



Bega Valley Business Survey Report:

Impacts of the Victorian Border Closure
31 December 2020 to 11 January 2021

SUMMARY
Published 1 February 2021

This report presents findings of an online survey that was made available to businesses across the Bega Valley to understand the recent impacts of the hard closure of the Victorian border from 31 December 2020 to 11 January 2021 due to the Covid-19 health pandemic.

The survey was designed to explore:

- Impacts to local businesses including annual turnover, staffing, and accommodation occupancy rates
- Business recovery that may have occurred during this period including understanding the geographical sources of any new accommodation bookings and changes made to accommodation rates to attract new bookings
- Business turnover impacts caused by bushfires during the same period in 2019/2020
- 2021 business confidence
- What businesses need to support their operations to recover from the hard Victorian border closure and the Covid-19 health pandemic more broadly?

Survey Administration & Analysis

The survey was designed and administered by Dr Meredith Wray, an independent consultant, who was engaged by Sapphire Coast Destination Marketing and Destination Southern New South Wales to undertake this research.

An online survey link was distributed to Bega Valley Shire Council and Sapphire Coast Tourism business databases and was made available from January 18 to 27, 2021.

177 people participated in the survey that took on average of 5 minutes to complete.

There was a range of responses from different business sectors including:

- Accommodation providers (29%),
- Retail business (22%),
- Tour operators (16%),
- Food and beverage businesses (15%).

Businesses represented were located across the Bega Valley including:

- Merimbula (31%)
- Bermagui (19%)
- Eden (14%)
- Pambula (11%)
- Tathra (8%)

Analysis involved reviewing frequency tables for closed questions, averages for slider questions (19 and 20) and organising responses for open-ended questions (21 and 22) into relevant themes.



Key Findings

This survey has confirmed there were significant consequences of the hard closure of the Victorian border and that the period 31 December to 11 January is extremely important to local businesses across the Bega Valley, particularly tourism businesses.

Traditionally, the January to March period accounts for approximately 32% of yearly visitation to the Bega Valley. The total revenue for December/January is estimated to be \$75 million. Key findings of the NSW Business Chamber Survey of Bushfire Impacts for Southern NSW (February 2020) found 72% of businesses indicated the bushfires had a significant impact on their businesses, with a further 19% experiencing a moderate impact. Average revenue lost from the 2019/20 bushfires = 31%. The estimated loss economic impact of the 2019/2020 bushfire was estimated to be \$53 million with an extended economic impact to the Bega Valley economy of \$91 million¹.

Overall comments

- Overall, participant comments were extremely powerful and reflect the considerable impact and consequent stress of the border closure and previous year's bushfires to local businesses.
- Many participants identified the need for support agencies to recognise the cumulative impacts of disasters to businesses over recent years from fires, Covid-19 pandemic, Victorian border closure, with some specifically referring to stress and the need for further support including small business grants.
- Labour shortages and lack of employment opportunities were also identified as a consequence of disasters in the area
- Many also called for a national or coordinated approach to border restrictions rather than the hard approach applied on December 31 by the Victorian Government, particularly given the regional area had limited risk
- Others identified ideas to help recovery including with many calling for more promotion of the area and greater support for marketing of the Bega Valley within NSW marketing initiatives
- New infrastructure and product development was proposed as a way to make Merimbula and Bermagui more appealing in the longer-term.

Importance of the 31 December to 11 January period

- **Overall, 90% of businesses stated this period is extremely (70%) or very important (20%) to local business**
- **100% of accommodation and food and beverage business stated 'extremely important' or 'very important' as did 94% of retail businesses**
- **70% of businesses make a significant part of their annual turnover during this period** - 35% make 21 to 40%, 19% make 41 to 60%, 13% make 61 to 80%, and 3% make 81 to 100% of their annual turnover during this period.
- 29% make 0 to 20% of their annual turnover during this period.

