

## STATE OF THE VICTORIA TOURISM INDUSTRY TOPLINE SUMMARY

Prepared by the Victoria Tourism Industry Council  
15 February 2021

The Tourism Industry Councils (TICs) have compiled data on the current situation facing tourism operators across each State and what support programs might be needed post-JobKeeper to save the sector. The TICs sought information and advice from industry to assist in quantifying both the need of any support program post March, but also in suggesting design elements of such program.

The survey in Victoria was open between 9<sup>th</sup> and 12<sup>th</sup> of February 2021. VTIC received 554 responses to this survey.

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### Responses

- 63% of respondents are VTIC members.
- 40% of businesses have accreditation. Of these:
  - 45% - Quality Tourism Accreditation
  - 18% - Star Ratings Australia
  - 9% - Ecotourism
- 37% were represented by accommodation providers, followed by Tours & Transport (21%), Hospitality (10%), Attractions (9%), Events (6%) and Retail (5%). Others included visitor servicing, destinations, travel agencies and consultants/training institutions.

### Regions

Yarra Valley & Dandenong	15.52%
Melbourne (CBD, Inner)	14.44%
Geelong & The Bellarine	14.26%
Great Ocean Road	13.54%
Bendigo	12.45%
Daylesford & Macedon Ranges	11.91%
Greater Melbourne	10.11%
Other, please specify:	9.93%
Gippsland	7.94%
Mornington Peninsula	7.94%
Phillip Island	7.04%
Grampians	6.14%
Statewide	5.96%
High Country	5.23%
Ballarat	4.33%
The Murray	3.25%

### Current operations

- 58% of businesses are open and trading as usual
- 35% are open but with significantly reduced hours
- 7% are still closed

### Business activities

Between November 2020 to January 2021 compared to previous year

- 27% of businesses experienced stronger activity during this period
- 63% experienced weaker activity
- 10% had no change

Of those that experienced stronger activity:

Internal and/or external factors that contributed to stronger activity	
Increase in intrastate travel (Victorians travelling within the state)	72.14%
Christmas and school holidays	52.14%
Travel generally higher than last year's when we experienced the bushfires	35.71%
Visitors re-booking from 2019/20 cancelled holidays	32.86%
Victorian Government travel voucher scheme	28.57%
'Stay close, go further' Visit Victoria marketing campaign	22.14%
Increased digital presence	20.71%

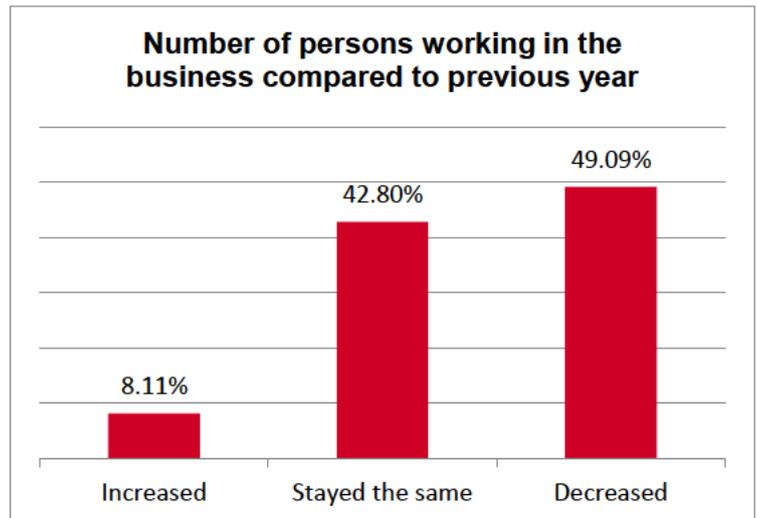
Of those that experienced weaker activity:

Internal and/or external factors that contributed to weaker activity	
States border closure	81.31%
Government restrictions (capacity, social distancing, etc.)	76.85%
International border closure	73.29%
Lack of consumer confidence	63.80%
Cancelled events	59.94%

### Staff

Compared to the same period last year (November 2019 to January 2020):

- 8% increased the number of persons working in the business during this period
- 49% decreased
- 43% stayed the same



### Current challenges

Businesses are still experiencing the below challenges as a result of COVID-19.

Lack of forward booking	55.17%
Cashflow	50.51%
Dealing with cancellations	48.88%
Mental health and wellbeing	37.73%
Adapting product/service offer	37.12%
Redefining target market(s)	36.92%
Shortage of staff	33.87%
Paying rent/mortgage	30.02%
Insurance	28.19%

### Financial or Government support

88% of respondents received financial or Government support due to the impacts of COVID-19.

