

SUMMARY

The COVID-19 pandemic is having profound impacts on human health and the national economy. The implication has been pervasive across all industries however the tourism sector has been amongst those hardest hit.

The Murray region entered this crisis with strong domestic overnight visitor growth with visitors increasing by 10.4%* from the previous year with nights spent in region rising by 15.8%*.

Since the introduction of border closures and travel restrictions in March 2020, the border tourism industry has been enduring exceptional challenges including the reduction of visitors. 65.5%* of domestic overnight travelers to the region reside in regional Victoria and Melbourne, by eliminating this market, the economic impacts have been tremendous. Managing the logistics of transporting goods and services and the movement of staff throughout the region have also been an additional burden that many Murray businesses have needed to navigate.

To demonstrate the economic impacts of sustained border closures on the region, data was sought via the *December 2020 / January 2021, Murray Region NSW Victorian Border Closure Impact* survey (survey closed January 15th 2021).

Responses received represent businesses from all 13 Local Government Areas^ located along the length of the Murray.

Analysed data presented in this report, clearly demonstrated the financial burden that many businesses are enduring and the flow on effect to staff employment and mental health.

* Data sourced from *Travel to the Murray Region - Year ended March 2020 Quarterly Tracking of Selected Measures* Report.

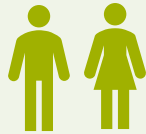
^ Greater Hume Council, AlburyCity, City of Wodonga, Federation Council, Moira Shire, Berrigan Shire, Campaspe Shire Council, Murray River Council, Edward River Council, Gannawarra Shire Council, Swan Hill Rural City Council, Mildura Rural City Council, and Wentworth Shire Council.

KEY FINDINGS

401 businesses across 13 Local Government Areas responded to the *December 2020 / January 2021, Murray Region NSW Victorian Border Closure Impact* survey.

RESULTS FOUND

51% of respondents saw customers reduce by 41-99% since the border closed



70% of businesses reported 41-100% loss in cancellations for January

January's revenue fell between 81-100% for 36% of respondents



Forward bookings dropped between 61-100% for 52% of respondents



44% of respondents expect future revenue to drop by 41-99%

59% of respondents reported staff hours were reduced

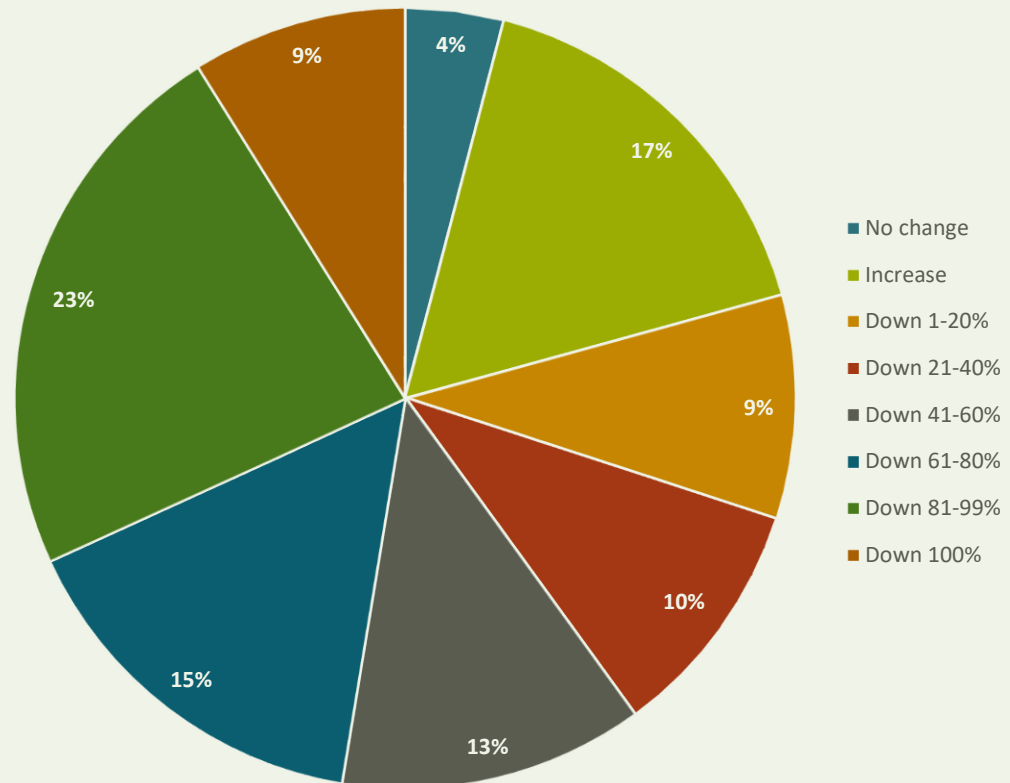


24% of respondents reported they have or are likely to make staff redundant as a direct result of the border closure

