

GLACIER COUNTRY COVID-19 impact survey October 2021



Te Ohu Whakawhanake o Te Tai Poutini

COVID-19 impact survey

Summary.

Development West Coast, with support from the Glacier Country Tourism Group, conducted a survey of Glacier Country businesses to gain a better understanding of the economic and social impact of the COVID-19 pandemic.

The survey was conducted online, with emails sent to businesses in the Glacier Country. The survey received 41 responses (24% of all businesses in the area) between 29 September to 15 October 2021. It was a follow up to a survey conducted between 5 to 12 February 2021.

Key takeaways.

Economic impact:

- 9% of all businesses are no longer operating from the two surveys.
- 3 businesses have closed due to COVID-19, a total of 16 including the last survey.
- Businesses are operating at 10% capacity compared to normal years.
- 77% of businesses have reduced their staff because of COVID-19.
- 216 jobs have been reported lost by 41 businesses (161 full-time, 48 part-time, 7 casual).
- 41% of businesses indicated they will not survive the next 6 months without additional support, another 36 jobs lost from 15 businesses.

Social impact:

- 10 students potentially lost from local schools, as their caregivers are no longer employed in the community.
- 29 volunteers potentially lost to the community, as they are no longer employed in the community.
- 152 people have already left the community, as they are no longer employed.

Actions to protect the business:

- 92% of businesses have utilised the COVID-19 wage subsidy.
- 85% of businesses have taken action to 'pivot' their business.
- 49% of businesses have utilised the Jobs for Nature Scheme.
- 43% of businesses have utilised DWC's Glacier Country Business Support Fund
- 43% of businesses received a Small Business Cash Flow loan from IRD
- 41% of businesses received support through the RBP programme.
- 38% of businesses received support through QUALMARK.
- 32% of businesses received rent relief.

Support needed (most common response):

- Financial support from Government (grants or interest free loans),
- Rates relief from Council,
- Flexible work programmes (like Jobs for Nature),
- Wellbeing support.

Mental Health and Wellbeing:

- 90% of businesses rated their mental health as neutral to very negative.
- 48% of businesses would be interested in having access to mental health and wellbeing resources/services.

Economic profile

Glacier Country pre-pandemic profile March 2020

Westland Glaciers – Bruce Bay	
POPULATION	1,170
EMPLOYMENT	1,028
GDP	\$119.3M
BUSINESS UNITS	174

1,028 jobs in the Glacier Country prior to the COVID-19 pandemic.

Source: *Small area focus (Infometrics)*

Survey

41 survey responses (29 September to 15 October 2021)

Total number of businesses in Glacier Country (March 2020)	Businesses to respond to the survey	Percent of total businesses
174	41	24%

24% of businesses in the Glacier Country to respond to the survey.

Economic impact

Is your business still operating? 41 answered



3 businesses reported that they are no longer operating in the current survey.

Note: At least 16 businesses are likely no longer operating. (14 businesses reported they are no longer operating in the previous survey, of which 1 is operating again.)

At what capacity (%) is your business operating at compared to previous years?

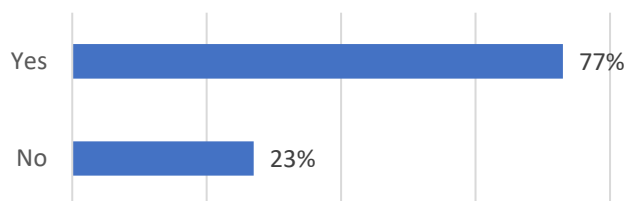
40 answered, 1 skipped

	MEAN	MEDIAN
CAPACITY (%)	24%	10%

10% is the median capacity at which businesses are operating compared to previous years.

Have you had to reduce your staff numbers because of COVID-19?

39 answered, 2 skipped



77% of business have reduced their staff because of COVID-19.

Staff numbers 38 answered, 6 skipped

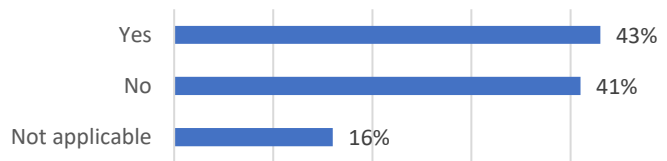
STAFF	Before COVID-19	Now	Jobs lost
FULL-TIME	280	119	161
PART-TIME	71	23	48
CASUAL	19	12	7
TOTAL	370	154	216

216 jobs reported lost in this survey

Note: these numbers are only what was reported by 38 businesses, so the actual numbers will be higher, as the initial survey saw 518 jobs reported lost.

If there is no change in the next 6 months will your business survive without support?

37 answered, 4 skipped



41% of businesses will not survive in the next 6 months without additional support.

At least **15 businesses** and an additional **36 jobs** will likely be lost in the next 6 months if there are no changes.

Note: 15 businesses stated they will not survive in the next 6 months without additional support. These 15 businesses currently employ 30 full-time staff and 6 part-time and casual staff.

