

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

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

Melbourne—Wednesday, 2 June 2021

(via videoconference)

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

Mr Steve Smith, General Manager, DG Global Events.

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 all background noise is minimised.

I wish to begin by acknowledging the traditional owners, and I pay my respects to their elders past, present and emerging. I wish to welcome any members of the public that are watching via the live broadcast.

My name is Enver Erdogan, and I am Chair of the committee. I would like to introduce my fellow committee members that are present here with us today: Ms Wendy Lovell, Dr Catherine Cumming, Mr Lee Tarlamis, Mr Tim Quilty, Mr Rod Barton, Mr Mark Gepp, Mrs Beverley McArthur and Mr Andy Meddick. So we have full attendance of the committee today, as you can see, Mr Smith.

I will just 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, 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 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 and questions. Could you please begin by stating your name for the benefit of the Hansard team and then start your presentation. Over to you.

Mr SMITH: Sure. My name is Stephen Smith. I reside in Melbourne. I am currently working in the capacity as the General Manager of DG Global. I am also one of the founding committee members of Save Victorian Events, which I know that you have heard from. Thank you for that applause; I appreciate that.

Before I start I would just like to thank you all for the way in which you have approached this—your empathy and dignity that I have seen demonstrated from you all across a group of people that are definitely ranging in different scales of hurt and frustration. I really appreciated the way that you dealt with that, and I look forward to that continuing in my direction this afternoon.

So a bit about DG Global just to give you a bit of a heads-up, and I am going to take you down a different bit of journey as well too because we also operate in another market, so we operate out of Victoria and Western Australia. We are in our third decade of operation. Our managing director and his family relocated to Melbourne I think 12 to 13 years ago to be a part of what definitely was, and we believe will still be, the events capital and entertainment capital of Australia. So moving over to Melbourne, starting 13 years ago, we had opened up a wide range of new opportunities for us. We are a boutique agency, but we work and have worked with some brilliant brands: international software brands, accommodation, hotels, airlines. We have delivered events for Tourism Australia; we have worked with the South Australian events bureau. We have got a really good background of working heavily in the corporate sector.

To COVID particularly, in Melbourne of course St Pat's Day, funnily enough, was our last show that we did—for the Irish Australian Chamber of Commerce. That was on the Friday before we shut down the grand prix. Very quickly, with the managing director we thought, 'This is going to be a thing'. We made a decision that fairly much national events were going to be very hard to happen, so therefore we redid our forecast. We pulled our numbers down based upon what could be done on a state-by-state level, where border closures, travel, were not going to impact that much. Well, the end result in Victoria was we did 8 per cent of our forecast, and that was solely made up of JobKeeper, ATO and of course the state government grants, for which we are extremely grateful because they did enable us to keep people in a job. Sadly, some people did lose their jobs because the work was not there to support them, but the team that we did keep we were able to keep. I will also say as well that many of them worked for half wages full time for the year because they believed in the vision of our business, so a public thanks to our team members as well.

In Western Australia we did 138 per cent of the forecast. That is a massive difference. We were all dealing with COVID. Basically, from early June our managing director made the decision that it was best to relocate over to Perth, so he moved over. He was actually away six months from his family—he missed half of his daughter’s year 11—but it meant the survival of our business, and he was also able to keep the family home. Everything is tied to property, as you probably would have heard. July was at the point where it was like going to the ATM and there is no money in there. We used the word ‘postpone’ instead of ‘cancellation’, and in Western Australia they came back with a whole lot of confidence and then were able to work the market even harder to pick up additional work. All our corporate work was able to function. Christmas parties—corporate Christmas parties—were able to still function. Back at the time in Melbourne—I remained here up until about October; I did move back over to Western Australia as well—our corporate client base: if we tried three to four times, we tried 10 times to try and move, postpone, all our corporate clients here.

