



OUR REF: AR/jy

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Friday 16 April 2021

The Secretary
Economy and Infrastructure Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

Email: tourisminquiry@parliament.vic.gov.au

Dear Sir/Madam

RE: COVID IMPACTS IN THE VISITOR ECONOMY

Thank you for this opportunity to contribute to The Legislative Council's Economy and Infrastructure Committee inquiry into the impact of the COVID-19 pandemic on the tourism and events sectors.

Glenelg Shire is a regional community of approximately nineteen thousand residents, located in Victoria's south west. Renowned for its dramatic coastal and cultural landscapes, which includes the UNESCO World Heritage listed Budj Bim Cultural Landscape, the major tourist appeal of our region is the 6,212 square kilometres of rolling green hills, rugged coastlines and clifftops, bending rivers and majestic national forests. Our world-class environmental and cultural attractions draw tourists from across the world every year and have underpinned a growing tourism industry.

In Glenelg, impacts of COVID were felt as early as January 2020 with the loss of the China market, especially in the lead up to Chinese New Year 2020, and have continued with interstate, international and at periods Melbourne border closures. Like all of Victoria the extended length of the Victorian and Melbourne lockdowns exacerbated the impact especially for local businesses 100% reliant on visitors with no capacity to pivot their operations.

Below are some of the key areas of impacts that have been felt in the Glenelg Shire:

Financial Impacts - Business survival & job losses

- 18% of jobs in the wider Great Ocean Road region are dependent on the visitor economy significantly greater than Melbourne, Geelong & Mornington Peninsula.
- Independent analysis commissioned by Great Ocean Road Regional Tourism (GORRT) completed by Decisive Consulting identifies the significant impact pending with the end to jobkeeper as the region enters the off-peak season. The report estimates the total impacts of falling visitor spending in the GOR region, set to peak at the end of 2020/21 at around 3,400 jobs under the fast recovery and 4,700 under the slow recovery scenario.
- Accommodation & Food services are the worst affected sectors nationally by job losses, 11% nationally and 12.6% in Victoria. Nearly 20 times worse than the State average, even with jobkeeper and recognising that ATO payroll data doesn't pick up small businesses.

Workforce challenges

Glenelg Shire has had significant challenges attracting, retaining and housing workers. COVID has exacerbated these challenges. Recruitment has been further hindered by:

- The extended lockdown of hospitality & tourism businesses has resulted in the exit of existing workers retraining in search of jobs that provide greater security and career progression;
- The loss of international students;
- Loss of international backpackers.

Even where workforce can be attracted, the lack of affordable accommodation is prohibiting workers migrating here from Melbourne, larger population centres and other states.

These workforce challenges have resulted in many businesses having to constrain business operations, reduce capacity, opening hours or offering to work within current staff constraints.

Loss of Events

Events are a significant economic driver and reason for visitation to the Glenelg Shire, particularly during our low season. The last 15 months have seen a number of our iconic events cancelled including the 'Australian Kelpie Muster' in 2020, 'Wood, Wine & Roses' and 'Hooked on Portland' in 2021. We continue to see visitor and community events significantly reduced or abandoned due to uncertainty and an inability to reframe them in a COVID compliance manner.

The cost of the loss of events is significant both to the event and to all the businesses that supply events and rely on events for their trade. In addition is the significant cost to a community where events are critical to maintaining a sense of community connection.

Loss of school camps

Glenelg Shire has a strong school camp industry. The extended periods of home schooling and then restrictions on large gatherings saw mass cancellations to this critical sector with an on-flow to the businesses that supply services and activities to the camps. This sector was very much forgotten in many of the support programs offered.

Business & Corporate Travel

The shift to working from home and online meetings has had a dramatic effect on towns and businesses that rely heavily on corporate travel and business events. This is predicted to be one of the slower markets to return with limited understanding of what will be permanent shifts or changes to this market. Business events & corporate travel play a critical role in driving mid-week, year-round visitation in Glenelg Shire.

International

The region is heavily reliant on international visitation both in size of market, day trippers and international but also in supporting the smoothing of seasonality and providing mid-week visitation. With the domestic market highly skewed to weekends, public and school holidays, international visitation, like business events & corporate travel, play a critical role in driving mid-week, year-round visitation.

In addition, the loss of international students for the region and Melbourne will continue to impact visitation as this market is a strong source market for visitation both directly and through their visiting friends & relatives.

The uncertainty of changes to international border controls mean recovery of international visitation is not anticipated until 2023/24.

Consideration of travel bubbles does provide an opportunity to start to claw back some international markets, however some travel bubbles may result in a net loss of visitation, with Australians taking up the opportunity to return to international travel than a net uplift in regional travel.

Interstate Visitation

Snap border closures have dented interstate and intrastate consumer confidence and have resulted in a delay in consumers committing to plans. These delays make it more difficult for operators to plan ahead and resource their operations, often resulting in last minute increases in visitation not being able to be capitalised on, i.e. food shortages, staff shortages.

Glenelg Shire sits on the South Australian border and border closures resulted in a significant reduction in intra-regional visitation. In addition, local employers were impacted due to reliance on cross-border employees being unable to fulfil roles within our Shire.

The closure of some of our major attractions as result of Covid, including the Princes Margaret Rose Caves, has further compounded the damage to some of our most popular tourist areas, and has had a flow on effect to other operators in these regions.

Glenelg Shire is at risk of not having the visibility interstate and attracting the domestic visitor with a limited presence in interstate market and recent Federal programs focusing on air travel. Critical is ensuring Victoria, especially Regional Victoria is in the interstate consumer's choice set.

Glenelg Shire is grateful for the opportunity to provide input into the Parliamentary Inquiry. Critical now is ensuring industry support is highly targeted where it is most needed, and programs are structured to deliver outcomes that build the sector's and the region's viability, sustainability and resilience.

Yours sincerely,

Cr Anita Rank
Mayor