RESULTS

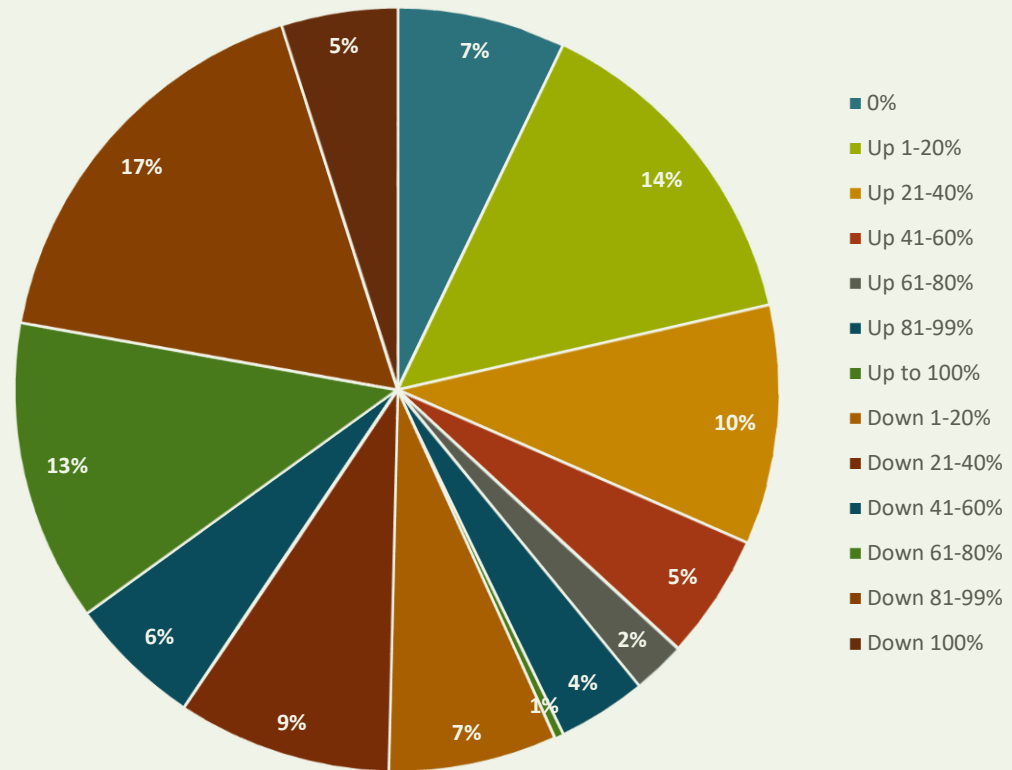
Change in customer numbers since the recent Victorian border closure (when compared to this time last year)

53% of businesses reported a 41-100% drop in customers numbers.