Victorian border closure impacts

- **77% of businesses were significantly impacted - 'a great deal' (49%), 'a lot' (28%) and a 'moderate amount' (16%) by the closure of the Victorian border**
- **79% of accommodation, 93% of food and beverage and 94% retail business were impacted 'a great deal' and 'a lot'**

¹ Destination Research (2020) Economic Impact of bushfires to visitation in Southern NSW

- Only 5% were impacted ‘a little’ and 2% ‘not at all’
- **On average, it was estimated that business lost 46% in annual turnover by the closure of the border – i.e. 40% (21 to 40% loss), (16% = 41 to 60% loss), 11% (61 to 80% loss) and 4% (81 to 100% loss) and 29% experienced (0 to 20% loss) (Mean = 2.2 - 45.5%)**
- **81 businesses (54%) had to reduce their staffing levels** during this period due to the closure of the border
- **53 full-time staff and 218 part-time staff were laid off during this period – these were mainly from food and beverage businesses (24), retail businesses (23), accommodation businesses (18) and tourism attractions (6).**

Business recovery

- **94 businesses (62%) did not experience any turnover recovery** during the Victorian border closure period
- **58 businesses (38%) experienced some recovery, however this was mainly less than 20% – i.e. 46% (0-10%) and 32% (10 to 20%).**

Accommodation business recovery

- **49 accommodation businesses received new bookings** – 69% from Canberra, 53% from Sydney and 47% from regional NSW
- **The majority of accommodation businesses (86%) claimed they normally achieve 91 to 100% occupancy** during the 31 December to 11 January period
- **No accommodation businesses achieved 91 to 100% occupancy due to the Victorian border closure**
- **63% achieved less than 59% occupancy** with only 8% achieving 90 to 99%, 14% achieving 80 to 89%, 6% achieving 70 to 79%, and 8% achieving 60 to 69%
- **55% of accommodation businesses (27) reduced their accommodation rates** to achieve new bookings for the 31 December to 11 January period
- **67% of these accommodation businesses reduced their accommodation rates by up to 40%**, 19% (41 to 50%) and 15% (more than 50%).

2019/20 bushfire business impacts

- **96% of all businesses stated they had been previously impacted by the 2019/2020 bushfires** for the same period
- **57% of business reported more than 40% loss for the same period in the previous year**, 28% (21 to 40% loss), 27% (41 to 50% loss), 29% (more than 50% loss), 13% (11 to 20% loss) and 2% (0 to 10% loss).

Future business confidence

- **On average, most participants were neither confident or not confident (average 51 on 100 point scale)** about the viability of their business operation for 2021
- **Around the same response (average 47 on 100 point scale)** was estimated for improvement in business turnover for 2021.

