

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Impact of the COVID-19 Pandemic on the Tourism and Events Sectors

Camperdown—Thursday, 13 May 2021

MEMBERS

Mr Enver Erdogan—Chair

Mrs Bev McArthur

Mr Bernie Finn—Deputy Chair

Mr Tim Quilty

Mr Rodney Barton

Mr Lee Tarlamis

Mr Mark Gepp

PARTICIPATING MEMBERS

Dr Matthew Bach

Mr David Limbrick

Ms Melina Bath

Mr Andy Meddick

Dr Catherine Cumming

Mr Craig Ondarchie

Mr David Davis

Mr Gordon Rich-Phillips

WITNESS

Ms Carolyn Woods, Owner, By Moonlight.

The CHAIR: The Economy and Infrastructure Committee public hearing for the Inquiry into the Impact of the COVID-19 Pandemic on the Tourism and Events Sectors continues. Please ensure that mobile phones have been switched to silent and that any background noise is minimised.

I wish to begin by acknowledging the traditional owners of the land, and I pay my respects to their elders past, present and emerging.

My name is Enver Erdogan, and I am Chair of the committee. I would like to introduce my fellow committee members present with us here today: Mr Rod Barton, Mr Lee Tarlamis, Mrs Bev McArthur, Mr Andy Meddick and Mr David Davis.

All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law; however, any comment repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public on our committee website.

We welcome any opening comments but ask that they be kept to a maximum of 5 to 10 minutes to allow plenty of time for discussion. Could you please begin by stating your name for the benefit of the Hansard team and then start your presentation. Over to you.

Ms WOODS: Thank you, Mr Chair. My name is Carolyn Woods. I am the owner, along with my husband, of By Moonlight, an accommodation business which is situated at Moonlight Head, which is just 20 minutes from the world-renowned Twelve Apostles on our beautiful Great Ocean Road, and we do also fall within the Corangamite shire LGA.

I would like to thank you for inviting me to give evidence at the Inquiry into the Impact of the COVID-19 Pandemic on the Tourism and Events Sectors in Victoria. Firstly, I would like to provide the committee with a brief background of our business. In November 2018 we welcomed our first guest at By Moonlight after a long couple of years planning, building and establishing our brand new accommodation. Our very first guest was Lawrie from New York, and we celebrated the fact that we could now share our little piece of paradise with visitors from across the globe.

One year later, November 2019, we finally completed our third two-bedroom accommodation offering and bookings were building both domestically and internationally. We were experiencing great interest from overseas guests and 60 per cent of our forward bookings were international. In early January 2020 we started to feel the impact of the bushfire crisis which was unfolding in the east of our state, and most of our international bookings were cancelled due to the perception that our entire state was burning. When the government announced a state of disaster at the start of 2020 we never imagined Victoria would shift from a disaster zone to a state of emergency due to the COVID-19 pandemic, all within a few short months. As we continued to provide refunds to our future guests, who were now uneasy with the thought of a road trip through the Otways during summer, the usual bushfire threat questions were being superseded by a whole new threat.

We received this email from a future Chinese guest, 25 January 2020:

Hello. Because the flu is happening in Wuhan, China, in order not to add trouble to you, we have decided to cancel this trip. Hope to get your understanding and approval. Best wishes to you.

As the year progressed the cancellations continued. The emails were similar. A future guest from New South Wales emailed 21 June 2020:

We are so disappointed but based on tonight's announcement that Victoria is under a State of Emergency we need to cancel our reservation for late July. Please advise on our refund.

Move forward to now, May 2021, and the threat is still real, still lingering, still affecting each and every one of us. The virus is still in control of our business. The economic and social disruption has presented an unprecedented challenge for us all. The events of the past 16 months have had a devastating effect on the tourism and events sector, and sadly we, as an industry, are still facing an uncertain future—a future of learning to survive, learning to adapt and, most importantly, of being there, still providing a quality visitor experience at the other end.

