

# TRANSCRIPT

## LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

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

Anglesea—Wednesday, 12 May 2021

#### MEMBERS

Mr Enver Erdogan—Chair

Mr Bernie Finn—Deputy Chair

Mr Rodney Barton

Mr Mark Gepp

Mrs Bev McArthur

Mr Tim Quilty

Mr Lee Tarlamis

#### PARTICIPATING MEMBERS

Dr Matthew Bach

Ms Melina Bath

Dr Catherine Cumming

Mr David Davis

Mr David Limbrick

Mr Andy Meddick

Mr Craig Ondarchie

Mr Gordon Rich-Phillips

**WITNESSES**

Mr John Jacoby, Owner, and

Mr Sam Maffett, Owner and General Manager, Rapid Ascent Adventure Event Management.

**The CHAIR:** I declare that 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 begin by acknowledging the traditional owners of the land, and I pay my respects to their elders past, present and emerging.

I would like to introduce my fellow committee members who are present today: Ms Wendy Lovell, Mr Lee Tarlamis, Mr Mark Gepp and Mr Rod Barton.

I would like to read a short witness statement. All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law; however, anything 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 and posted on the committee's website.

We welcome your 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 start by stating your names for the benefit of our Hansard team and then begin your presentation. Over to you.

**Mr MAFFETT:** Sure. My name is Sam Maffett.

**Mr JACOBY:** John Jacoby.

**Mr MAFFETT:** Thanks a lot for the opportunity to present to you. We are the owners and directors of an events management company based in Torquay. We run off-road sports events, being trail running, mountain biking and adventure race style events as opposed to fun runs that are on asphalt or road-riding events that are on asphalt. We run between 10 and 15 events around Australia a year. The majority of those are here in Victoria, but a couple are in the Northern Territory and a couple are in Western Australia as well. We have been in operation for about 15 or 16 years and continue to love what we do.

COVID obviously hit us very hard, being in the events industry. We employed, before COVID hit, about five people at a mixture of full time and part time, not including casuals who might help on event days. Anyway, we went from about 24 man person days a week to 12 or less, and that includes John and I, who as owners and directors would generally be included in that 12.

During lockdown 1—look, throughout all of this we have tried to remain dynamic and fluid in how we deliver our events. Probably beneficial to our structure is that we do not report to any peak body. For example, we do not have to run a triathlon with a swim and then a ride and then a run; we can twist and adjust the format of our events to suit what we think the market wants. That probably helped us with some of our events.

We acted quickly. At the end of February we laid two staff off. We cut back the hours of remaining staff. We cancelled events. We cancelled or postponed events that were due to be held in April or May. We hold a pretty generous cancellation policy so that if an event was cancelled, then our participants were welcome to have their money back as a full refund. So for cancelled events we ended up giving a lot of money back, and for postponed events we transferred their entries forward.

Throughout lockdown 1 we gave a lot of money back and had minimal entry fee income. Up until lockdown 2 we held out great hope that we could continue to run events in August and September. They were interstate, but

with borders being fickle and predominantly closed and group sizes majorly limited we went through a second round of cancellation and postponement of events that were to have been held in August and September.

And then I guess from about October onwards we started to climb out of our situation. As I said, fortunately we have two successful events in Western Australia. We managed to proceed with those events in October and November even though we ourselves could not get there. We recruited a team to deliver them on the ground whilst we were involved on the computer and the radio on the other side of the country. So we were very fortunate for that circumstance.

Our first event in Victoria went ahead again on 5 December. Located here in Anglesea, it was an ultramarathon. The event went along basically with half the people over twice the time—but still an event nonetheless for which we received and continue to receive for events conducted since then enormous gratitude for our attempt to proceed and to give people an objective.

So our key beliefs or actions throughout how we have approached COVID were to never give up hope and to always push hard to find a way for an event to proceed, whether it was not calling it an early cancellation—never giving up hope. Secondly, maintaining very clear and honest communication with our customers, ensuring they know the situation and what our plans are and how we are hoping to proceed, obviously keeping them engaged and motivated and active. And then on our basis being dynamic and willing to change all aspects of our events. Throughout the first lockdown we converted a couple of trail-running events to virtual events that involved participants all around Australia running at the same time but connected via Zoom, Facebook and other technologies like that. So that is what we did.

**Mr JACOBY:** And then I was just going to touch maybe on some, I guess, negative or bad points, if I want to say that, and then some positive and some good points. On the negative side first, I guess we found that there was no reference made to outdoor participation-based events. It felt as if we were always lumped into the same category as outdoor spectator events, which are two very different things. Our attendees are mobile around a large area, and since the event down here they have spread out over 50 or 100 kilometres. Once they are competing the chances of getting COVID from anyone else is pretty slim. There was a lack of—

**Mr MAFFETT:** A point of difference there is if we say there are 1000 competitors coming, there are never actually 1000 people at the one place at the one time. That number sounds like, ‘Oh, my goodness—you can’t do that!’, but if you look at the detail, then they are not necessarily exceeding whatever the limit is at that time.

