

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

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

Melbourne—Wednesday, 14 April 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

WITNESSES

Mr Janusz Zak, Director, and

Mr Richard Dexter, Festival Director, Festival Enterprises.

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

I wish to acknowledge the traditional owners of the land, and I pay my respects to their elders, past, present and emerging. We wish to welcome any members of the public that are watching via the live broadcast. I would like to introduce my committee members that are present with us here today: Mr Lee Tarlamis, Mr David Davis, Ms Wendy Lovell and Mr Tim Quilty, who is online.

To witnesses presenting today: all evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the Legislative Council standing orders. Therefore the information you provide during the 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 print version of the transcript following today's hearing. Transcripts will ultimately be published on our committee's website.

We welcome your opening comments, but I ask that you keep them to a maximum of 5 to 10 minutes to allow plenty of time for discussion and questions. Could you begin by telling us your name for the Hansard team and then start your presentation? Over to the both of you.

Mr DEXTER: Thank you. My name is Richard Dexter, Director and Festival Director of Ballarat Festivals Pty Ltd and Festival Enterprises Pty Ltd, and I would like to thank you for the opportunity to address this panel. I would also like to acknowledge the Victorian government's initiatives in handling this pandemic. However, it has come at great cost to industries and businesses such as ours.

A brief history of the Ballarat Beer Festival, if I may. The festival has been running annually for 10 years with support from the Ballarat City Council. I took over the festival six years ago with the objective of promoting, primarily, Victorian independent craft brewers and, secondly, Australian-owned independent craft brewers, thus making the Ballarat Beer Festival regionally unique and known to the brewers as the premier event in Victoria and, in some brewers' opinions, in Australia. Events such as ours are a high-risk endeavour, where operators risk large sums of money in promoting their events months ahead of the event day as well as funding the infrastructure in advance. Coincidentally in 2020–21 our organisation did not receive any JobKeeper or Victorian government COVID grant funding. The funding risk was entirely borne by our organisation.

For a February event we normally commence planning and marketing at least six months in advance. We were unwilling to do so for the 2020–21 event due to uncertainty resulting from the second Victorian lockdown. It appeared by December 2020 that the emergency had passed and our February events, the Ballarat Beer Festival on 20 February and the Funk'n'Fest music festival on 21 February, looked highly likely to proceed. Accordingly we commenced the sale of tickets on 17 December, 65 days prior to the event date. We submitted our COVID-safe plans for both events around 7 December, 10 days prior to the commencement of ticket sales. It should be noted that these plans required approximately 80 man-hours to compile, with no assistance from the Victorian government. By way of comparison, the COVID-safe plan for a Queensland event is completed with assistance from the Queensland government within hours.

Recognising that commitment, our frustrations began when neither DHHS or DJPR provided any response for over eight weeks. We could find no way to contact the responsible authority for a status check. With no response from the aforementioned departments we decided to pursue the Ballarat Beer Festival but to cancel the Funk'n'Fest and another beer festival planned for Mornington in April, foregoing over \$350 000 in revenue. In desperation I sought the counsel of Ms Juliana Addison, our local Member for Wendouree, who prompted a response from the responsible authorities and ministers. I believe that without Ms Addison's intervention we would have had to cancel the remaining beer festival.

Briefly, our time line was as follows for the February 2020–21 festival: early December 2020, submitted COVID-safe plans for the Ballarat beer fest and Ballarat Funk'n'Fest; 5 January, wrote to Juliana Addison expressing our fears and dismays at the zero response from DHHS and DJPR; Juliana then commenced her investigations on 5 February; an initial review of COVID-safe plans by event assessors, with minor modifications required, on 5 February—however, a maximum patron limit of 2000 people was imposed at that time; 17 February at approximately 10.00 pm, verbal approval provided by Juliana Addison—

Mr DAVIS: February, what date?