State government COVID-19 business support was crucial for our industry, but unfortunately By Moonlight did not qualify due to our partnership business model. As a husband and wife team working within our business seven days a week, we were advised on numerous occasions, ‘Your business is not eligible for the current round of support packages from the Victorian government’. The inequity we and many other small businesses faced was so unfair. We were eligible for one JobKeeper payment per month, paid in arrears. In July 2020 and March 2021 By Moonlight was eligible for the Victorian government accommodation support program. This program was designed to support accommodation operators who experienced cancellations and provided full refunds for stays during designated lockdown periods. For example, in the first week of July 2020 the state government announced stay-at-home restrictions and our guests received full refunds, totalling \$10 449, as they were due to arrive within the next two weeks. The regional tourism accommodation support program allowed By Moonlight to claim a maximum of \$3375. This covered just under a third of the cancellation costs we incurred that very week. To date, since the start of the pandemic, our small business has experienced cancellations in excess of \$103 000.

The Great Ocean Road is a seasonal destination, and with the winter months fast approaching—as you can see today—our future bookings are few and far between. Our occupancy rate for 2020 was 30 per cent, and this increased to 57 per cent for the first quarter of 2021—which was our peak summer trade. With the announcement this week of international borders remaining closed until possibly mid-2022 or when it is ‘safe to do so’, the uncertainty continues for future planning. We hope Australians are further encouraged to travel and experience a holiday here this year, but the uncertainty of state border closures continues. Our interstate visitors may experience a loss of confidence due to the possibility of facing snap lockdowns. Currently 98 per cent of our guests are predominantly from the greater Melbourne region, and we thank our fellow Victorians for their continued support during these uncertain times. Our industry has been one of the first affected by this crisis and will probably be one of the last out—these challenging times continue. Thank you for listening.

The CHAIR: Thank you very much for that. On that note I might pass over to the committee members to ask questions. Mr Davis.

Mr DAVIS: Can I just pay tribute to your good sense and intrepid approach. I mean, it must be extremely difficult to have dealt with this kind of impact. I just want to understand about those state government grants. So later it seems that some accommodation support program did provide some assistance where there were refunds.

Ms WOODS: Yes. That is right. So we were not entitled to any of the business support grants that were early in the piece, but the lockdown in July and then again the circuit-breaker in February, that is when the accommodation support program did come out, and we were able to apply for that. It did not cover, obviously, the amount of cancellations. So it was an assistance program, but it definitely did not cover the bulk of the cancellations that we have incurred.

Mr DAVIS: And just to go back to that early part where they seemed to treat the business structure differently. I mean, there are formal companies and trusts and sole traders, but you are a partnership.

Ms WOODS: Yes, that is right.

Mr DAVIS: And they did not recognise a partnership. Has that changed?

Ms WOODS: No. It has not at all. So partnerships were not recognised. We did not employ ourselves, we did not employ our kids, who helped us clean as well—keeping in mind we were only established in November 2018. So down the track we may have been looking at things like that, but—

Mr DAVIS: But actually you would have met the cycle of time for trading; you would have actually had a trading history.

Ms WOODS: Absolutely, yes.

Mr DAVIS: Unlike some others. I think there was a group of businesses that were clobbered because they did not have a trading history—

Ms WOODS: That is right.

Mr DAVIS: as we heard just a moment ago, but your problem seems to be that they just did not recognise partnerships.

Ms WOODS: They did not recognise the partnership model. And also later in the piece I anxiously hung on to every press conference and everything, every grant that was released, and one day my ears did prick at the thought of a sole trader support, and I thought, ‘Okay, this is something. Is there going to be something in that that mentions partnerships?’. No. It was purely sole traders.

Mr DAVIS: Did the department talk to you about this? Did they explain why they do not recognise partnerships?

Ms WOODS: No. No, they did not explain. I went through all angles from our local Corangamite shire through to Great Ocean Road Regional Tourism. I spoke to state representatives on both sides, and unfortunately we just were not part of the mix.

Mr DAVIS: So what would you say to the Minister for Small Business about this matter now and for the future?