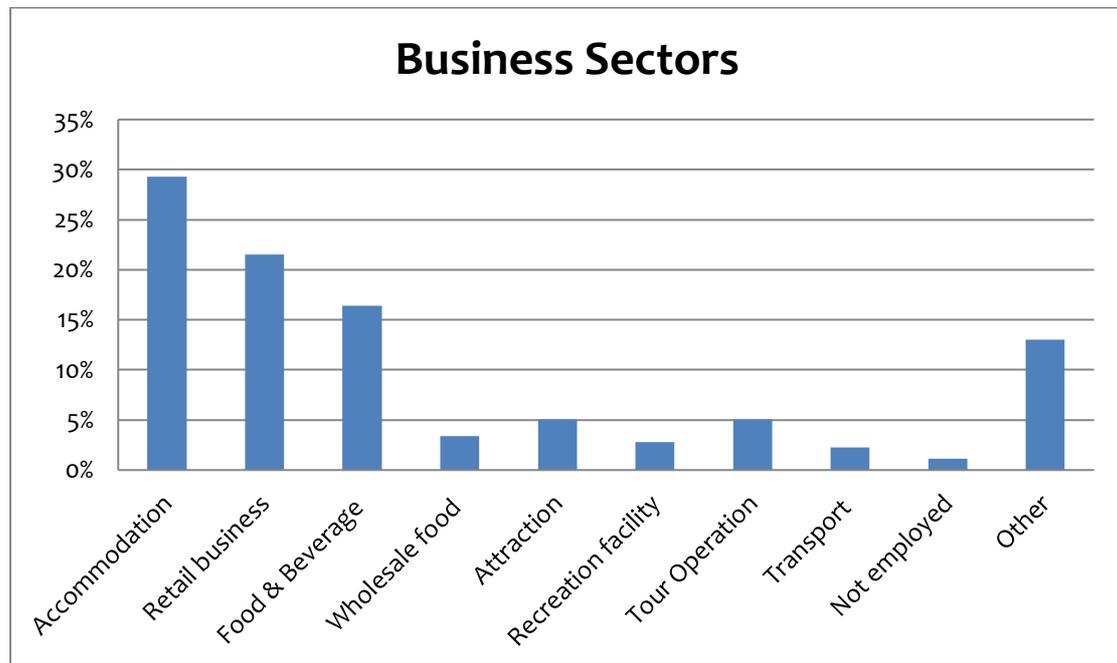
Business recovery support

- The need for more government and financial support, tax relief and on-going wage assistance were identified as key areas for support
- Many also called for the borders to be left open and a more considered/coordinated approach to border restrictions into the future
- Others asked for more support for business development and the need for business confidence and certainty. This included support from Council for local businesses and improvements in town amenity to make destinations more appealing to visitors
- The need for more marketing and promotional campaigns, particularly into visitor markets other than Victoria was identified by many participants.

Supporting Data

Business profile

1. Select one category that best describes your main business or employment activity?



Other = Hair/Beauty Salons (3), VIC staff (2), other businesses (e.g. caravan repairs business facilitator, IT support person)

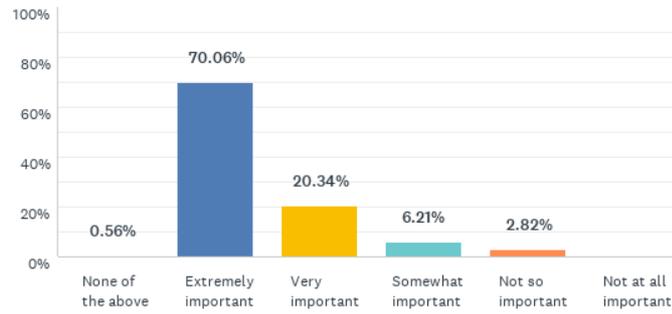
2. Select one category that best describes your main business or employment activity?



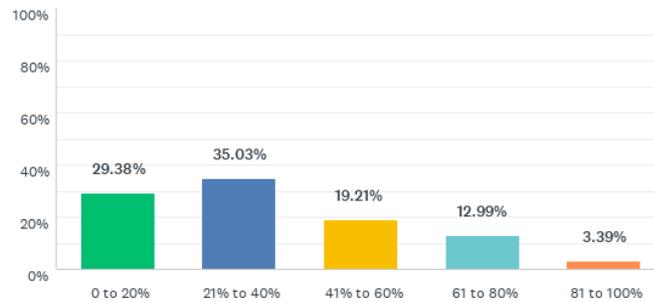
Other = Shirewide (4), Bega Valley villages including Cobargo, Bemboka, Candelo, Tura Beach, Narooma (3)

Importance of the 31 December to 11 January period

Q3 How important is the 31 December to 11 January period usually (in a normal year) to your business? please select one answer

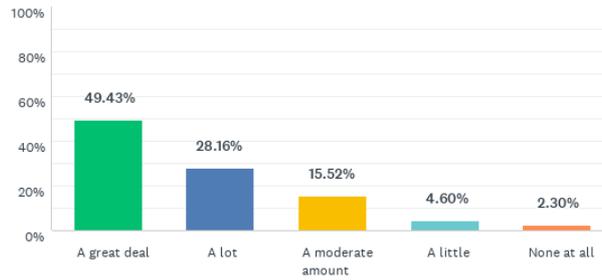


Q4 What percentage of your usual annual turnover is usually made (in a normal year) during the 31 December to 11 January period? please select one option