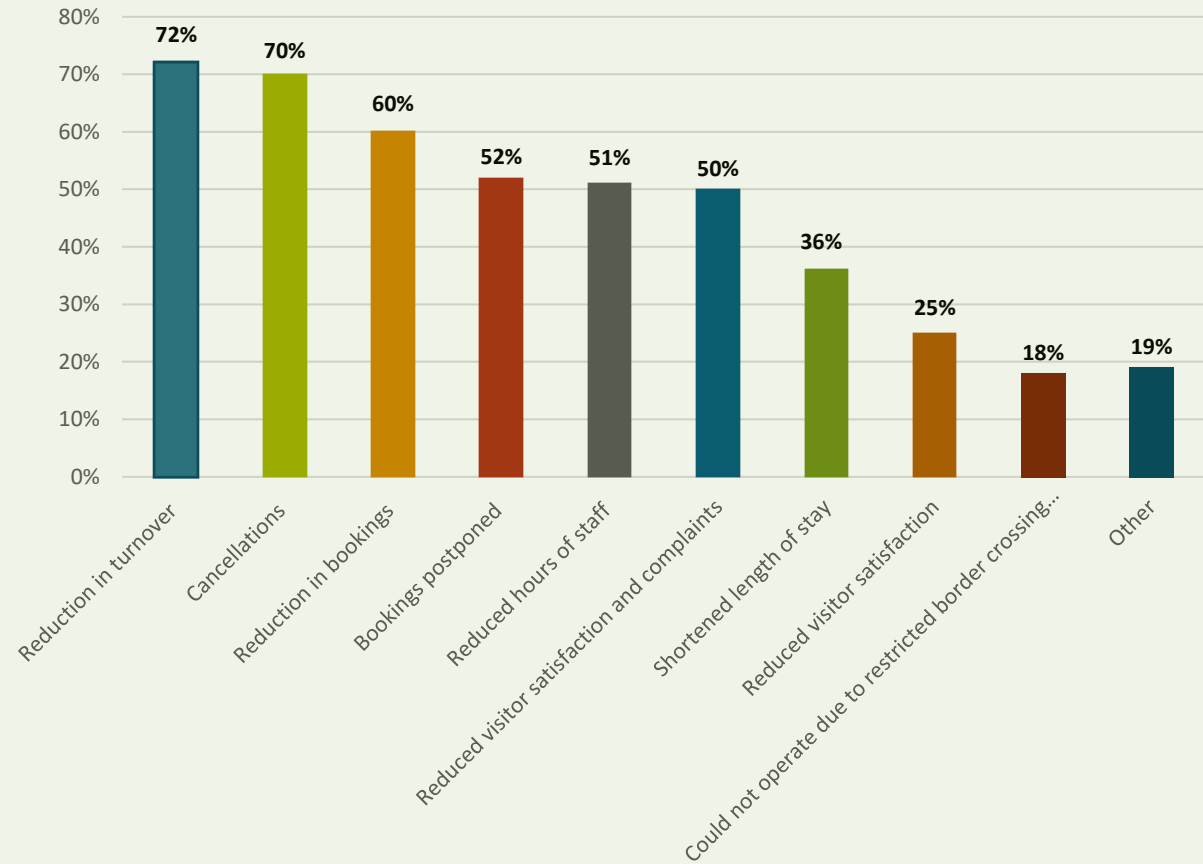
Trade forecasted prior to the border closure (when compared to the same time last year)

Based on future booking and customer numbers, 43% of businesses were predicting improved trade on last year's customers' numbers.



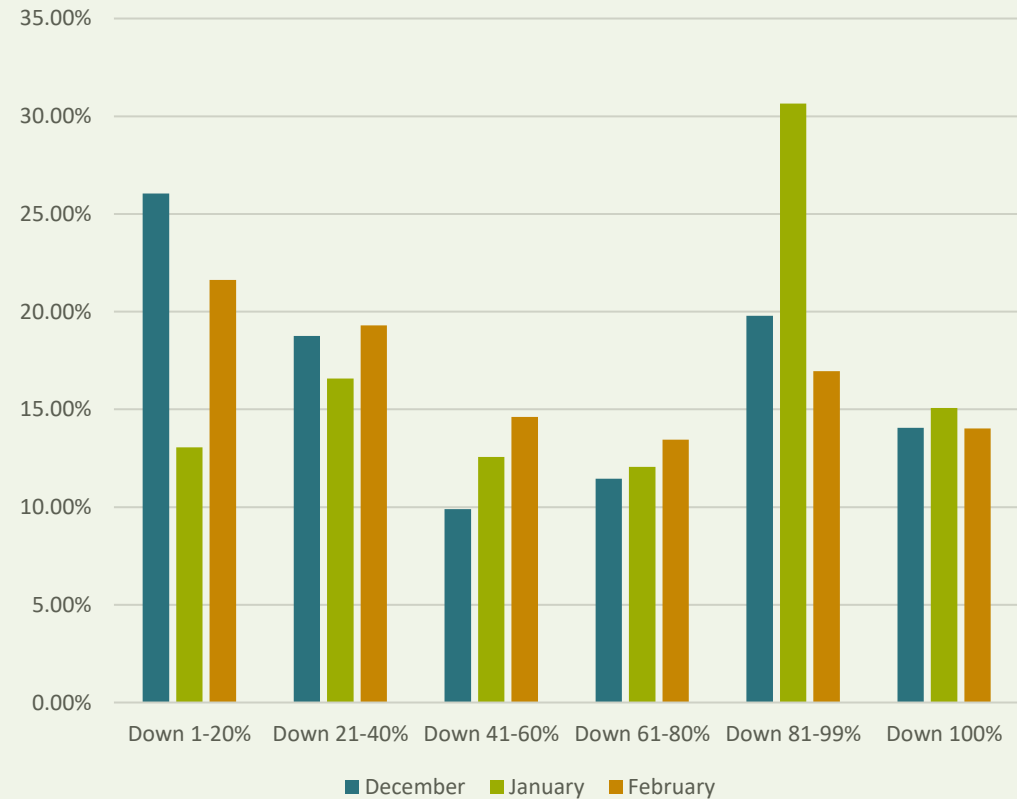
Reported business impacts resulting from the border closure.