**Mr JACOBY:** There seemed to be a lack of clarity and lack of a direct contact with a person who could provide good, sound advice that was in accordance with the government guidelines. We have got very good relationships with local council, who generally in normal situations are one of the permitting authorities. We had to keep going back to our council contact to try to find a contact within state government to say, ‘Can we do this?’, ‘Is this okay?’, ‘What are the guidelines?’, so that was pretty frustrating.

We found that details online were very slow to be updated. The press conferences were made in the mornings but even by the afternoon the table of what we could do or could not do still had not been updated. The press conference is just the sort of headline bits, and there was not the nitty-gritty contained in there that was what we were trying to hear. I guess, further to that, to get a heads-up for what might happen often came down to which contacts you had inside government and where you could glean that information from, and that seemed hard to get.

I still think there is probably little regard for outdoor spread-out events, like we mentioned, such as the participation events—and that includes even fun runs and other non-spectator events.

**Mr MAFFETT:** A spectator event being that 1000 people are standing at an outside rock concert or an outside footy ground. Still the total number of 1000 or 5000—or whatever it is—is a very different scenario to 1000 or 5000 or whatever it is coming to one of our events, where they are spread out over an extensive course. We were clumped together, rather than separated out.

**Mr JACOBY:** And I guess an example of that clarity was in the February lockdown. It was very hard to get any confirmation as to whether our event could proceed. We had an event scheduled for 20–21 February. I think the lockdown was lifted on the 17th or 18th. We still did not know up until that point whether we were

going to go ahead with the event. We kept saying to our competitors, 'We're going ahead with the event until we are categorically told that no, we can't go ahead with the event'.

**Ms LOVELL:** What type of event was that?

**Mr JACOBY:** That was a mountain-biking event down in the Otways with, over the weekend, about 2000 competitors. But again, as Sam said, there were never 2000 people clumped together, and they are riding 100 kilometres of track.

**Ms LOVELL:** So there are different age groups, different levels et cetera?

**Mr JACOBY:** Yes. And what the guidelines were trying to achieve we could understand, but at the same time we knew in our hearts that our event was not really posing a serious risk towards spreading the disease because they are out in the air and the wind is blowing and they are spread out.

**Ms LOVELL:** Less risk than Bunnings.

**Mr JACOBY:** Yes. Well, that came up a number of times. Obviously the uncertainty over border controls made things very difficult. In a lot of our events we get interstate competitors, and for us to plan—whether it was for us attending an interstate event that we ran or for our competitors to come as an interstate visitor—that confidence, even now, has been very slow to rebuild, especially with the snap lockdowns in Perth or Queensland or wherever it might be.

I guess there is uncertainty over what is an acceptable cancellation policy. That has been not just in the events industry, but I think that is certainly an industry that has been hit hard. Is it okay to roll someone's entry over for 12 months, or do we have to give them their money back? As Sam said, I think we are probably reasonably generous. A lot of the bigger event organisers are pretty ruthless in saying, 'No, we're not giving you your money back at all. You'll have to wait till 2022 or 2023' or whatever it might be.

Another unusual thing that we saw was the COVID-safe stamp artwork—the signage, the posters, all that sort of stuff. Anyone could download that and use it how they liked, and it did not represent whether you had an acceptable COVID plan or not and whether that had been approved, which we thought was a little bit surprising.

On the positive side, JobKeeper obviously was a lifesaver for us and the single biggest assistance. I know it was a federal thing, but I am very thankful for it. Having said that, I still think it should be assessed retrospectively, as I think there are a lot of businesses that probably received it that should not have—and there is nothing to stop the ATO going back now and looking at actuals from the previous year. The state government financial support grants were certainly welcome. I doubt whether they actually made a significant difference to whether a business failed or survived, but we are certainly thankful for receiving them.

I am not sure whether direct financial assistance to a business is the answer. It is a very expensive solution, and unless the funding is significant, I do not think it will make much difference, again, as to a business's actual survival. One idea that we thought of is perhaps some sort of safety net by way of subsidised insurance for business interruption as a result of COVID. It could be beneficial. Insurance companies might be running a million miles from that; I am not sure. It might help restore some confidence, but I am not sure whether that sort of package would be even feasible—and you would obviously need some buy-in from the insurance companies.