Mr DEXTER: 17 February at 10.00 pm. It was provided by Juliana Addison, and infrastructure was rolling in at 6.00 am the next day, with the official approval received at 10.55 pm that night via email. Please note that the event permit from the City of Ballarat and the liquor licence from the VCGLR were contingent on this approval being received.

The five-day lockdown on 12 February severely impacted ticket sales, as can be seen in the first graph of our submission—you can just see it flatlining there—and consumer confidence severely waned post lockdown. We had kept ticket holders and target market informed as best we could of our progress towards COVID-safe certification, but it was extremely difficult to rebuild the ticket sales momentum due to the lack of certainty caused by last-minute government decisions. Graph 1 shows the dramatic pause in sales at lockdown, and graph 3 shows the huge increase in non-attendance by patrons who had purchased tickets, mostly due to fear.

The lack of metrics provided by the government and conflicting social distancing rules caused immense confusion among the ticket-buying public. For example, the tennis centre had a 50 per cent occupancy rate for inside a building. We were forced to have a 10 per cent occupancy rate in open air—2000 people maximum in a 20 000-square-metre spot. I assume everybody has got the submission in front of them.

The CHAIR: Yes, we do. Thank you, Richard, for the informative presentation. The graphs did assist. I could see the drop-off in attendance compared to previous year—it is very helpful—and also the lockdown in terms of ticket sales. I might start off by going to Mr Davis if he would like to ask the first couple of questions for the committee, and then I will go to Mr Tarlamis to follow Mr Davis. Mr Davis?

Mr DAVIS: If I can just get to one of the key issues I think that is developing as we go forward, and that is the inability to get a straight and clean answer out of the Department of Health. People put in material by email; there is no direct communication.

Mr DEXTER: No.

Mr DAVIS: Have you ever spoken to the Department of Health people by phone or—

Mr DEXTER: Only towards the very end.

Mr DAVIS: Towards right at the end.

Mr DEXTER: Yes. There was no contact number, and it was a generic email address to contact them.

Mr DAVIS: So they rang you.

Mr DEXTER: Yes.

Mr DAVIS: Right near the end.

Mr DEXTER: After Juliana Addison pounded on a few doors.

Mr DAVIS: Monstered them.

Mr DEXTER: Yes.

Mr DAVIS: Yes. She tried to force them to come out from under their rocks. But this I think is a big problem. I mean, we have heard it creates huge uncertainty. Forgive me if I am paraphrasing this, and tell me if I am wrong also, but you cannot be going forward with an event and having these last-minute notifications or changes. You are basically waiting for the emperor to give the thumbs up or the thumbs down—

Mr DEXTER: Correct.

Mr DAVIS: but meanwhile you have got all your money in the thing and the thing is burning.

Mr DEXTER: All the money is committed, and had the lockdown been for 15 days instead of five we would have been bankrupted, basically.

Mr DAVIS: Yes.

Mr ZAK: Could I add to that? For the record, my name is Janusz Zak. I am a Director of Festival Enterprises. We were collecting ticket fees from patrons. We would have to refund those fees as well.

Mr DAVIS: Of course.

Mr ZAK: So there is a cost to refund. We would have been out of pocket just to return money to patrons, because our policy, our stated policy, was to refund in the event of festival cancellation due to COVID. So we were taking on quite a risk just selling the tickets.

Mr DAVIS: But if you could have gone in and seen a member of the Department of Health's particular staff and actually had a direct discussion about these matters, you could have adjusted your thing at an early point, made it comply with whatever tweaks they wanted and then gone ahead with some level of assurance.

Mr DEXTER: And also if we had a set of metrics we could work by, so 'If we get this many COVID cases, then this is going to happen; if we are going to get X or Y amount of cases, then Z will happen'.

Mr ZAK: I think we were taking the risk, but we evaluated the risk. We took a measured approach to this. But it is the patrons that purchased the tickets that had no way of telling if the event was going to happen or if it was not going to happen. We were keeping them informed rather than the government keeping them informed. So we were trying to keep them abreast of where we were in the process—

Mr DAVIS: With huge uncertainty.

