



*South Gippsland
Shire Council*

1 April 2021

The Secretary
Legislative Council Economy and Infrastructure Committee
Parliament of Victoria
Spring Street
EAST MELBOURNE VIC 3002

Via email: tourisminquiry@parliament.vic.gov.au

**Submission: COVID-19 Impact on Tourism and Events Sector
South Gippsland Shire Council**

Dear Mr O'Brien

Thank you for the opportunity to submit a response to the impact of COVID-19 on the tourism and events sector within South Gippsland Shire to the Legislative Council Economy and Infrastructure Committee.

South Gippsland is renowned for its boutique community events that link towns and communities with the arts and culture, and food and beverage within the region. It is also home to the world recognised Wilsons Promontory National Park "the Prom", the historical Port Welshpool Long Jetty, and the Great Southern Rail Trail which will soon be one of the longest single rail trails in Victoria.

South Gippsland is also home to Coal Creek Community Park and Museum which, as the Shire's largest cultural heritage site, hosts various events that link the community to the cultural heritage of the region.

South Gippsland is a popular holiday destination and is known for its pristine coastline and beaches, rolling green hills, and unique villages and townships.



Impact of COVID-19 on events in South Gippsland

The South Gippsland tourism and events sector was heavily hit by COVID restrictions and lock-downs, however it has responded positively due to the nature of the community's connection, the resilience of individual businesses, collaboration with all levels of government, and the ongoing commitment to recovery of this sector post-COVID.

The response of the wider Victorian community to support through increased visitation to South Gippsland has enabled the region to create innovative ways to deliver small, medium and larger scale events.

Overall, COVID-19 has been a test of South Gippsland's capacity to pivot, and provide events that are agile enough to cater to crowd restrictions.

a) Events Snapshot:

- Small towns are reliant on drive through visitation (visitors on their way to other areas), Fish Creek, Yanakie, Foster etc – particularly in relation to visitors to “the Prom”;
- Coastal towns did not get their usual summer economy bump – and there were also negative impacts in terms of relationship between resident and non-resident ratepayers;
- Larger events were impacted due to cancellation, and the small towns that receive a boost from these events were also impacted (Unify);
- While South Gippsland does not have a large commercial event industry (really only Unify), nearly all the community event activity was cancelled during 2020 and early 2021. This included the Italian Festa, Garlic Festival, Winter Light Festival, Food & Wine Festival, Show n Shine, Korumburra Swap Meet, Foster Show, Markets etc;
- Small Halls which rely upon music / theatre activity during the year for income to maintain their facilities have been severely impacted by loss of revenue, and loss of community connection during the year. This impacts their ability to bring acts back in 2021, as they haven't made the profit required to re-commence;
- Social connection – many of these smaller events and activities in our small towns and villages provide a social connection for residents. There are planning meetings, volunteer activity, fundraising and the joy of holding a successful event which has been decimated during 2020. Some of these committees and activities will not survive; and
- Insecurity over the future has meant that planning for 2021 events and activities has not taken place. It will be well into 2022 – assuming all is well, before we see a return to some new normal activity.



b) Impact on halls (events):

- 9 small hall gigs cancelled;
- 3 of these were touring shows, affecting the musicians and touring company (incl sound/light technician); and
- 6 of these were for local gigs, affecting local musicians, halls committees in terms of income and community engagement opportunities, and local technicians.

c) An example of loss in a Community Hall (Council Facility):

- Income: loss of \$4000 so far through cancellation of events;
- Activities: dance rehearsals, live performance, theatre performance, debutante balls;
- Flow on:
 - Council owned facility - money raised from hire of hall goes toward maintenance and upkeep;
 - Dance business – loss of income;
 - Secondary School - loss of income (fundraiser);
 - Football & Netball Club – loss of income; and
 - Local Theatre company (FAMDA) - loss of income.
- Not only is there a financial loss, but the loss of volunteer input has been put a strain on organising committees.

d) South Gippsland Shire Council have launched 'Live in South Gippsland Halls' program:

- Each live music event in a South Gippsland community hall costs around \$2,500 to run;
- Most events will fill to capacity (around 80 – 100 tickets will sell);
- All of these events take place in the small towns where the per capita attendance is impressive (ie. 50 people coming together for an event at Hallston Hall per capita – population 156 - equates to an audience of over 1000 in Leongatha); and
- One event will generate paid opportunities for musicians & technicians, income for the hall, opportunity for community to gather and connect, tourism opportunity for the Shire, skills opportunity for the halls committee, skills opportunity for young people with interest in the live music industry.



e) Grant funded Council Programs

- Our major funded projects, (its no) drama could not produce or present their theatre-based work – had to shift to online works.
- “Girls Own Space” could not continue with workshops, outcomes were greatly delayed causing loss of participation, sense of completion. No opportunity for celebration/ connection among the participants which was a defining aspect of the project’s proposal and programming.

f) Impact of COVID-19 on a Community Theatre

Local theatre companies all had to cancel shows- here is some data I collected from a local theatre company mid last year.