We also work heavily in the tertiary education sector where we arguably do some of the best graduations where students can celebrate their success with their loved ones and their families. Decisions in Melbourne from our entire client base were, ‘Too hard. Write the year off’. So in Melbourne our last invoiced show was St Pat’s Day 2020. That was our first invoice in 2021—so the entire business. If we are replicating Melbourne-based, Victorian-based businesses with what we experienced, we did not invoice for 12 months. But again, Western Australia, just because of confidence, knowing and being able to realise what the government might do—yes, we had a circuit-breaker over in Western Australia recently. We were right in the middle of doing eight ceremonies for between 800 and 1000 people outdoors for Curtin University. We also had a corporate event. But based upon the behaviour we were able to speak with an element of confidence to the client, saying, ‘Hey, let’s get through these three days. They tend to get back to work fairly quickly under Mr McGowan’s leadership. Let’s see what happens’. So we were able to postpone all suppliers. Everyone was able to get back to work because of that. That is not what we are able to have here.

We also pivoted during this time as well, because, you know, you have heard many stories of different businesses being self-reliant and also moving to do different things. Our managing director comes from a rock-and-roll background, and we went into band management. And what a great thing to do—‘Let’s get certain bands working and touring across the country’. One of the acts is 1927—not name-dropping, but it will mean something. We have just completed seven regional shows in Western Australia. Band members are working, theatres are opening, people are working. We are now having to postpone. We thought it would just be a week, but now we are postponing 12 dates. It is not the core of what we do, but we are looking at other revenue sources—so even now pivoting above and beyond the corporate events that we all survive on and we love. That has now bitten us as well, and now we have got to pay for all the marketing and everything and we are having to move this aside.

Because we had the Perth-based business, our story is of survival, so we are in our revival stage right now. We will consolidate. But it is incredibly difficult in the current state that we are working with here just to be able to answer our client base that look at us as consultants, you know. We are engaged with different departments. We know the rules, we know how to do a safe event—but communication is difficult. It is sometimes sketchy. We did just do a very large outdoor activation for a university where, with the client, we applied for a tier 2. That process was well managed—it is detailed. And then we actually did have inspectors come out to see this. They are set up as the group that is to tell us, to show us, how to do this. It kind of spun around the other way where it was like, ‘Wow, what you’ve done here is absolutely brilliant. Can we use this as an example of what to do?’. So I am a little confused with—well, you should be telling us what we could do better. But we will take the accolade. We have been doing it for a long time.

So that is the preamble. That is where we were. We have experienced two different markets. There is confidence in one. It is sketchy here. I do not want to be inflammatory—I want to remain positive—but I welcome any questions that you might have right now, just with an understanding of who I am and what our business actually does.

The CHAIR: Thank you, Steve, and thank you for sharing, I guess, DG Global Events’ experience over the last 18 months almost now through the global pandemic. It sounds like you have been very successful in WA throughout, but in Victoria your experience has been varied. On that point I might just pass on to committee members. I will ask for one question each initially. If there is time, we will go back around. I might start with Ms Lovell, then Mr Tarlamis, then we will go to Mr Barton and then go all the way around. I would like to give everyone one question first and then, if we get time, a second question. Ms Lovell.

Ms LOVELL: Thanks very much, Enver. And thank you very much, Steve, for your presentation. Just simply, if you were the decision-maker in Victoria for the day—so the Premier or the minister—what is the single thing that you would implement that would help your industry the most to get you through this very difficult time?

Mr SMITH: That is a really good question, and also I have got to adopt an element of faith in my response. We have chosen to put public health over everything else. I have to therefore accept that there are experts making these decisions that are way above my pay grade and way above my experience. If I just solely put on a cap for the events industry, I would say that the shutdowns and the length of time that we have been shut down compared to other states have been exceptionally long. Can we shorten these? New South Wales has kept things open with 70 community cases, I think it had, at one stage; the industry was able to keep going. Selfishly my answer would be easily, in accord with this whole industry: do not shut us down; give us confidence. But of course that answer has to be balanced with actually being quite human in response. I have ageing parents as well, and if I knew that my ageing parents were in the firing line because everything was just open as normal and I lost them, I would be rethinking my answers very, very quickly. I hope that goes a little way to answering your question. Between the two of them there is a big pendulum swing to the left and the right. Can we bring that in and be just a little more concerted? Because the damage that these things do financially and mentally to people within this industry—I do not think you are going to be able to measure that for two to three years.