72% of respondents identified the reduction of turnover being the largest impact of the border closure followed by cancellations at 70%.



Percentage of existing bookings cancelled during January and February as a result of the border closure

31% of businesses reported booking cancellation of 81-99% during January.



What effect on revenue has the border closure had during December and January (when compared to the same time last year)

December saw revenue growth of 1-20% for 16% of businesses. Strong growth during the month for some has affected their ability to claim for Job Keeper.

48% of businesses reported a drop in revenue of 61-100% revenue during January.



Responses from businesses when asked about the financial impacts experienced from the recent border closure

\$150,000 - \$200,000. Min however it is still a flow on effect changing every day with every press conference.

Reduced hours for staff, as owners we have had to increase our workload. we have had to increase prices. We have decreased our opening hours and the services we provide to the town

Approximately \$1M reduction in turnover.

100% loss in revenue resulting in forced business closure.

We have lost almost 100% of our revenue, it also impacting wedding bookings and future accommodation bookings significantly.

Our only income during lockdowns has been job seeker which doesn't even cover 20% of our daily running costs. We have no staff as they all quit due to lack of work. We will have to start again if this ever ends.

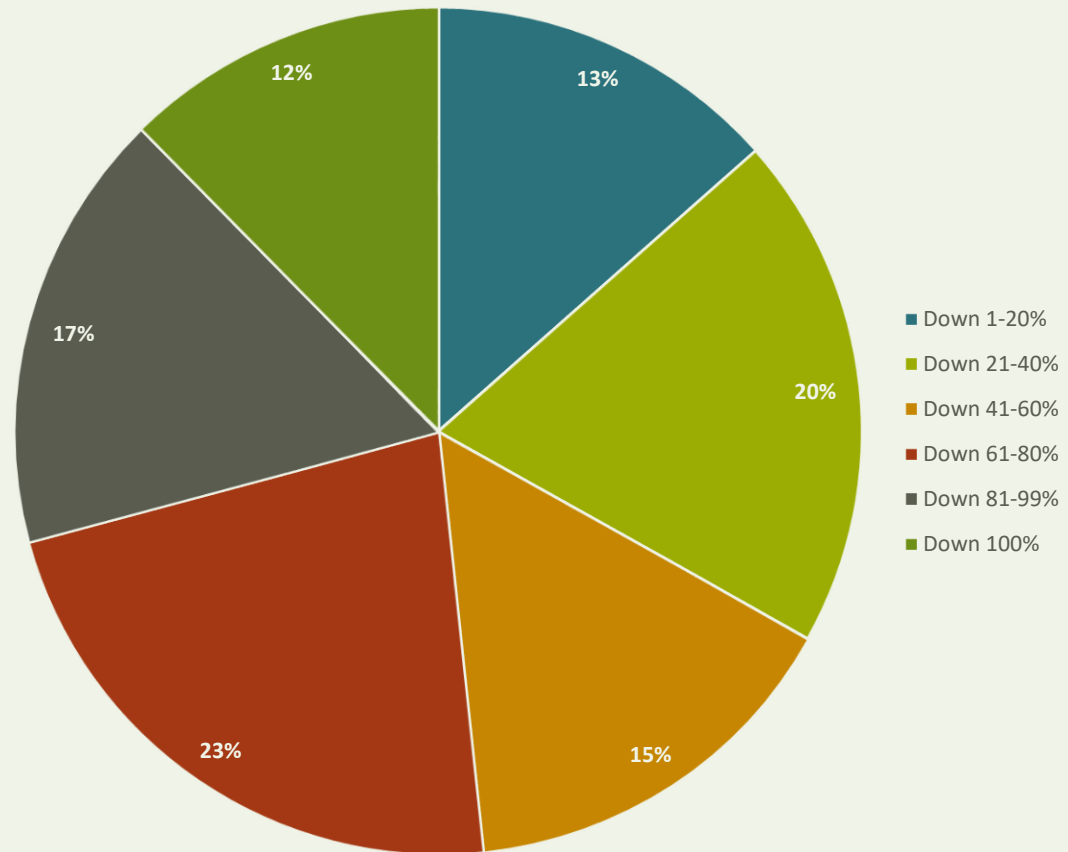
The latest border closure (over Christmas/ New Year period) has cost us over \$21,000 and the previous effect was more than \$90,000. A massive impact on a business that normally has an annual income between \$220,00 to \$240,000.