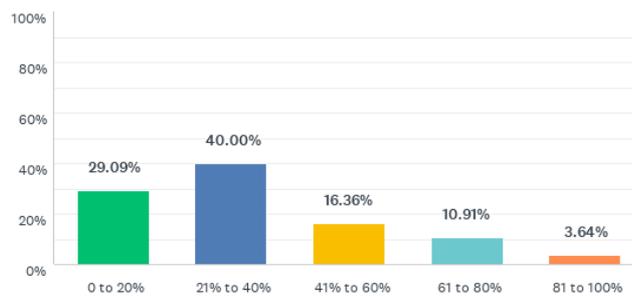
Victorian border closure impacts

Q5 How was your business impacted by the Victorian Border closure for the period 31 December 2020 to 11 January 2021? please select one option



(174 responses)

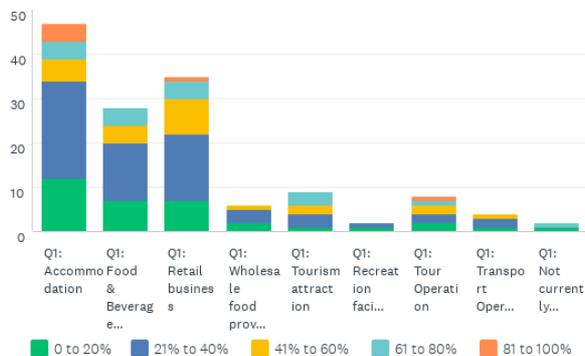
Q6 What was the estimated percentage (%) loss in annual turnover loss as a result of the Victorian Border Closure for the period 31 December 2020 to 11 January 2021? please select one option



(165 responses)

The following graph shows losses by business sector

Q6 What was the estimated percentage (%) loss in annual turnover loss as a result of the Victorian Border Closure for the period 31 December 2020 to 11 January 2021? please select one option



7. Did you have to reduce your usual staffing levels during the 31 December 2020 to January 11 2021 period due to the Victorian Border Closure? (162 responses)

Yes = 54%

No = 46%

8. How many staff did you have to lay-off during this period? please insert the number of full-time and part-time employees

| Answer Choices | Average Number | Total Number | Responses | |
|---------------------|----------------|--------------|-----------|----|
| Full-time employees | 0.654320988 | 53 | 100.00% | 81 |
| Part-time employees | 2.725 | 218 | 98.77% | 80 |

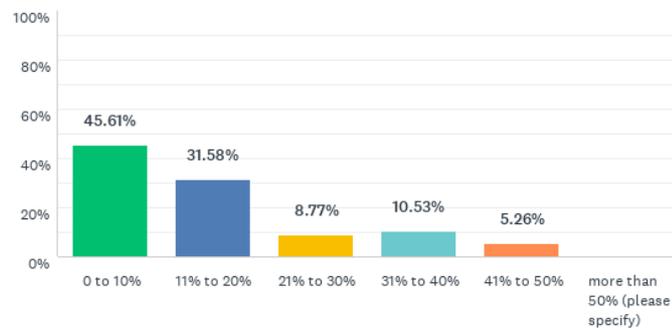
Business Recovery

9. Did you experience any business turnover recovery during the 31 December to 11 January period as a result of any new bookings/visitors to the area (i.e. visitors that booked as a result of cancellations from Victoria)? (152 responses)