Ms LOVELL: Thank you very much.

The CHAIR: Thank you for sharing that. Mr Tarlamis to ask a question.

Mr TARLAMIS: Thank you, Steve, for coming along today and presenting to us. We have heard from a lot of witnesses that have come before the committee different explanations, but I am just interested, in your experience of and involvement in the industry for such a long period of time, if you could explain to us from your perspective how you would describe, define or conceptualise the industry as a whole.

Mr SMITH: Sure. From our perspective—so we are talking Victoria here now; we will leave WA alone—Victoria's events industry is the people and businesses involved in the professional creation and management of special events in and from Victoria. These include business events, public and community events, charity events, festivals, mass participation events and professional weddings—even Christmas parties. We have some overlap with the arts, music, tourism and sport, but they are very separate industries with different purposes, operational models and economic models, for example. So we all overlap. You have a corporate event—if there is entertainment there, you would think that we are tapping into the music industry. Well, we are. If there are circus performers, we are tapping into that. If there is a comedic MC that is on stage, well, we are tapping into that sector as well. We are also tapping into the production, the supplier level, of audio systems, lighting systems and vision systems. We tap into security guards. We tap into food and beverage. We tap into hotels. An event is the reason why everything else comes along. You host a thousand-person international conference in Melbourne, you have got half a million dollars of transport fares that are going into the economy, for example, with people getting into cabs and Ubers. So holistically that would be my response. I hope that answers your question sufficiently.

Mr TARLAMIS: I guess that kind of leads into, given that broad overview of what that encapsulates: how do you bring that together to get that representative view when you want to drill down to see how that industry is affected? What would your view be about the best way to capture that?

Mr SMITH: That is a brilliant follow-up. I think we need a dedicated 'Events Victoria', okay? So, you know, there are people in government who understand events and our industry and who also want to work with us so we can get restrictions, guidelines and approval processes that are workable.

Mr TARLAMIS: Thank you.

The CHAIR: Thank you. Mr Barton.

Mr BARTON: Thank you, Chair. I was very fortunate; for a great length of time I piggybacked off the events that happened in Melbourne and made a good career out of it, so I certainly understand the importance of your industry. But on my travels I meet many people, and they are highly critical of the lockdowns and all that sort of stuff. And when I put it to them and I say to them, 'Are you prepared to do what they've done in other countries and just let it rip and pay that price?'. Now, I have not met anybody yet who is not, 'No, no. We

shouldn't really do that'. But there is this balance, like you said, this pendulum: how can we get it a bit tighter in those areas? And this comes down to our confidence. If we can get a better vaccination rate more quickly, how would that affect the events industry? Would that give them confidence? And if I might just be a little bit tricky, just about insurance for when you have an event go down.

Mr SMITH: Sure. I will try and cover all that. First of all the vaccination: again, there is one thing that I cannot stand, which is hypocrisy, which is one of the main reasons as well that I was thrilled to be involved with Save Victorian Events. It is one thing to snipe from the sidelines, but if you have got concerns, roll your sleeves up, get involved. So being a part of this, I hopefully am doing what I am saying. I have been very pro vaccination. You know, all of us elder, over 50—

Mr BARTON: Those of us who are mature age.

Mr SMITH: Yes, the mature age. Thank you, Mr Barton. You know, we have literally rolled the sleeve up—a wonderful experience. I will say this with COVID: what I experienced for 24 hours, if that is 10 per cent of what this backside of a disease and virus actually does to people, I could not advocate for not putting people's health first at all, with just what I felt for 24 hours. And yes, man flu, all that type of thing, but it is not a pleasant thing. I have heard some horror stories as well.

