

# Covid-19 Delta outbreak: Auckland tourism employers 'worried senseless'

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Tourism Holdings have turned several campervans into 'vaccination vans' to help in the COVID-19 vaccination effort. Video / Dean Purcell

NZ Herald

An Auckland tourism leader says the Government's drip feed of information is a "kick in the guts" for the mainly small employers whose mental health has reached a disturbing low.

"The fatigue and depression I'm encountering amongst business owners is alarming, people are literally worried senseless," said Gavin Oliver, chairman of the Auckland Tourism Regional Forum.

Prime Minister Jacinda Ardern yesterday confirmed Auckland's lockdown would stretch for close to three months, at least, and announced there would be announcements later this week of Wellington's response. She signalled more help for employers.

Many in tourism had taken the Government's advice to "pivot" to the domestic market but that was now also non-existent in Auckland and, now, a big part of the Waikato.

"One tour business owner, who has suffered tens of thousands of dollars in cancelled bookings since August told me this morning that she waited for her partner to leave for work and then lay on the sofa and cried for two hours last night," said Oliver.

The co-founder of EcoZip Adventures on Waiheke Island, he said businesses were reeling from close to 10 weeks of the latest lockdown in what was the main visitor gateway to New Zealand.

While bank surveys are reporting confidence across the economy is holding up, Oliver says that's not what he's seeing.

"In the tourism sector confidence is at an all time low. Businesses are reporting they're not even getting inquiries, let alone bookings, for the months ahead."

At this point last year his own business had more than \$300,000 in forward bookings for summer but today has less than \$18,000 worth of forward bookings.

"Most of us can only see the carnage being done to our businesses and that of our peers and colleagues. For a lot of these businesses, they're not owned by rich people. These are

ordinary, entrepreneurial Kiwis who've had a good idea, or are following their dream to own their own business."



Tourist hotspots such as Auckland's Viaduct Basin lie empty. Photo / Alex Robertson  
The Government to date has avoided sector-specific and regionally targeted help, highlighting hundreds of millions of dollars in wage subsidies and business resurgence payments since its border failure led to the Delta outbreak in August at a time when New Zealand was only 22 per cent fully vaccinated.

Late last month Tourism Minister Stuart Nash told the Herald Auckland tourism operators had more alternatives outside the sector than those in other communities more heavily reliant on visitors.

"It's a really tough thing to say because Auckland is the region that has suffered the most through the lack of international tourists, but it's quite a diversified economy."

The Government has allocated \$4.5 million to mental health initiatives through DHBs in five South Island regions where tourism has a big economic footprint, said Nash, who is also Small Business Minister. Oliver said the continued lack of certainty exacerbated by the Government's drip feed of information was making it tough.

"Businesses need to be able to plan and they, in turn, need to be able to communicate those plans to their customers, their staff and their suppliers."

The sector had hoped some strong summer trading would recharge financial batteries to allow it to survive through the lean winter months and until, with growing vaccination numbers the Government's reconnecting New Zealand strategy starting to have an effect.

"But the phones are silent, aside from requests for refunds on bookings that now stretch in to the New Year," said Oliver.

A mid-sized accommodation business owner, with about 50 rooms, told him that her forward bookings were today less than 50 per cent of last year; and that these are probably just placeholder bookings, which will likely cancel as the lockdown drags on and guests decide to make other plans.

When lockdown hit in March 2020, tourism businesses were coming off the back of a strong summer, shortened by Covid-19's arrival. By being prudent, many were able to limp through last year using their reserves, he said.

But with a marginal summer in 2020/21, then flat winter trading, there's little left and business owners are now facing the decision to take on debt, or more debt, to survive or whether they should call time in the face of a future that is no more certain now than it has been in the past 12 months.

"And despite the Government's promises that vaccination would light the way out of the darkness, announcements of impending announcements are little more than insulting to business owners and their staff."

Oliver said latest lockdown had been tough on the whole country, but Auckland businesses that are "picking up the tab" so businesses located in regions at level 2 can operate.

As the main gateway for travellers during the pandemic and with most MIQ facilities, Auckland has been at the frontline and is its fifth lockdown.

"Herein there's a significant inequity and one the Government steadfastly refuses to address," said Oliver.

Outside of the Auckland region, businesses can trade and claim the wage subsidy.

"There's no suggestion that it's all rosy in the regions, but those businesses at least have the opportunity to close the gap between their overheads and their income. The wage subsidy is helping Auckland businesses' employees, but the resurgence support payment is a drop in the ocean in terms of the mounting losses being faced by Auckland's businesses, and the brunt of this is being felt by SMEs, who can least afford to be taking one for the team."

The Government should urgently bring in financial support for Auckland region businesses who have been locked out, he said.



Gavin Oliver, managing director of EcoZip Adventures and a tourism body leader. Photo / Ted Baghurst

"It's not hard to identify those businesses, just look for the thousands who, for 10 weeks and counting, have seen revenue at zero or thereabouts. For months these businesses, which cross every sector of the economy, have been doing what's been asked of them, said Oliver.

"Surely it's now time that Government recognised these businesses, handing them a way they can survive for having stood by the team."

Tourism Industry Aotearoa chief executive Chris Roberts said he wants some clear answers, guidance and support.

"When will vaccination certificates be available and who can use them to impose a vaccination mandate? When will the new traffic light system be introduced? Will it allow travel in and out of Auckland and under what conditions?"

Roberts wants to know how will international border settings change and what additional support is going to be provided to businesses in Auckland and elsewhere, to address severe financial and mental wellbeing stresses.

Tourism Export Council chief executive Lynda Keene expects very clear answers for her members, critical to the rebuild of the sector and who have a long booking window.

The council expected the Government to announce a number settings on Friday including providing a new framework that outlining the drop in living and business restrictions based on very specific levels of vaccination.

The council also wants Wellington to provide a plan that reconnects NZ to the world with welcoming back Kiwis to NZ without MIQ for inbound and outbound travel and also welcoming back international visitors and students.