Yes = 38%

No = 62%

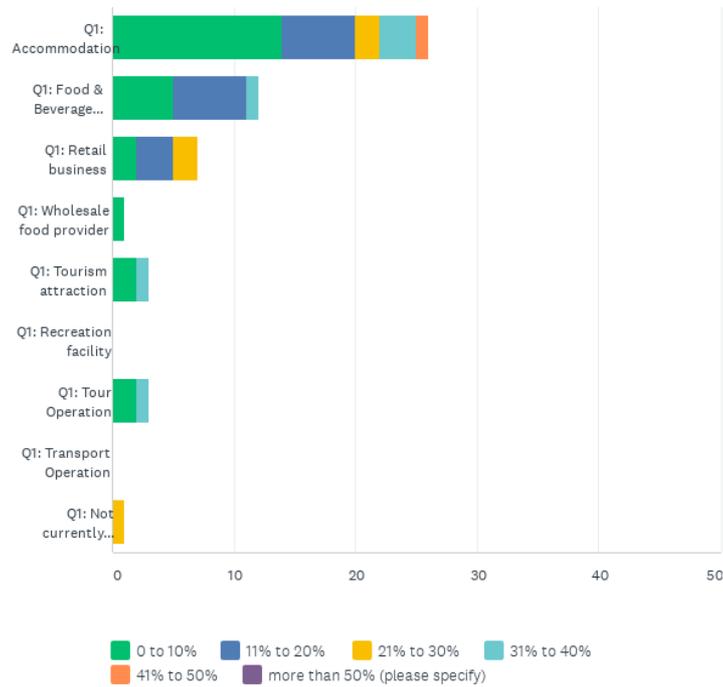
Q10 What estimated percentage (%) in turnover recovery do you consider you achieved for this period? please select one option



(57 responses)

The following chart shows recovery levels by business sector

Q10 What estimated percentage (%) in turnover recovery do you consider you achieved for this period? please select one option



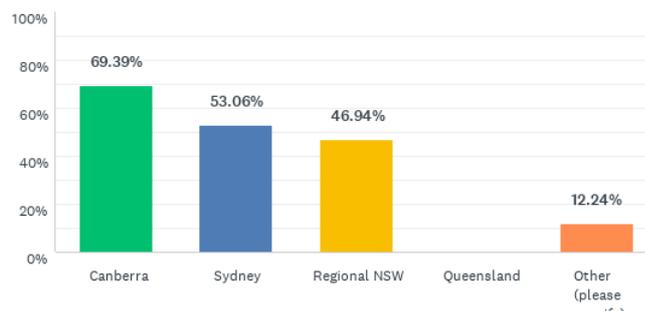
Accommodation business recovery

11. Do you provide accommodation as part of your business? (154 responses)

Yes = 32%

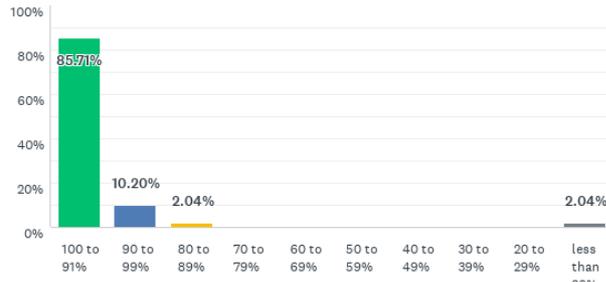
No = 68%

Q12 What geographical area did any new accommodation bookings come from? please select from the options below



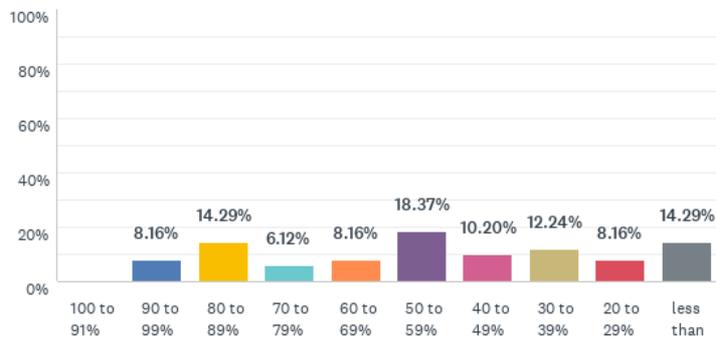
(54 responses)