A bit of a side answer: my wife is South African. We have family in South Africa. I have firsthand exposure and stories of what happens when you just let everything run. And, look, they have done the close-down thing with absolutely no government support at all. So I am pleased to say, on behalf of my industry, I am incredibly thankful for anything the government has actually done, because we are not experiencing any of the financial difficulties that countries like the UK, the US, South Africa are experiencing.

To want to make it apolitical, my answer is: what would we do? And I think that can be again answered with: let us have a look at the way Western Australia has run these lockdowns, let us have a look at the way that New South Wales has run these lockdowns, and I believe that they are two separate political parties. With the way that they have done these it just seems to be a little bit more measured. We are completely risk averse here or maybe we are just unlucky and we get the worst of it each time. And I have also seen the way that Mr Marshall has also managed South Australia. Either it is just worse here or we go really hard at the ball and just clamp down so quickly here, and then the communication that we have through the different departments on how to get back safely seems to be somewhat truncated, depending on who you are speaking to. And then as someone that was just trying to get 650 people into Crown and hearing at the time I could not do that but 40 000 people could go to the football, I scratch my head and I get very confused, as does the entire industry wanting to do a corporate event. Even a breakfast could not happen, but we could go to a sporting event in this state.

Mr BARTON: Thank you, Steve.

The CHAIR: Thank you, Steve.

Mr SMITH: And by the way, I am not anti-sport. Let us cover that off too. Go, Cats!

The CHAIR: Right. No, no. You are raising a theme that has come through from the events sector around consistency on policymaking. So we are taking it on board. I appreciate the honesty and your forthrightness on this issue. I might pass over to Mrs McArthur, then Mr Meddick.

Mrs McARTHUR: Thank you, Chair. And thank you, Steve, for your very illuminating presentation. I am really taken by the differences that you have pointed to between the ways that Western Australia and Victoria have managed this pandemic. We have got the same virus, last time I checked. It is not different in Western Australia. We have even got a version of the same ALP government. So it is fascinating that you say they have been able to do it differently. I wonder—I know you have participated in roundtables here with government in Victoria, whether you have in Western Australia—how that process operates or if it does operate at all in Western Australia. I am also particularly taken, and maybe you can comment further, on those experts that were coming to tell you how to suck eggs, so to speak, where you had to show them how it was to be done properly because of course you are in the risk and logistics business and by and large government is not, so you are able to very adroitly run these sorts of things in a COVID-safe and proper manner. So if you could just enlarge on the differences that you have identified between Western Australia and Victoria. And you say that you totally agree that it has to be on health advice—have you ever seen any of this health advice that suggests we ought to

be in a lockdown or have a border closure? Has it ever come before the events industry at one of these roundtable meetings?

Mr SMITH: Look, I think this is a chicken and an egg thing—or has the horse really bolted? I hate using analogies, but by the time we come to the table in Melbourne, to answer your question, the decision has been made. There is no consulting which is done with the industry beforehand. I will say as well with all the WHS industry that we work to with events, you would appreciate that if we are doing an event for 2000 to 3000 people at an open day, we have got a 180-page risk document that we are actually producing which covers pandemic prevention anyway. It was just a word before, and insurers had it before too. It was also under force majeure. This is the first time it has actually kicked in, when it has cost so many people so much because we have actually had to act on it. So to answer your question, ‘What have I noticed that is different?’, I have not had to come to the table in Western Australia to share my concerns. There is a ‘save Western Australian events’, but they are hurting on the basis of large-scale festivals—you know, bigger amounts of people—but the bread and butter of what Victorian events are are under a thousand people here, so we are in ballrooms, we are in clean situations.

It also says something too that in the whole exhibition area sector of what we do, which is tied to conferences that generate billions of dollars, three of the prime areas and locations where you would go to host 50 trade booths and upwards are shut down for vaccinations or they are quarantine centres right now. So where you go to host these events—which are at MCEC or at the Royal Exhibition Building or the Pullman in Albert Park—because they have got the floorspace are not usable, so that gives me an indication, or maybe I am overreaching here, that we have made this decision. Well, where does the events industry go? I have got my own answer to that; it is rather inflammatory, I will leave that alone. But if I literally had an opportunity to do a certain event right now in Melbourne, I do not have a venue where I can go. Have I answered that enough? You seem to be grinning.