It would be much better to have clear, defined guidelines so we know whether we can or cannot conduct an event. We think at the moment the demand for events from the public is very strong. We seem to be bouncing back quite well at the moment, and I think while the international borders are closed people are keen just to get out from home and go away for the weekend and do something, so that is a positive. Again, from our, I guess, minor research, the incentives provided to the consumer, I think, seem to work better for us. The 50 per cent off flights thing, the travel vouchers—I think that really helps build confidence in the community. There is still a lot of tentativeness out there in the community as to, 'Can I go and do an event interstate? What happens if a lockdown happens? Will I get my entry fee back? Will I get my flights reimbursed?'. All that sort of thing is still, I guess, making it difficult for people to go out and bite the bullet and do a trip away.

**The CHAIR:** No problem. Thank you very much for that, John and Sam. It seems like you have had a challenging time, but it is great to hear that there is an upward trajectory. I believe there is definitely pent-up demand, especially from people that have not been able to go away on holiday and get their adventure elsewhere. They are coming and travelling into our regions, which is great to hear. I might pass over to my fellow committee members to ask some questions to kick off the discussion, if that is okay, and I will hand over to Ms Wendy Lovell.

**Ms LOVELL:** I am going to ask you the same question I asked the last one: if you were Premier for the day, what do you think you would do to help your events sector recover from the pandemic?

**Mr MAFFETT:** Luckily we had about 5 minutes to think of an answer—thanks for the heads-up before. I jotted down here that it would be helpful to have a contact to approach who understood our events. As I said, we are non-mainstream; we are not football, we are not tennis, we are not even surfing. Whilst our local permitting authorities, local councils, understand what we do, they were often swimming as blindly as we were and were looking at the same web page as we were. So there was never someone we could ask a question to. Not that we were asking for a crystal-ball answer for what would happen—it was just: what is the situation now with regard to our circumstances?

The second I had—and, look, we are probably just addressing some of the points we have raised already—is clarity on outdoor activity events versus outdoor spectator events. That is the point of difference that we mention.

**Mr JACOBY:** And I think also, which maybe we are starting to see now, is not the blanket approach to the lockdowns. You know, that February lockdown when the whole of Victoria went into lockdown, it was like, ‘Why are Horsham and Mildura and Warrnambool, and even Geelong for that matter, being restricted to all those things?’ when it probably could have been isolated to a specific little pocket or an area or a hotspot. It just felt as if everyone was getting banged over the head when you only needed to bang a couple over the head.

**Ms LOVELL:** So whilst you have very rightly pointed out to us that ‘outdoor activity’ is very different to ‘outdoor spectator’, there is a similarity between the two events in that if we have a last-minute lockdown—like 1 o’clock on a Friday for five days—and you have got an event that weekend, it is this, as you were talking about, perhaps subsidised insurance given that the state makes the decision to close you down. You might have a big bike ride happening and you feel you need to refund that money; should the state then underwrite those events so that the sector have confidence to run their events and that they are not going to be closed down at the last minute?

**Mr JACOBY:** Well, yes, not only would it give the events sector confidence, I think it would give the consumer a lot of confidence and maybe even further grow that pent-up demand. People would say, ‘Well, if I know these events are underwritten by such a policy, if there is a lockdown, I know I can get my money back’.

**Mr GEPP:** Sorry, have you done any research—

**Mr MAFFETT:** Sorry, because there is ambiguity, there is variability across each event company in that it is not standard that you get your refund or you do not get your refund, it is hard for us—‘Yes, we do, but you have got to look at the fine print’. There are so many other things to say. So if there was a broad-scoping, broadly understood policy for everyone, then that would give everyone confidence no matter where they were going.

**Ms LOVELL:** Well, it would only be if the government then suddenly locked down for that weekend.

**Mr MAFFETT:** Sure.

**Ms LOVELL:** It would only cover it for that, it would not cover it for any other reason, like a cancellation, weather, or your decision—

**Mr JACOBY:** No.

**Mr MAFFETT:** That is right.

**Mr GEPP:** Do you have any idea of what that cost would be to underwrite an event? I mean, it is easy to say that the state underwrites all of these events, but we might have to revisit the—

**Mr BARTON:** Can I suggest a levy?

**Mr GEPP:** A levy, yes—a tax. I mean, where do you pay for it?

**Mr JACOBY:** And I do not think the events industry would expect to get it for nothing. I think if it was a premium that was maybe partly subsidised—but it still comes down to whether the insurance companies are going to underwrite it, because they are the ones you are going to be going back to, and I do not think the government wants to be an insurance underwriter.

**Ms LOVELL:** They already are—

**Mr GEPP:** Given that most of the insurance companies are owned by the banks, which have just announced record profits, more than anybody else in the world, during a pandemic, I am pretty certain I know what the answer will be from insurance companies.