Approx \$150,000 with loss of business and the need to obtain loans.

In the first 14 days of January 2021, the border closure has resulted in revenue for our Club being \$500,000 down on last year with estimated profit being \$300,000 down. If the border remains closed for all January 2021, we expect revenue will be down \$860,000 on last year and this will affect our bottom line to the tune of \$500,000. If border closures remain in place past January, then these results will continue. It's a disaster for our Club that relies on tourism.

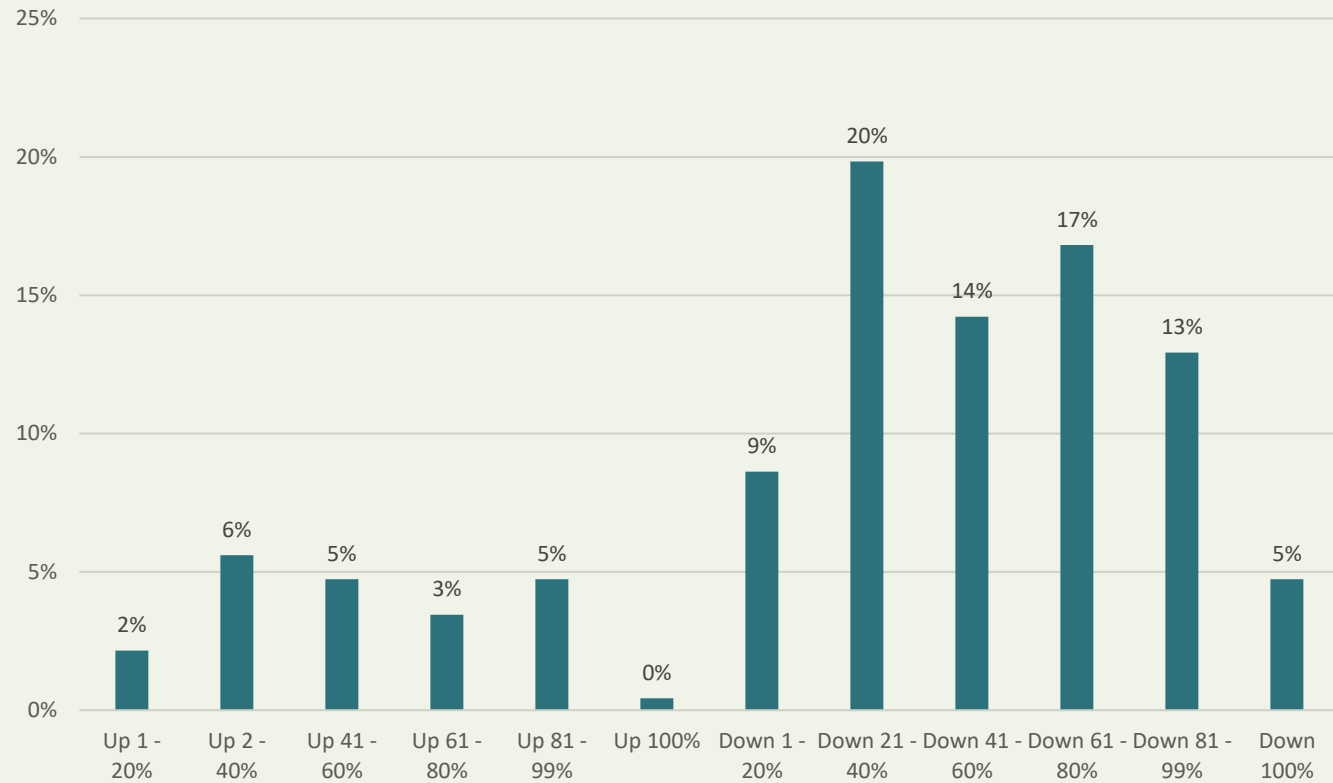
Businesses have seen a decline in forward bookings (over the next three months) when compared to the same time last year?