- Income: none post COVID (account balance November 2019 \$33,874- is now \$4649);
- Theatre has the capacity to earn up to \$131,000 per production with \$78,500 in costs;
- Running costs: \$20,000 PA;
- Participant numbers: up to 125/show;
- Audience numbers: up to 3,600/production; and
- Without the capacity to present shows, this 50-year running local theatre company, known for high quality productions (staffed 100% by volunteers), may have to close forever.

g) Impact on Arts and Galleries in South Gippsland

Gallery closures- no opening events, meaning loss of revenue and engagement for galleries and artists.

Importance of the Visitor Economy to South Gippsland

- South Gippsland attracts approximately 1.2million visitors per annum;
- Tourism contributes 100 million dollars annually to the SG economy;
- Impact of COVID and restrictions:
 - 6 months April-October 2020 South Gippsland accommodation sector, tour operators, retail and hospitality industry reduced income. For some businesses such as accommodation, tour operators and some hospitality businesses were closed for an extended period of time. Once reopened limited income earning capacity due to reliance on



- only regional Victoria. Retail and hospitality were supported by the local community, small population base limited their income capacity;
- Financial stress for the region increased from low impact in March to high and in some areas extreme impact by October 2020;
 - Heavy reliance on Jobkeeper and State Government support funds;
 - A large number of sole traders in the region, they were not supported by State Government funds. Reliance on JobKeeper;
 - Staff shortages—hospitality and retail;
 - Industry is uncertain about the future;
 - Consumer confidence declines when cases increase;
 - Sudden border closures impact on visitation;
 - Cheap flights to interstate destinations;
 - Competition with domestic Victorian destinations; and
 - Although visitation has been strong over the summer months—businesses require constant visitation all year round to assist with the deficient of 2020.

Visitor spend and Business

Visitor spend in 2020 decreased by 40% and 24% respectively in April and May compared to the previous year. Spend increased throughout June and July, this coincided with regional Victorians travel patterns and the proximity to surrounding Gippsland Local Government Areas (LGAs). From August to October spend decreased by 5% each month.

South Gippsland has seen an increase in visitor spend from November to January of approximately 25–30% each month compared to the previous year. Historically the increase is generally seen only in January. With consumer confidence fluctuating and the proximity to Melbourne, these figures show South Gippsland is appealing to the visitor market.

Anecdotally, the visitation to the area has continued throughout February and March, with visitation seen throughout the entire week. Nearly all accommodation booked out for the Labour Day and Easter long weekends and heavily booked for the April school holidays. Whilst this is positive for the region, this needs to continue through May and into the predominately quieter months for businesses to recoup some of their losses of 2020.

Retail spend remained constant throughout 2020, with the local community and the limited visitation supporting these businesses.



COVID-19 allowed for businesses to relook at their business models and for some provided them with the opportunity to pivot and reinvent themselves.

Some businesses took the opportunity to:

- Develop online retail stores
- Home delivery services
- Catering businesses—provided a home meal service
- Commenced take away service

Business example: Trulli Pizzeria in Meeniyan

Trulli set up their mobile pizza oven in multiple locations throughout South Gippsland and Bass Coast throughout 2020, as well as providing a take away service from their restaurant in Meeniyan.

They also spent 2020 reinventing their business. Relaunched their menu to incorporate their famous pizza during the day and a 'Gippsland Experience' for their dinner service. The 'Gippsland Experience' is a set menu using Gippsland inspired produce. Continues that notion of supporting and collaborating with local businesses.

In what seemed a dire situation for small business, Council continued to receive significant enquiries to establish businesses.

South Gippsland businesses are resilient and the support of the local community and the influx of recent visitation has assisted the business community to continue. However, these businesses have not recovered and for some they may never recover, Government must still provide initiatives that will support our visitor economy.

Recommendations/Recovery response needed for Gippsland (Destination Gippsland)

- Extend the Working for Victoria scheme
- Release the Victorian Tourism Review/Recovery Plan;
- Fast-track the tourism programs and funding announced in the November budget;
- Fund the signature projects identified in the Destination Management Plan including all remaining Tracks and Trails connected to the Gippsland Trail;
- 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;
- Provide additional competitive funding for brand marketing campaigns to drive visitor demand into the region;
- Consider a JobKeeper 2.0 type of business and wage support program for the Visitor Economy;
- Deliver a State-wide and Gippsland-specific Skills and Workforce planning and actions to overcome skills shortages in the visitor economy; and
- 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.

If you have any questions please contact Renae Littlejohn Director Economy and Community Development Manager Economy Arts and Tourism on 5662 9200 or council.southgippsland.vic.gov.au.

Yours sincerely

Kerryn Ellis
Chief Executive Officer