Mrs McARTHUR: Unless you want a few vaccinations.

The CHAIR: Mrs McArthur asked a number of leading questions, I felt. But I think you have given her a pretty fair response. I will move on to Mr Meddick, Dr Cumming and Mr Quilty. Mr Meddick.

Mr MEDDICK: Thank you, Chair, and thank you, Steve. Look, I am looking for an opinion here more so than an answer to a question I suppose. We have seen now the move in Victoria to a uniform QR code, because that was a criticism earlier on. There was business resistance to a uniform government-imposed QR code, so the decision was made I know early on to let businesses go to one that they felt best worked for them. We have seen that that now does not work, so there is a move to this one QR code. Now the talk is that if people refuse to use that QR code or cannot provide proof of logging on with it at a venue, regardless of whether that is a small venue like a pub or a club or a small event like you are talking about where there are 1000 people or less—I mean, 1000 people to me is a decent size—they should be refused entry. Is that something that you feel should be incorporated as part of a COVID-safe plan to enable events to go ahead, so that you know that the participants are actually doing the right thing as well—so you are covered and you do not get fined? Do you think that is a fair call?

Mr SMITH: It is a very good question. So before I answer, if I use a similar venue that is in Western Australia and also in Victoria, the venue in Western Australia is using the government-mandated code. I have had nobody push back, and we have had up to 1200 people come through to do events on this date. That is the code; people do it. A couple of people, even when I have been there—‘I’m not doing this’. ‘I’m sorry, sir, you can’t come in’; ‘Oh, all right then’. I, for the life of me, and this is just my opinion, why we have not updated—you know, big data is everything. You have all the data in one place right there. Your contact tracing, I imagine, would be very, very simple as compared to all these fragmented systems. We state that the data goes in 28 days, even when we are open. Even if I just went to a local restaurant, I am happy to sign in with the Victorian one. I do not have an issue with that. The underline is at least I know this is all going to one place. Then the argument of, ‘Oh, well, Big Brother—people can see where we’re going’—dude, we have got your tax file number, we have got your credit card, you pay with your swipe card. Can we stop being so dopey about this? Excuse me; I am being a little too relaxed now.

From my opinion, if you were to introduce that straightaway, tomorrow, the majority of the people that I have spoken to across the events industry—we have got no problem to sign this and to work with this. It is just one app instead of seven on the iPhone. I have got to scroll through eight pages sometimes to work out: which app

am I signing in with here? So to answer your question: one app for all of the state of Victoria which is all rolled out. It is so much easier to use.

Just to go on a bit further, using the one app, I can get 1200 people checked in, with temperature checks, with two security guards in 10 minutes—because we have done it. We did it about six times last year in WA. Yes, our first gig back for the Irish chamber of commerce, we were able to check in that amount of people within that time, and no-one complained. We let people know, ‘Here’s your expectation’. No-one cared. They were happy to be back together again, to be able to have a Guinness—because you cannot replace a hug and a handshake.

Mr MEDDICK: I would argue you cannot replace a Guinness, either, mate, but you know.

Mr SMITH: So I hope I have answered that, but, please, that is just my opinion.

Mr MEDDICK: Yes, you have. That was what I was looking for—to see if the sector would, in your opinion, have a problem with refusing entry to people who did not want to use the app, really.

Mr SMITH: No. First up, in Western Australia, no. A dozen shows, no. One over here that we have been able to do, no. And talking about this for the future that we are doing in the same venue, our clients and their guest base have also said, ‘We do not have a problem with this’.

Mr MEDDICK: Wonderful. Thank you, Steve. Thank you, Chair.

The CHAIR: Thank you very much. Dr Cumming, then Mr Quilty.

Dr CUMMING: Thank you, Chair, and Steve, thank you for your presentation. If I could, I could probably sing that whole 1927 song for you, but I will not.