**The CHAIR:** I know Mr Tarlamis has a question, so I might pass over to Mr Tarlamis.

**Mr TARLAMIS:** You would also have to deal with some of the complexities around suddenly having businesses sort of registering in this jurisdiction because if you do it at a state level, not a national level, you then have businesses registering in Victoria so that they can get access to this—

**Ms LOVELL:** No, it would only be events in Victoria.

**Mr JACOBY:** And that was I guess another area for our business, the fact that we are operating in three or four different states and territories. Every one of them has a different list of rules and different COVID plans and different QR code apps. It is just like, ‘Why can’t this thing go commonwealth and everyone do the same thing?’.

**Mr TARLAMIS:** I was going to pick up on—you mentioned this in your presentation, and thank you for your presentation as well—how are you going now in terms of the events that you are actually planning, in terms of the future events that you have got in the pipeline? How are you going with those, and what is the take-up on that in terms of numbers? I am interested in, if you know—I would assume, and correct me if I am wrong, you would have a lot of people that would kind of be regular users or repeat users of your service, who have participated before—are you seeing an uptake in new people that are participating as well?

**Mr JACOBY:** We probably have not seen that much change in trend of repeat versus first-timers but certainly a strong demand for events, and the bigger events, the ones that require more training and more commitment and a bigger commitment by the competitor, are probably even stronger than maybe the smaller events.

**Mr MAFFETT:** We have only conducted one event in Victoria in 2021. The numbers for that were up by 15 or 20 per cent. We changed a couple of other things, so yes, I think an amount of that growth could be attributed to post-COVID enthusiasm. There are other changes that we made as well. We have conducted one in Alice Springs and a couple in Western Australia. Numbers there have been stable or higher.

**Mr TARLAMIS:** How many more have you got planned for this year, or are you still in the planning processes at the moment?

**Mr MAFFETT:** I think I have counted that we have got about 14 events this year, so another 10 to go. Look, it is a little bit early to call it for some, but certainly the response is looking pretty favourable at the moment.

**Mr TARLAMIS:** Yes. Okay.

**The CHAIR:** I might pass over to Mr Gepp and then Mr Barton.

**Mr GEPP:** Oh, this is my turn.

**The CHAIR:** Yes. Now it is your turn. One question, Mark.

**Mr GEPP:** In terms of competitors, are there any standards or can anybody register?

**Mr JACOBY:** No, pretty much anybody.

**Mr GEPP:** Because I was just thinking when you made your comments earlier about trying to pitch your case about your events and you talked about mountain biking. I have got a guarantee that if you had have been successful you would not have had 2000 people, you would have had 202 000 people go there, because if you recall during lockdown fishing and golf—gee, didn't those industries explode.

**Mr JACOBY:** It was interesting, I guess, to see over COVID the industries that did flourish. Even if you had predicted it people I do not think would have picked the bike industry, for instance. You cannot find a bike to buy at the moment.

**The CHAIR:** \$20 000 some of them are where I live.

**Mr GEPP:** You could have guaranteed that if it had have been said that bungee jumping was the lead, there would have been an enormous take-up.

**Mr TARLAMIS:** So Mark is interested in the next event.

**Mr GEPP:** Yes.

**The CHAIR:** Mr Barton, do you have a question?

**Mr BARTON:** I do. There has been a lot of talk about overseas visitors, particularly down here. Is that a big part of your business? Do you get many people from overseas coming to—

**Mr MAFFETT:** Generally not too much international, but for some of our events we get very strong interstate visitation. So, for instance, for the event down here in Anglesea maybe up to 25 per cent were from interstate. The mountain bike race we ran in February normally would run into maybe the low 20 per cent from interstate. That was almost zero because of the lockdown.

**Mr JACOBY:** Internationally, no, not a great impact.

**Mr BARTON:** Just as a comment first, Chair—I am not sure if I want to say this—I do not want to make an excuse for the bureaucrats, but this COVID-19 is a bit like a greasy pig, trying to catch hold of it. In terms of the information coming out, it was really difficult. We actually work in Parliament and I found it difficult, but we were able to have access to ministers and things like that so we were able to get it. I understand your frustration. We can always do things better, and I think we do things better now than we did three months ago and six months ago and all of that sort of stuff. So that is a bit of a challenge. Just that one; I will drop the other one. Thank you, Chair.

**The CHAIR:** Thank you. On behalf of the committee, John and Sam and Rapid Ascent, thank you very much for your presentation and contribution today. I found it thoughtful, and the outdoor activities sector exactly was not talked about as much last year as the golf sector, as Mr Gepp kindly reminded us. But it is fantastic to see that you are thriving. You have got these events, you have got a great pipeline of work happening. I might take an interest one day if I am brave enough. On that point, that concludes today's hearings. Thank you.

**Committee adjourned.**