The top 6 support packages accessed by respondents:

JobKeeper (Federal)	92.54%
Business Support Fund (State)	45.22%
Payroll tax relief (State)	22.14%
Hospitality grants (State)	20.05%
Bank loan repayment deferrals	17.02%
Regional Tourism Accommodation Support Program (State)	17.02%

Of the 12% of businesses that did not receive any financial or Government support, some of the reasons noted were:

- Not eligible
- Sole trader: government missed the mark on the sole traders grant. The criteria were unworkable as you needed to have a commercially leased property - most sole

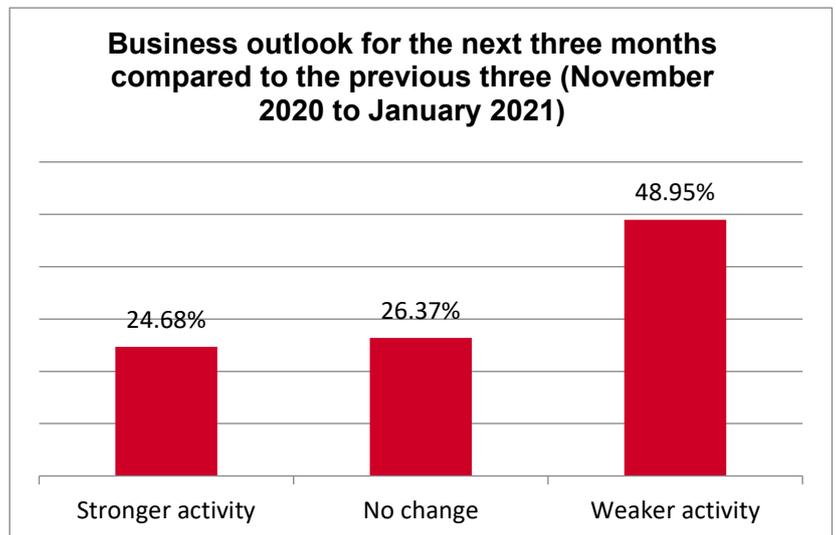
traders are either mobile or home based. There was also a small business grant, but you needed to have an employee which most sole traders don't.

- The business was new and didn't earn enough to qualified for any grant
- Didn't qualify as owned in a partnership structure.

### Looking forward

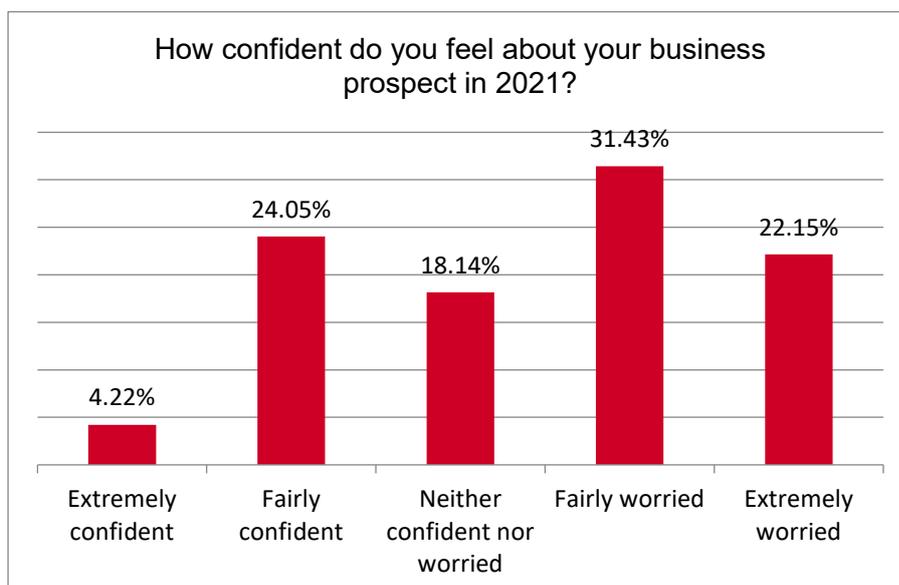
Business activity in the next 3 months:

- 25% of businesses are expecting stronger activity compared to the last 3 months (November 2020 to January 2021)
- 49% are expecting weaker activity
- 26% are expecting it will remain the same



Confidence about business prospects in 2021:

- Extremely confident: 4%
- Fairly confident: 24%
- Neither confident nor worried: 18%
- Fairly worried: 31%
- Extremely worried: 22%



## JobKeeper

57% of businesses are still on JobKeeper Extension 2 (Jan-Mar 2021)

**Impact to businesses and staff if JobKeeper is not extended beyond March:**

No impact	43.04%
We will be forced to close our business	12.87%
We will reduce staff by up to 25%	16.46%
We will reduce staff by 25 to 50%	11.39%
We will reduce staff by more than 50%	8.65%
We plan to re-employ/recruit new staff	7.59%