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SURVEY: HOW LOCKDOWN HIT ILLAWARRA BUSINESSES

The region's peak business advocacy organisation, Business Illawarra, has released the results of a [statewide survey](#) that show how dramatically the current lockdown has impacted Illawarra businesses, compared against the March 2020 lockdowns.

Following the announcement of the current, extended lockdown, Illawarra businesses were surveyed at the start of July as part of a statewide survey conducted by Business NSW. Preliminary results from the survey were successfully used to advocate for the expanded business support from State and Federal governments, [announced 13 July 2021](#).

Revenue impacts on Illawarra businesses were hardest following the first two weeks of the current lockdown (45% down) than they were for the first two months of the March 2020 lockdown (41% down), and much harder than the first two weeks of that lockdown (32% down).

Statewide, the hardest hit sectors in revenue terms have been arts and recreation services (down 68%), accommodation and food services (down 61%) and retail trade (down 51%).

Businesses have adapted their operating models in growing numbers, with many more businesses working under a changed model during the 2021 lockdown (53%) than in 2020 (38%). However, fewer were opening as normal during the current lockdown (30%) than in 2020 (47%).

Business confidence is significantly higher than the same period in 2020. Despite their vulnerabilities, businesses completing the July 2021 survey were more optimistic about the next three months compared to those which completed the survey in March 2020. A key difference between the current period and the previous lockdown is that vaccines against Covid-19 now exist, whereas in mid-2020 vaccines were still in early stages of development.

Executive Director of Business Illawarra, Adam Zarth, said that the pandemic has seen many businesses draw into their cash reserves as they contended with closures and restrictions, which has left many in a severely weakened state as this current lockdown continues.

"It should be extremely concerning for governments that Illawarra businesses have reported a 13 percent harder impact from the first fortnight of the current lockdowns than from the equivalent fortnight of the March 2020 lockdowns - despite being better prepared and knowing what was coming," said Mr Zarth.

"While the existence of vaccines and the ongoing rollout is keeping business confidence higher than it was last year, we expect these figures to drop substantially as the lockdown continues into its second month here in the Illawarra."

"The hospitality, arts, events and tourism sectors have of course been hardest hit, and the drop in Sydney demand has compounded a lack of local consumer confidence there."

"It is also notable that businesses are 'pivoting' their business models to adjust to lockdown in far greater proportions this year, and we expect that to be a permanent feature in these sectors of the economy even once lockdowns ease."

— ENDS —

About Business Illawarra

Formerly the Illawarra Business Chamber, *Business Illawarra* is the region's peak business organisation, and the regional office of Business NSW responsible for the south-east of the state, including the Southern Highlands.