Mr SMITH: I would give you a free ticket, but we cannot do the show, apparently.

Dr CUMMING: I hear you, so maybe a future gig, because I am wanting to sing in a crowd again. So, Steve, it is great to hear your life experience in the way of what is happening around Australia. I know that within your submission you actually mention Tasmania as well. I have also heard from Save Victorian Events, and I really thank you for pushing us into this inquiry. But I also would like to actually say some of the things that I have heard thus far are around the government actually opening up grant applications and shutting them down very quickly. Things like land tax and the like, renters relief, they have opened up the portal and they have shut it down and you cannot backdate it if you have not done it between a particular time or another. Have a lot of the people you know experienced that? Would there be some benefit from the government actually backdating certain things that happened last year with their applications? Because obviously a lot of people have had a lot of trouble online, filling things in, not doing it within the short time frames that the government has actually given.

And my other one: this is a question more than my preamble—is it your understanding that a lot of your event could have still gone ahead with COVID-safe plans and guidelines and that you would have actually kept your staff and patrons safe?

Mr SMITH: Yes, I believe so. Again—not flogging a dead horse; you all know this—it was the length of time that we were shut down and then a very steep J-curve to get back to normal, where in other markets, okay they shut down as well but they got back to work a lot quicker. You can reschedule within a week’s time frame but in business when clients ask, ‘So what do you think?’, ‘I don’t know’ is an unacceptable answer.

To answer your question about the portals and the applications, with the ones that I did—and people that I know did—I actually found it seamless. It was easy to do. We did not qualify for the first state-based one, but numbers two and three we did. By definition we will qualify now. Again, landlords—through experience with different people—are always very helpful to us within the industry also, because no-one wants an empty building, and less money and paid late is a good thing.

In terms of the grants moving forward now, I mean people have had holiday periods from repaying leases and everything. My concern, wearing my Save Victorian Events hat—it does not affect DG Global per se—is there is just a wash of bad debt that is actually back there that needs to be serviced, that is actually there. We really appreciate the \$20 million event assistance that was announced. That is roughly going to work out to \$2500,

and I think that there is another one. Let us put a real-world perspective on it right now. Certain landlords do not have any appetite anymore whatsoever to be able to discount any further. Just in my real case, for example, \$2500 pays for rent for two weeks, right? It is helpful, and I appreciate it. But direct financial support to the events industry business and also including suppliers to help me get through the next six months and enable me to hold onto staff even further is what we need. Grants of up to \$100 000 are actually going to make the difference between a life-and-death scenario with a lot of people. And if you extrapolate that out, that is a hideous amount of money. But it is a necessary amount of money if you want to retain a sector, because so many are on the edge right now.

Like I said, we pivoted. We were ready to go with another 12 shows. It is small income, but we are going to be self-reliant. We are not just going to sit here. I am proud of our managing director. I am proud of what we have been able to achieve. We have pivoted. But even pivoting now—low risk. The regional theatre tour—low risk.

Dr CUMMING: Yes.

The CHAIR: Yes, thank you for that. Thank you, Dr Cumming, as well for the question. Mr Quilty, who has been patiently waiting to ask a question.

Mr QUILTY: In your submission you talked about an insurance scheme—

Mr SMITH: Yes.

Mr QUILTY: for COVID cancellation. How would that work, and what is that going to cost the taxpayers?

Mr SMITH: That is a very good question. At the moment with cancellations, right now, because there is no insurance, with my corporate clients that we have been able to work with, we are literally wearing it across three or four different parties. There is no insurance. The venue is happy to fully refund with cancellation, less costs incurred. If there are 1000 pieces of beef or chicken sitting there, someone has got to pay for that. But the venues as a rule have been great. They know full well that contracts will not get signed with full cancellation policies if it gets shut down. We can pause an event. We do not double dip, we do not charge; we reset again when we are able to charge again. Talent deposits that are held—but still to a degree with consumables and different things your end-user clients have probably got 25 or 30 per cent minimum exposure to losses.