Selected comments:

"We think we will scrape through however still need to reduce costs"

"We would but we'd have to look at further reductions and sell assets"

"But only operating at a bare minimum ... we are not able to do this forever!"

"Only due to other contract hire work/Jobs 4 nature."

"Maybe - our business relies on other businesses in the area so depends on whether they survive."

"With Jobs for Nature support and possible DWC GCBSF"

"Not without Jobs for Nature work."

"If there continue to be lockdowns that set us right back then I doubt we can survive."

"It will be a struggle unless the Government opens up the border to a degree."

"Cannot keep increasing debt without light at the end of the tunnel."

"We'll survive, but by not paying ourselves, and weakening our position to trade strongly in the future, and reducing resilience."

What support would assist?

Most common responses:

- Financial support from Government (grants or interest free loans),
- Rates relief from Council,
- Flexible work programmes (like Jobs for Nature),
- Wellbeing support.

Social impact

Number of children in local schools 29 answered, 12 skipped

	Current staff	Staff no longer employed
NUMBER OF CHILDREN	20	10

10 students potentially lost from local schools as caregivers are no longer employed in the community.

Number of community volunteers 26 answered, 15 skipped

VOLUNTEER GROUPS	Current staff	Staff no longer employed
FIRE AND EMERGENCY VOLUNTEERS	8	7
SEARCH AND RESCUE	12	10
CIVIL DEFENCE	13	0
ST JOHN	8	6
COMMUNITY BOARDS	21	2
SCHOOL BOARDS	3	0

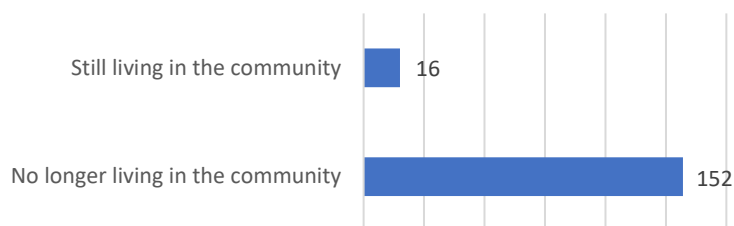
25 community volunteers potentially lost as no longer employed in the community.

Selected comments: Fire and emergency volunteers

"We have had staff previously in St John and the Fire Brigade however due to COVID have moved out of town."

Of the staff who are no longer employed with you due to COVID-19, are they:

29 answered, 12 skipped



152 ex-staff have already moved away from the community.

Action to protect the business

Have you taken action to 'pivot' your business? 40 answered, 1 skipped

	RESPONSES
NO	15%
NEW MARKETING INITIATIVES	52%
NEW PRODUCT DEVELOPMENT	35%
SHIFT TO ONLINE SALES	18%
OTHER	40%

85% of businesses have taken actions to pivot their business.

Selected comments:

"collaborating with DOC"

"shorter hours / menu adjusted to the current market"

"starting to get into virtual tours"

"Diversified work types carried out and areas that work is undertaken in. Work outside of Glacier "Country has become important."

"Initially offered discounts and deals. Unable to match offerings of other larger accommodation providers. Both currently working on DOC Jobs for Nature work scheme."

"About to open office again but in a different town location Working on a new product but time poor due to working full time other jobs"

"Some - new efforts and approaches to marketing, but essence of business remains the same"

"Heavily reduced room rates more in line with motel rates & offerings along with partnering activity operators & local restaurant to crate packages"

Efforts to 'pivot' businesses

Most common efforts mentioned:

- Discounted prices,
- Worked with other businesses to create packages,
- Developed new products/services targeted to the domestic market,
- Diversified into other areas,
- Relocated business or taking up work further afield,
- Reduced operating costs.

Did your business utilise any of the following forms of COVID-19 funding?

37 answered, 4 skipped

	NO
COVID-19 WAGE SUBSIDY (MSD)	92%
RESURGENCE SUPPORT PAYMENT (IRD)	78%
JOBS FOR NATURE PROGRAMME (DOC)	49%
DWC'S GLACIER COUNTRY BUSINESS SUPPORT FUND	43%
SMALL BUSINESS CASHFLOW LOAN SCHEME (IRD)	43%
REGIONAL BUSINESS PARTNER (RBP)	41%
QUALMARK	38%
TOURISM SUPPORT, RECOVERY AND RE-SET PLAN	38%
RENT RELIEF	32%
MENTAL WELL-BEING SUPPORT	8%
NONE OF THE ABOVE	3%

41% of business received support through the RBP programme.

Selected comments Was the funding helpful?

"It has kept our business alive despite no patronage"

"It still does not pay the big-ticket items like rates, insurance, power etc"

"All of them are helpful but found still tough to cover all the costs. Tourism SRR we just start to ask for advise from DWC and not yet to use any funding."