52% of respondents have seen a decline in future bookings between 61-100%



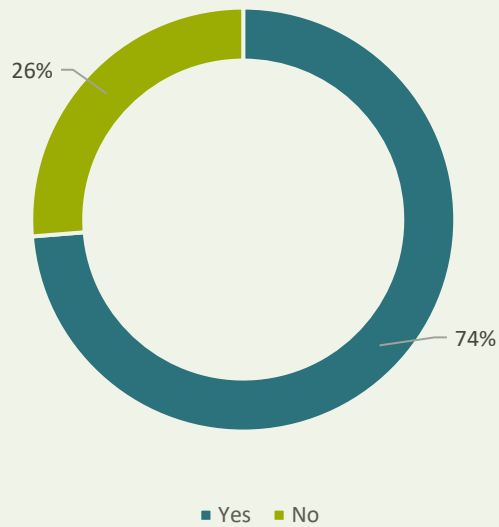
What is the expected change in revenue over the next three months when compared to the same time last year?

A decline in customers and future bookings has caused 35% of operators to report an expected drop in future revenue between 61-100%

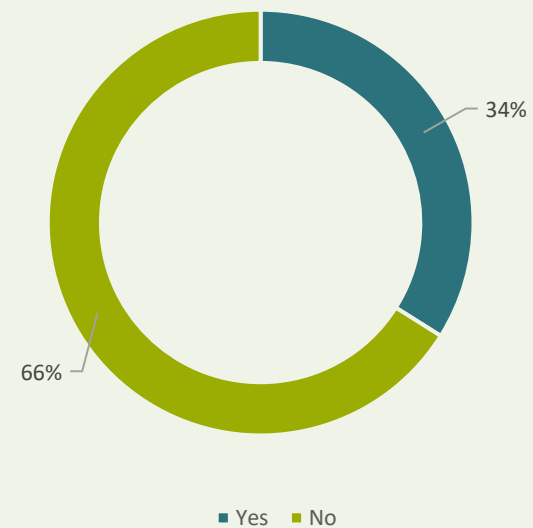


Have you previously qualified for Job Keeper and is your business still eligibly?