Mr ZAK: With huge uncertainty. But we had to tell them what we knew. So we were making the effort.

Mr DAVIS: And then with the caps that were put on—2000?

Mr DEXTER: Two thousand.

Mr DAVIS: At any one time—was that the number?

Mr DEXTER: At any one time, yes.

Mr DAVIS: But you have got that over quite a big area.

Mr DEXTER: Twenty-thousand square metres.

Mr DAVIS: Yes. But you are allowed to have 60 000 or 70 000 at the footy.

Mr DEXTER: Yes, correct.

Mr DAVIS: Is there any consistency in that?

Mr DEXTER: And the Australian Open had 50 per cent at the same time that weekend, inside a building.

Mr DAVIS: So the final question to come down underneath this too is: did they provide you with any information as to how they arrived at these rules and arrangements?

Mr DEXTER: No.

Mr DAVIS: Because they made the orders and they have never released the departmental advice or the chief health officer's brief or the minister's brief. These have never been put out publicly. You never got anything like that that would have explained and actually enabled you to negotiate, or 'navigate' perhaps is a better word, through the—

Mr DEXTER: Absolutely zip information other than the ruling.

Mr ZAK: We made a lot of our decisions based on publicly available information on the COVID website. And I went through that in some detail in putting the COVID-safe plan together and knew the sources of information, but we had no idea of how that was used to create the decisions that affected the running of the—

Mr DAVIS: Yes, you did not actually have the background document of the decision itself.

Mr ZAK: Yes.

Mr DAVIS: And that would have helped. You would have been able to negotiate your way through—or navigate your way through is a better word I think—with a greater understanding.

Mr ZAK: Yes. It would have helped us in our communication with the patrons and the ticket buyers.

Mr DAVIS: And with the closure of your festival, should there be some compensation? So if next year—touch wood; pray—there is another closure, do you think there should be some support? Or can you get insurance for that?

Mr DEXTER: No, there is no insurance.

Mr DAVIS: We have heard other people tell us that they think there should be some fund or the state government should underwrite—perhaps even with a small levy or something—a mechanism to give some confidence to people that if there is a cancellation, their base costs might be met.

Mr ZAK: Personally, I am reluctant to look at compensation on the basis of—we take a commercial risk, we get a commercial return on that.

Mr DAVIS: Or an insurance—

Mr ZAK: Some insurance would be helpful. But I think if we had clear communication of what is the target, what are the risks we are really taking on, in a more measured way. So what are the metrics that we are all working to? If we had clear visibility of those, I think then we could insure this event in some way. But the way things were run last year, no-one would insure it.

Mr DAVIS: Shambolic.

Mr ZAK: There was just no certainty at all. And everyone felt it; everyone in Victoria felt it.

The CHAIR: I might pass over to Mr Tarlamis to ask a question, if he has one.

Mr TARLAMIS: Just following up on that point that was raised, in terms of an insurance scheme that would be explored, surely an insurance scheme of that nature would have to be implemented at a national level. The risk of some sort of insurance at a state level would be that businesses would just simply move their businesses to the state which has an insurance scheme so that they could actually access that system, whereas at the national level it would be—

Ms LOVELL: There is the state making the decisions on the closures.

Mr TARLAMIS: So wouldn't that pose a risk for the—

Mr DEXTER: Some event operators do operate on a national basis—for example, the Red Hot Summer Tour right across Australia. He is based in Ballarat. So a national insurance scheme would be ideal for him. I do not care where the fund comes from, but I would like some insurance underwriting to occur, because there is nothing available at the moment.

Mr ZAK: What I would fear is that some premium would be put onto each event, and up until the day after the event we do not know whether we are going to make any money or not. And that would be quite an impost. So that is why I am really reluctant to say—

Mr DAVIS: It would have to be a modest levy, if it was there.

Mr ZAK: Well, yes. A ticket levy would work easily and be easily accounted for. I think most punters would appreciate that: guarantee their refund and—

Mr TARLAMIS: Based on revenue of the ticket.