Q13 What occupancy level do you normally achieve for the 31 December to 11 January period? please select one option



(49 responses)

Q14 What occupancy did you achieve for the 31 December 2020 to 11 January period 2021? please select one option



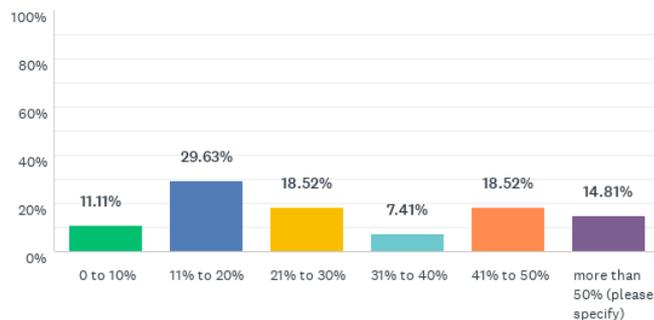
(49 responses)

15. Did you reduce your accommodation rates to achieve new bookings for the 31 December 2020 to 11 January 2021? (49 responses)

Yes = 55%

No = 45%

Q16 What percentage did you reduce accommodation booking rates to? please select one option



(27 responses)

2019/20 Bushfire business impacts

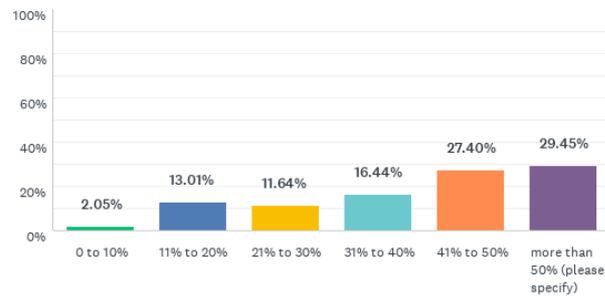
17. Was your business previously impacted as a result of the loss of visitors to the Bega Valley caused by the bushfires in the area for the 31 December 2019 to January 11 2020 period? (153 responses)

Yes = 96%

No = 4%

it was estimated that business lost 46% in annual turnover by the closure of the border

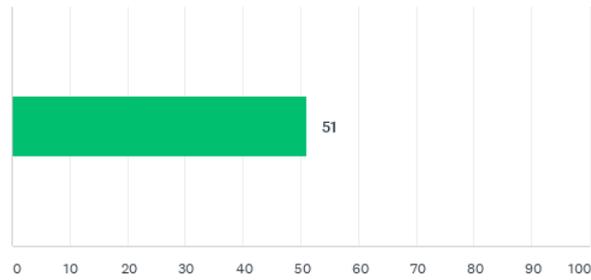
Q18 What was the estimated percentage (%) loss in annual turnover as a result of the Bushfires in the area for the previous 31 December 2019 to 11 February 2020 period? please select one option



(146 responses)

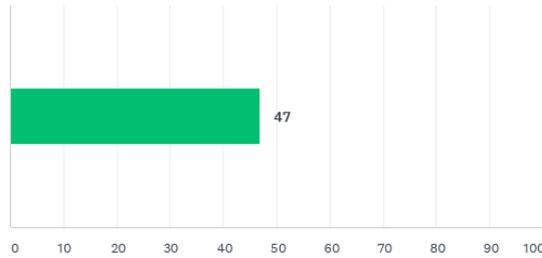
Future business confidence

Q19 We realise the Covid-19 health pandemic has created uncertainty for businesses around Australia. Thinking about tourism for the Bega Valley tourism activity over the next year, how confident are you about the viability of your business operation for 2021? please indicate on slider



(146 responses)

Q20 Do anticipate that your business turnover will improve in 2021? please indicate on slider



(143 responses)