Previously qualified for Job Keeper



Remains eligible for Job Keeper

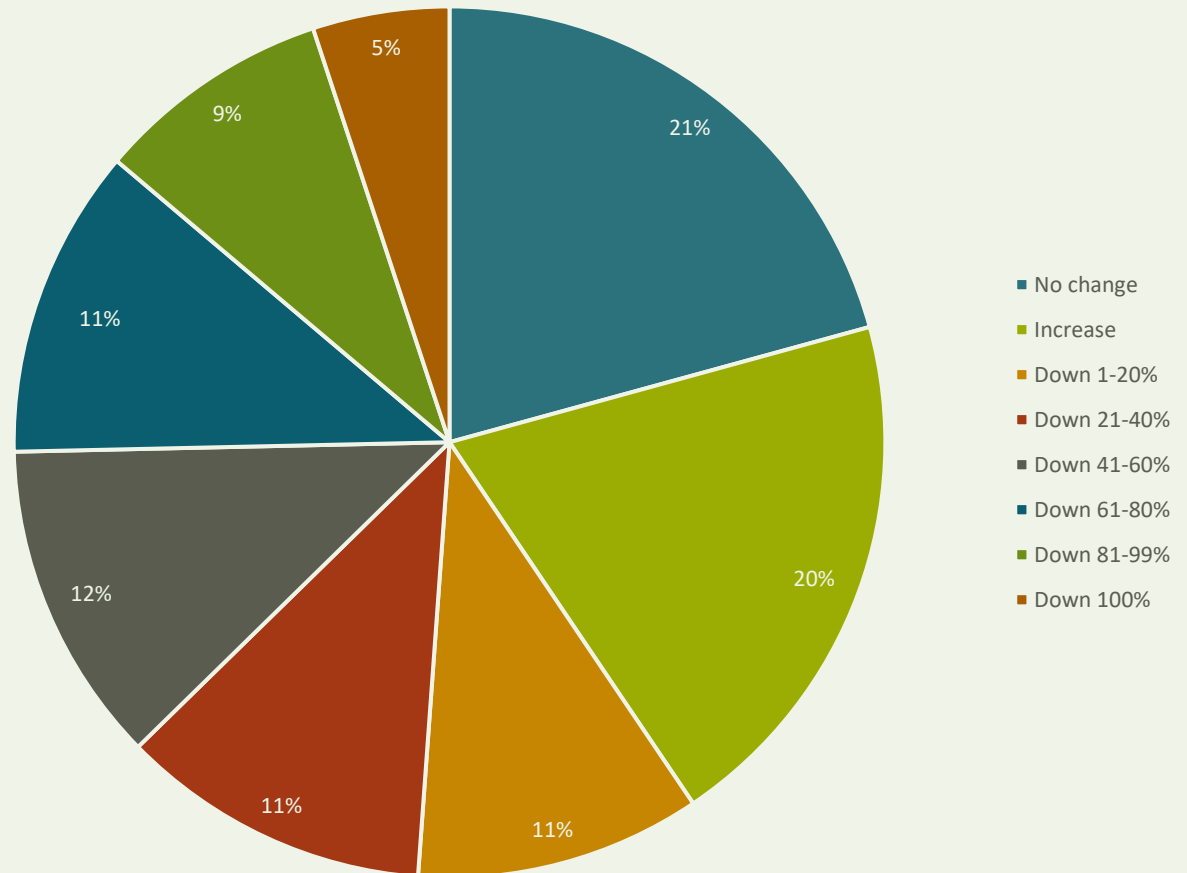


114 of 188 businesses that were receiving Job Keeper became ineligible for the first quarter of 2021 due to strong business performance during December 2020.

Have staff hours been changed when compared to the same time last year?

59% of respondents reported staff hours had been negatively impacted (reduced) by the border closure when compared to the same time last year.

24% of businesses are likely to make staff redundant as a direct result of the border closure.



Responses from businesses when asked to estimate the impact of the border closure on wasted stock (perishable and non-perishable)?

Approximately \$10,000 in goods ordered and production of product for what was to be the busiest week of our entire year, that was lost and had to be thrown out due to shelf life. We even had to give away cartons of milk to customers because we had to pre order for the busy period for coffees, and we just never used it.

Orders that were placed on New Year's Eve for the following week valued \$20,000.

\$50,000 - gave food to neighbours

Our equipment continues to deteriorate even when it is packed away and not used. The likely cost of replacement products is approximately \$80,000.

Purchased approx. \$1,500 food for a wedding that cancelled.

Lots of expired food that has been thrown out.

We have a restaurant on site and lost approximately \$2,000 worth of perishable food.

Summer clothing, sandals, pool inflatables etc. will need to go into storage until next season. This also impacts on cash flow.

We have not restarted our restaurant for this very reason. We are too nervous about more wasted money.

Comments from businesses regarding external providers that may have been affected by the border closure that has impacted their businesses.

Deliveries have been delayed and some suppliers have stopped altogether

Delivery of products. We also have 10 x golf carts ordered that we have been waiting for over a month. We have missed out on thousands of dollars of cart rental revenue and lost potential golf play and stay groups as a direct result.

All planning for infrastructure and capital works has been put on hold.

Repairs to infrastructure put on hold due to relevant trades no being able to cross the border.

The dry cleaner is in Corowa. We needed to travel to Wangaratta for the services required in his absence.

Train and Bus service no longer crossing the border.

Freight and couriers have only been crossing bridge sometime or leave goods at depots due to time taken crossing river.

Maintenance on existing machines at our business could not be done as service providers could not cross the border. Therefore, some machines are still out of order.

Acknowledgement

All percentages within this document have been rounded to the closest full number.

Murray Regional Tourism is grateful for the assistance from Albury City Council in the preparation of this report.

Enquiries

All enquiries about this report should be directed to Wendy Greiner, Chair, Murray Regional Tourism

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