so heavily reliant on.

The total impact for the Echuca Moama Region has been a loss of visitor trade of a total of 41 weeks out of 52 weeks (March 2020 – March 2021).

Echuca Moama Tourism Region is one of the most mature destinations on the Murray River, and is the closest river destination to Melbourne, only two and half hours away. The Port of Echuca is a strong differentiator in the tourism market with the largest fleet of Paddlesteamers in the world.

The region pre COVID-19 was experiencing record visitation, expenditure and employment results with significant investment also occurring in new and or upgrading of product and experiences. The industry was buoyant, with industry investing and pursuing a range of upgrades and initiatives driving the visitor economy in this region.

Echuca Moama visitation YE March 2020 measured by quarterly tracking data indicated that visitors spent 2.4 million nights in the region up 15.2% on YE March 2019. The length of stay in the region was an average of 3 nights up by 0.3 nights on YE March 2019. Total economic spend into the destination was \$482 million. This equates to an average of \$1.3 million per day coming into the Echuca Moama region.

However, this was brought to an abrupt end with the COVID -19 Pandemic with the Victorian Lockdown on 23 March 2020. A study commissioned by Murray Regional Tourism in September 2020, estimated that the Murray Region with a reduction of 80% of visitation would experience a disruption of between 7,700 – 10,300 direct jobs within the tourism industry and a loss of \$2.4 - \$3.2 billion in visitor expenditure over the 2020 year. (Urban Enterprise 2020).

For Echuca Moama specifically it was estimated that there would be a loss of expenditure to the tune of \$157 million as at December 2020 based on an 80% reduction in visitation. (Urban Enterprise modelling)

A Murray Regional Tourism study undertaken in late November 2020 assessing the COVID-19 impact of the NSW Victorian Border closure. 152 operators took part in the survey and the following responses indicated 77% were on Job Keeper; 41% were on the PAYG Cash Flow Boost; 28% had accessed the Victorian Business Support Fund (\$10K); 20% Business Support Expansion (\$5K); 20% Southern Border Business Grant; 20% NSW Small Business Support Fund (10K). There were many businesses who indicated that they did not meet the criteria for application and missed out on these grants. (eg on the wrong side of the border for Victorian support; NSW grants & support turnover needed to be \$75K to qualify; ABN registration issues; Grants based on turnover not profits and some businesses were above the 30% decline due to the criteria.)

The impact of the NSW Border closure and the Melbourne lockdown from the 132 accommodation responses indicated approximately \$45 million was lost from cancellations across 131 businesses some as high as \$1million and other at the other end of the scale at \$20K. Businesses were asked if their trade had been impacted for the following months compared to the same period in 2019. The responses were:

June 2020 – 31% recorded business were down 40%-60%;

July 2020 – 50% recorded business down 40% - 60%;

August 2020 – 47% recorded business down 60% - 80%;

September 2020 – 40% recorded business down 60% - 80%;

For those businesses who took forward accommodation bookings for Spring/ Summer 2020-21 compared to the same period 2019

October 2020 – 54% recorded forward bookings down 80% -100%;

November 2020 – 37% recorded forward bookings down 60% - 80%;

December 2020 – 26% recorded forward bookings down 70% - 80%;

January 2020 – 28% recorded forward bookings down 20% - 40%;

February 2020 – 22% recorded forward bookings down 20% - 40%;

The Echuca Moama region was further affected by the cancellation of a number of major events such as the award winning 2021 Riverboats Music Festival, the 2020 Winter Blues Festival and the June long weekend Steam Rally. These events provide a major draw card to the region and provide a great deal of stimulus attracting major segment audiences to these events in the quieter periods of the year. The loss of local sports events, the Australian and International Darts tournament added to the impacts and losses to the region.

The Victorian border on NYE really cemented the losses for the 2020 year with the total summer holiday guests leaving the region in droves. This was totally devastating for all businesses and impacted on the viability of businesses to continue and the overall mental health of operators across the region.

As a response the Echuca Moama Region formed a Turn the Border Bubble Green group, raised funds to market into the Border bubble region and supported the industry in the best way we could. The border remained closed until late January leaving the industry

devastated. It was certainly a massive blow for not only the accommodation sector but the attractions, hospitality and other related sectors.

At this point in time (April 2020) there is long term underlying debt across the industry and with the loss of Job Keeper there is some concern about the longer-term viability of the industry. While Easter and the school holidays has been promising with excellent visitation, this in no way goes to ameliorate the underlying debt that exists across the Echuca Moama Tourism Region. Add to this the region is now currently experiencing a lack of skilled staff across the accommodation, retail and hospitality sectors to meet the increased demand.

What measures can be put in place to address the COVID -19 impacts on this important and previously successful tourism destination?

How can Businesses be supported?

- Access to government support (similar to Job keeper) highly targeted to tourism businesses that require this assistance to build back their business to a level of viability;
- Funding support for Local Government to enable the waiving of local government rates for 12 months for tourism business to aid cash flow of business;
- One on one business support and advisory services including mental health ideally dedicated resources specifically for visitor economy across the Murray.
- Dedicated support for events in the form of event insurance to provide confidence to events to take the necessary steps to restart their events in a COVID -19 environment;
- Tailored mentoring support for businesses to re-invent their business and market digitally in a changed visitor environment;

Demand Driving Initiatives

- Provision of dedicated funding for implementation of Murray region demand driving recovery campaigns;
- Dedicated funding support for existing events to redevelop / adapt / reimagine along with funding for new event procurement and delivery to stimulate visitation;
- Access to and funding for consumer research to assist industry make informed decisions in relation to existing and emerging markets and experiences;
- Prioritized / dedicated funding support for business event procurement across the Murray region.

Supply and Infrastructure Initiatives

- Prioritized funding for identified tourism and or enabling infrastructure of regional significance
- Product / experience development fund to assist business adapt to new expectations, opportunities, markets. Funding ratio to be heavily weighted to support industry i.e. 80% government 20% industry investment to reflect limited capacity of industry to invest;
- Access to Tourism Infrastructure development fund to complete scoping or deliver key enabling tourism infrastructure developments as a catalyst for recovery;
- Implementation of innovation fund to encourage business and experience diversification;
- Reduction of red tape and planning processes impeding developments.

I urge the Legislative Council Economy and Infrastructure Committee to seriously address the issues surrounding the tourism sector and look forward to sharing these ideas with members of the committee.

Yours sincerely,

Kathryn Mackenzie

CEO

Echuca Moama Tourism

April 2021