Mr DEXTER: Yes.

Mr TARLAMIS: The other question I had was with regard to the public events framework that the government developed to support the return of events in a COVID-safe manner that was informed by epidemiological information at the time. Did you have any engagement with that framework?

Mr ZAK: I was actually engaged by the University of Tasmania in the early days and worked with them on the review of the Tasmanian response to COVID-19. So I had a view of how policy was formed and how it was executed. But I was just lucky to be on that project. I think members of the public would not have had access to that sort of information.

Mr DAVIS: But that Tasmanian one was arguably the best in the country.

Mr ZAK: Yes.

Mr DAVIS: That is what I have had put to me: that people say it is a model and could be adopted more widely.

Mr ZAK: When I was involved it was a national model. The states kind of went their own way after that point. So this was in the very, very early days: I am talking February, March of 2020. I mean, the argument is there are fewer people in Tasmania so it is easier to control crowds.

Mr DAVIS: But it is no more dense than—

Mr ZAK: Ballarat.

Mr DAVIS: I mean, Melbourne might be different.

Mr ZAK: Yes. So if you look at Melbourne, there are no sort of pockets. It is quite an open space. People leak—the population leaks between suburbs. You cannot lock down to a postcode. So Tasmania is quite different because of just the geography.

The CHAIR: Thank you. I might pass over to Mr Quilty, who is online with us. He has joined us via Zoom.

Mr QUILTY: All right. So would it be fair to say that what you would really like from the government is better communication, faster responses and more information, and perhaps everyone who puts an application in should have an individual case manager who is managing it and getting back to them so that someone is responsible; does that sound right, or how would you suggest they handle things?

Mr ZAK: I think just one other point is some metrics around how decisions are made. We talked about medical evidence, but nothing was presented, and if it is truly medical evidence rather than medical opinion, there would be metrics that could be shared with us. So at what point do postcodes or the state get locked down? What are the metrics to get out of that lockdown—and then a plan to get there and performance measures along the way that are shared with everyone. That is really what we are looking for, and then we can inform our patrons based on real scientific evidence rather than guessing and feelings. Up until the end of that third lockdown we did not know whether we could go ahead or not. We believed we were going to come out of lockdown, because I thought it was a bit of a kneejerk reaction, personally, but I had no metrics to judge that on—it was just a gut feeling. And we kept on going on the basis that we would come out. Metrics are very important, I think.

Mr QUILTY: Do we have any—I do not know; you probably do not have an answer—response to that: how long departments have taken to process applications and so on? Do you have any information about that? Probably you do not have any idea about that, do you?

Mr DAVIS: Well, you have given us a very detailed time line here.

Mr ZAK: The thing is we submitted the plan and really heard nothing until the final review. So in the interim it would have been nice to have some gauge of, ‘Are we going through a process?’ and ‘Are we at stage 1, 2, 3, 4, 5?’. We knew there were stages, after the fact, but nothing was communicated to us.

Mr QUILTY: Thank you.

The CHAIR: Thank you. And, as a committee, we will have an opportunity to speak to some of the departments in due course through this inquiry. But I will pass over to my colleague Ms Lovell.

Ms LOVELL: Thank you very much. And just on your comment on metrics and evidence behind decision-making, we have been asking for that for over 12 months now, and we are still asking. We will continue to keep asking the government for that on your behalf. Also your difficulty in getting your approvals through—you are not on your own. That is happening to events all over the state, and there have been some from up my way that the only way we got any movement or any communication out of government was to ask questions in Parliament, and it is just not good enough for your sector—you deserve certainty. But I was just wondering, having run a fairly recent event in the current climate, how your confidence post that event is and, if you were to be starting to organise another event in six weeks time from now, how your confidence would be about going into planning for an event? I mean, six weeks is obviously not long enough, but I am just using that as an example. And also could you give me three key points that government could do to assist the sector and to give you confidence around planning events?