Ms WOODS: Right now he could probably gather some data on how many missed out. I believe in this region, the Great Ocean Road region, there is a huge amount. I can say our neighbours are in the same situation, so that is interesting. We do live in a really remote part of the Great Ocean Road. So data would be crucial to find out how many of us missed out in that business partnership model. That would be a really interesting fact to find. And also in the future—look, there is no perfect solution, there is not one result that fits all.

Mr DAVIS: But surely a legitimate business that is trading, that has got a trading history, should be not penalised because of the model it operates under.

Ms WOODS: That is right.

Mr DAVIS: I mean, frankly, I think it is cruel.

Ms WOODS: Yes, it was. It was really disheartening, and the amount of correspondence that I wrote to people, I spoke to people, and no-one could help. They did try, but there was no help.

The CHAIR: Thank you. Thank you, Mr Davis. I might pass over to Mr Barton to ask a question.

Mr BARTON: Thank you. Thanks for telling your story—just devastating. Just the structure of your business—even with the sole traders, non-employing sole traders also missed out as well. Just the luck of how your accountant set your business up determined whether you were going to get help or not, and I think that is something the government can have another look at for situations moving forward and for how we approach these things. So what would you see? What help do you need to trade? You want to keep the borders open, obviously. We all want that to happen, but we have to live in this COVID world.

Ms WOODS: We do. And even driving in here today I think my statement changed in the last 24 hours. There is so much happening every day. We do not know when we wake up tomorrow what is going to happen, so tomorrow we could be hit with more refunds, more cancellations. So it is the unknown. We are very much still in it. You hear the words ‘recovery’ and ‘the other side’ and all those sorts of things, but I think we are a long way from that. The confidence just is not there. Luckily we are still surviving, but we have to; we are a brand new business, we have got brand new buildings. At this stage we have got, as I said, 98 per cent of our guests coming out of greater Melbourne. It would be lovely to hopefully get into interstate if they are comfortable with crossing our border and coming to visit. So basically at the moment we need more visitors. We need that to continue. It is a bit of a worry with the weather right now; we are coming into winter. We are a seasonal destination, so winter could be a really tough time, especially here.

Mr BARTON: What are your forward bookings looking like? Have you got any?

Ms WOODS: Not a lot, not a great deal at all. I think the next lot of where I could see that there is a couple of weekends here and there is September.

Mr BARTON: Wow.

Ms WOODS: Yes, so we are a long way off.

Mr DAVIS: Is there any marketing?

Ms WOODS: Marketing is really limited. The spend on marketing—I do not know what is out there. The budget might tell next week—I do not know—but, look, at the moment the marketing I have seen a little bit on the federal front. Tourism Australia—the Holiday Here This Year campaign seems to be great. There is nothing in our area in that campaign. Visit Victoria—Stay Close, Go Further is their campaign at the moment. I am not too sure on that either; I actually do not quite know what that means. I did really like Click for Vic. I thought that was fantastic. Just hearing Barry speak about his business, I thought Click for Vic was excellent in terms of local producers and things like that getting out there. I really like that slogan. Maybe we should just keep up with that, but do not introduce too many new marketing tools because it just gets confusing and clustered and we need to just be targeted, direct. We need to sell what we have got. We have got a region of strong agriculture, strong tourism. We are a food bowl, we are a food mecca, we have got dairy, we have got cheese, we have got amazing ice cream, we have got amazing whiskey and wine. So we have got so much to offer, and I do not feel that is out there. I think the pictures of the Twelve Apostles are all that people see. If they have seen those before, they may think they have ticked it and they have done the Great Ocean Road, but there is so much more to the hinterland—and it is great that you are in Camperdown today so that you can see a little bit.

The CHAIR: I might pass over to Mrs McArthur and then Mr Meddick.

Mrs McARTHUR: Carolyn, first of all, thank you, and thank you for hanging in and thank you for wanting to be an entrepreneur in my electorate of Western Victoria. I am thrilled that you could come and see us today. I think you have hit upon a few key points. Now, communication is a problem, because clearly you could not get decent answers out of government departments.

Ms WOODS: Yes.

Mrs McARTHUR: That has all got to change. We have just heard previously we cannot even find out whether anybody is at home at VicRoads.