Talking about what we believe could potentially work with an insurance thing, if we were to pay 1 per cent—this is just where we started, and I am hoping you will hear from insurance experts; I think you have got one after me actually—of an entire event budget across everything that goes into a manageable fund, that is actually there, it will help for cancellations. But understand as well, we do not want to be reliant on cancellations. We want to use this—what is the gap of postponement so we can run this thing again when it is safe? A huge generic cost of what it will be to the Australian taxpayer—we know that we are a \$30 billion to \$40 billion event industry; if we are paying 1 per cent into that, then you are going to ask what it is going to cost the taxpayer. Well, I am only going to know when the claims are put through when it is shut down, and if you can tell me when we are going to get shut down, then I just will not schedule events that week and you can save us all a bundle of money.

The CHAIR: Thank you for that. The final question and answer—Mr Gepp has got a question. That will be the last question before our next witness.

Mr GEPP: Thank you, Chair. Thanks, Steve, and I do not think we could tell you when. If we could tell you when, then we would not be where we are today I suspect. But, look, my question is a little bit along those lines. You talked about Victoria and New South Wales and their circumstances when they remained open, and you contrasted that with Victoria. What is the number of cases, active community cases, that you think is an acceptable level in the community in order for us to stay open, and what are the circumstances around those cases?

Mr SMITH: Well, if New South Wales were able to make it work with 70 in the community and then manage it through contact tracing, then that will come back to the question of—again, please, I do not have all these facts—if they are working on one central big databank with one QR code, that makes it certainly easier, for example. They have proven they could do that with 70. Mr McGowan, when he had one, shut down straightaway, but he got back to work very, very quickly again after that shutdown. I cannot comment on that. I

am not a health expert and I would hate to be misquoted on that, but facts entered into evidence—if New South Wales did it with 70, why can't we, and manage that—

Mr GEPP: Well, because last week, for example, I think we had maybe a tenth of that but what was reported was something like 15 000 close contacts spread right across. So I am just wondering in that environment what—

Mr SMITH: Mr Gepp, when that information is brought through, for example—again, I am not a health expert—15 000, of course I will turn around and go, 'Well, I understand it. I don't want it, but I do understand it'.

The other question that was alluded to, the one QR app, if we had that one thing and that access to big data, 'I'm sorry, you don't come in here to shop. You don't come in here to this event'. If we are all working to this right now—we have been indoctrinated to tap on, tap on just with a Myki. We cannot board a plane without ID. We cannot go to an ATM without doing these things. Why can't we proactively introduce that QR code? Like you said, there were these seven cases, and I can make the assumption we are employing very smart people to do contact tracing. But, look, I even understand this too: we use one registration system to get 1000 people to an event, know where they are and where they are staying. If I had to extrapolate that out to six different events, that would take me four times the time to be able to consolidate the data just for a thousand people on what hotel you are staying at, when you are arriving, whether you want chicken or beef and what you will not eat with the dietary—

Mr GEPP: But that is when you know those people. You know them.

Mr SMITH: That is when we know them, yes. So again, you asked my opinion: do I want it shut down? No, I never wanted it shut down.

Mr GEPP: Yes, but you know those 1000 people. You do not know where those other 15 000—

Mr SMITH: Correct, so if one thing comes out of today: one QR code and then it makes it easier to manage this while it is still going, while it is just extrapolating out on a huge matter while we are still working out where Bingo Bob ate four times this week through four different apps. I hope I have answered that.

The CHAIR: Thank you, Mr Smith. On behalf of the committee, I just want to thank you and DG Global Events for your presentation and contribution, and the whole events sector, which has shown a great interest in our ongoing hearings. In due course, like I said, we will be deliberating and making recommendations and findings based on the evidence we have heard throughout the hearing process. So you are right: it is important that people get active. It is easy to make remarks from the sideline, but to be involved and to actually give your opinion and proposals is quite insightful. So on behalf of the committee, thank you for your contribution today.

Mr SMITH: Thank you, ladies and gentlemen.

Witness withdrew.