"Absolutely invaluable"

"Some of these funding streams and support has been really great. Others - predominantly the MBIE-led initiatives through the RBPN and QUALMARK have been really poor; very limited benefit for the cost with little to no understanding of the needs and nature of business operation."

Mental Health and Wellbeing

How would you rate your overall mental health and well-being levels?

29 answered, 12 skipped

	NO
VERY POSITIVE	0%
POSITIVE	10%
NEUTRAL	45%
NEGATIVE	42%
VERY NEGATIVE	3%

90% of business rated their mental health as neutral to very negative

Selected comments

"very drained"

"Roller Coaster MH up and down however overall staff have been extremely resilient"

"Varies - some high levels of frustration at times with inadequacy and inequity of support."

Would you be interested in having access to mental health and well-being resources / services?

27 answered, 14 skipped

	NO
YES	48%
NO	52%

48% of business would be interested in accessing mental health and well-being services

Selected comments

"We have a small tight knit team, but health services can't fix the tourism situation"

"We were supposed to have this with the business support fund. A person allocated to the area. This was more important than a marketing person that was filled pretty much straight away. The mental health in this area is bad and we are looking out for each other. If this situation carries on for the next 6-12 months, we will have serious problems in this area."

"Thought this was coming through the MBIE RESET funding but incredibly slow"

Support needed

If anything, what support do you need to stay in business for the next 12 months and beyond?

Most common responses:

- Financial support (wage subsidies, grants, interest free loans etc)
- Rent, tax, compliance, and rates relief
- Marketing support / more visitors
- Staffing support
- Flexible work programmes (like Jobs for Nature)
- Wellbeing support
- Borders to reopen

Selected comments

FINANCIAL SUPPORT

"Government grant to acknowledge the fact they shut down tourism so compensate those who have suffered the most from these actions."

"Some government support would be good, we have paid large amounts of Tax when things were good!"

"Business needs financial help simple as that. Marketing or upskilling paying funds to outside consultants is not going to save the businesses. We all have to pay, rates, leases, insurance, gas, power, rent, mortgages set costs each month that we cannot stop."

"6-month grant to help us remain open - from March 22 to Aug 22."

RENT / RATES / INSURANCE RELIF

"Rent relief, insurance relief, rates relief, return of some pre covid tax."

"Reduction or postponement of rates and other fixed charges."

"Reduction in commercial rates, insurance and electricity as our business in not operating."

"Rent relief, insurance relief, rates relief, historical tax payments returned. "

"Support for tenants so they can resume paying some level of rent."

"A formal break of the ratchet clause in the motel lease. Without this break I will have nothing to sell, in which case I will not be able to re pay the losses I am generating now. I am working through this process with accountant / landlord."

"The biggest portion of our operational cost is the rent payment."

MORE VISITORS / CUSTOMERS

"Visitors. We just want to do our job, not rely on handouts."

"Financial support to bring more people to the region and ultimately the business."

BORDERS TO REOPEN

"Borders opening, more visitors, government support if borders aren't opened properly soon."

"Borders need to open to allow tourism to continue in the area which will in turn generate enough work for my and other service businesses to continue to operate in the area."

"A date to work towards getting back on track."

"For NZ to catch up with other countries and open the border."

"The Government must outline a clear plan for the NZ border to re-open that includes specific dates, any vaccination requirement and no MIQ requirement."

"Follow Australia's lead and get moving, open up ... if you are vaccinated the chance of death from Covid is infinitesimal."

"90% vaccination. Open Borders. Or the Government buys us out- lol"

STAFFING SUPPORT

"Help getting staff."

"Industry skilled Senior Management on the Team to reduce our workload - More Hours in a day!!"

General comments

"A regular comment, from business operators / owners and a few staff - when they head out of Franz / Fox, either for a few days off or to find a new home, is how much lighter they feel. There is a heaviness hanging over the villages."

"This survey is the first direct indication of the promised mental health support. No one that I know, knows what, if anything, should be expected from this funding."

"It's hard to keep operating when we are chasing a rainbow. 18 months into this pandemic the Govt can see which regions and businesses are very stressed. IRD has all the information at their fingertips to provide targeted relief for businesses that will be viable when borders open but are struggling to survive as this drags on."

"To be honest we have felt very supported by DWC and the wage subsidy, and RSP payments have been greatly appreciated. DOC is amazing for employing my company for K4N work :)"

"The area is sick and tired of people trying to tell us we need to be doing marketing or getting financial help etc. In Franz the majority of the businesses have been here long term and have been through many disasters over the years and have come through them, so my point is if we didn't know what is being offered by consultants we wouldn't be in business."

"From now to March we will get some people travelling through depending on how long the borders and Auckland are shut down. If we are in the same situation as we are all now, come the winter months and it will be really serious in this region."

"Over complicating things will not help the town survive, keep it simple and come down and listen to the local businesspeople. Knock on doors and talk to the business owners and hear them out, get a real feel of what they are going through."