Fear is another problem, I think, because we had the daily story of how we were about to die if we did not do this, that or the other thing, and we need to reinvigorate confidence and optimism in Victoria and in Australia. I am just wondering whether you think we should ever go forward with closing borders, whether we should only lock down, if we have to, areas by locality where outbreaks occur so that we can instil that confidence in interstate potential tourists so they will not be locked down and forced into some sort of quarantine scenario, which also is problematic here in Victoria.

And the other point you have touched on is the discriminatory rules and opportunities, or lack of them. You would be suggesting, I think, that if we are going to apply grants or benefits or reimbursements or whatever, it is less complicated but also fair to everyone. Are those the key points that you want to get across?

Ms WOODS: Yes. Absolutely. It is really tough when you do feel like you are the one left out. I do appreciate that the industry definitely needed all the support they got, and it was fantastic to see that most did get it, but there were so many left out, which I do think that—

Mrs McARTHUR: Through no fault of yours.

Ms WOODS: No.

Mr DAVIS: Or sole traders.

Ms WOODS: So I do think that they really need to look at that. Those figures would be there, I would imagine, quite easy to find. So, yes, moving forward, if there is further support, it really needs to be targeted and measured. And just look at all options on that.

Mrs McARTHUR: We will look at also how we can better market the whole industry.

The CHAIR: The whole region, yes.

Mrs McARTHUR: The whole region.

Ms WOODS: Great.

The CHAIR: Thank you very much.

Mr DAVIS: Vouchers was the other thing.

The CHAIR: If we get time. Mr Meddick.

Mr MEDDICK: That is precisely what I was just about to raise. I have raised the question about the vouchers with numerous other witnesses today, and I think everyone is basically singing from the same hymn book. I do not expect anything too different there, but I just want to ask you a slightly different question around vouchers. Do you think there is role for the Victorian government to market the vouchers to interstate visitors rather than just keep them in Victoria?

Ms WOODS: Yes, possibly. It depends on the timing. I would recommend it be an off-season timing. But do come to Victoria when, yes, it is autumn or spring—things like that.

Mr DAVIS: Not mid-January.

Ms WOODS: Not mid-January. The vouchers were brought out in our peak summer trade, which was, yes, an interesting sort of time to bring vouchers out. So interstate definitely—if they could be midweek or if they could be minimum night stays, which are currently two nights—if that is something that can happen.

Mr MEDDICK: Because I know, watching the television occasionally, we see the ads that the Queensland government tourist bureau is putting out—and various other ones.

Mrs McARTHUR: They should be banned in Victoria, do you think, Mr Meddick?

Mr MEDDICK: Perhaps. What do they call us? The Mexicans, I think they call us. I am wondering, from your perspective then, is there a role for Victorian tourism to market those vouchers—to put ads interstate but state on them, ‘Vouchers available when you book’, and then have the website so there is a clear link there. So when you are living in Port Adelaide and you see that come on, you think, ‘I’d love to see somewhere different at this time of year’. You click on the link and there you are, the list is there. ‘I’d like to see the views of the Great Ocean Road. Fantastic. Here’s this wonderful place. I can click on that’, and it comes up, ‘Voucher available for X dollars’ as a part of a discount to that. So that is all linked together. Is that a far better solution and perhaps might stimulate?

Ms WOODS: Yes, possibly. It is the unknown really with the vouchers, because we did not get feedback on any of the vouchers. I can say not one of our guests mentioned that they were successful in having a voucher. So it is hard to understand how it actually worked. Was it successful? I know they went within minutes online and things like that, but as an operator we did not get any feedback on that.

Mr MEDDICK: So feedback to you would be really important?

Ms WOODS: Yes. Because it is a big spend, so we would like to know: did it work? Otherwise that spend could be spent somewhere else.

The CHAIR: Thank you, Carolyn. Thank you very much for your presentation—it is really heartening to hear from local businesses that have done it tough, but your resilience is showing through—and your really practical answers and the takeaways for the committee to consider. So thank you very much for appearing today.

Ms WOODS: Thank you.

The CHAIR: It has been a pleasure to have you. And on that note, that concludes our hearing.

Committee adjourned.