Mr DEXTER: Three key points?

Ms LOVELL: But tell me about your confidence first.

Mr DEXTER: Okay. Confidence level—well, I am always a glass-half-full sort of guy anyway—my confidence level is probably about 60 per cent at the moment. We are talking to other local councils about other festivals. So confidence, I would say, is 60 per cent. Are you sitting about there, too, Jan?

Mr ZAK: Yes.

Mr DEXTER: The second key point: decision-making must be much faster from the government’s perspective. It was last October that Pakula and Andrews announced funding for regional events. There has been nothing since that announcement, which makes it very hard to plan any new events—in the Ballarat region anyway. The third point is—well, we have already touched on that—just clear and concise metrics on what will happen when something happens. Give us some clear, detailed instructions on worst-case scenarios, best-case scenarios et cetera and then we can work towards it.

Ms LOVELL: So that was two—faster decisions, clear and concise metrics. What was the other one?

Mr DEXTER: Following up on the regional funding.

Ms LOVELL: Sorry, yes.

Mr DEXTER: October to now is a bit long in the tooth to—

Ms LOVELL: It certainly is. So that announcement was made—

Mr DEXTER: October last year.

Ms LOVELL: in October last year, and you have heard absolutely nothing at all about how to access that?

Mr DEXTER: No, and the website still says it is coming.

Ms LOVELL: Right. Thank you.

The CHAIR: Do you have further questions?

Ms LOVELL: No. Thank you.

The CHAIR: Well, many of the questions I was going to ask were already put to you by the other committee members. I had a broad question about how the Victorian government could redress the uncertainty,

but I think Janusz gave the idea of metrics-based decision-making—that was, I think, your answer, broadly speaking, to that question I had.

Mr ZAK: I think there are really four parts to it. One, explain the metrics and set targets; articulate the plan to achieve revised targets; show progress towards those targets; and then celebrate when you have achieved the target. I think those four things are kind of just a normal decision-making process, and that was lacking through this whole time.

Mr DEXTER: And also be consistent with the rules too—the public gets upset when they see 50 per cent occupancy rate at an AFL venue and 10 per cent at a beer fest.

The CHAIR: So a bit of greater consistency you are calling for on those?

Mr DEXTER: Yes.

The CHAIR: There was one issue that Mr Quilty raised, which I thought was an interesting one because obviously no-one could have planned for this global pandemic, in terms of when applications are in having a point of contact. Like you would with, let us say, a planning process with a council or VCAT or whatever, you are saying maybe for event organisers to have a point of contact in the government department that can give you updates on how your claim is progressing, if further information is required. Is that what you are saying?

Mr DEXTER: Well, yes, certainly. As an example, working with the Ballarat City Council as I have for the last six-odd years, and also with the venue I have got up there as well, I argued a couple of years ago to have a concierge appointed—so a one-stop shop—because I have got to deal with seven different departments and Ballarat council just around an event and I was getting pulled in between meetings left, right and centre. So if we had one person to contact and they took the plan to all the different departments and got feedback, if I had one person to deal with at any given time, it would save me a lot of time and effort—and make it a lot more efficient.

The CHAIR: Yes. It sounds like for an event, I am guessing, your regulation is covered by—it could be food laws, it could be occupancy, it could be traffic management—

Mr DEXTER: Yes. Building, traffic, food, liquor licence.

The CHAIR: You are dealing with the whole lot, and now you have got the health complexity as well. I found this very informative from a festivals perspective. Obviously the inquiry is looking at tourism and events, and a festival organiser like yourself, it has been great to hear from you. I do not have another question. If committee members wish to ask another question, we have got time for probably one more question.

Ms LOVELL: I am fine, thanks.

The CHAIR: I want to thank Festival Enterprises and both of you, Richard and Janusz. It has been very informative and definitely a different perspective from some of our other presenters, so thank you very much.

Mr ZAK: Thank you.

Mr DEXTER: Thank you. Thank you for the opportunity.

Witnesses withdrew.