

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the impact of the COVID-19 Pandemic on the tourism and events sectors

Bright—Wednesday, 28 April 2021

MEMBERS

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Mr Bernie Finn—Deputy Chair

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Mr Mark Gepp

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Mr Andy Meddick

Dr Catherine Cumming

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WITNESS

Ms Bess Nolan-Cook, Chief Executive Officer, Tourism North East.

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.

I would like to introduce my fellow committee members before we begin—on my right, Mr Lee Tarlamis, Mr Tim Quilty, Mr Rod Barton and Ms Wendy Lovell. I would like to call our witness, Ms Bess Nolan-Cook from Tourism North East.

Before we start I will just read out 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's 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.

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. All evidence is being recorded, and you will be provided with a proof version of the transcript following today's hearing. Transcripts will ultimately be made public and posted on the committee's website. Could you please begin by stating your name for our Hansard team and then start your presentation.

Ms NOLAN-COOK: Thank you. My name is Bess Nolan-Cook, and I am the Chief Executive Officer of Tourism North East. Firstly, thank you very much for the invitation to join you today. Tourism North East is the regional tourism board for Victoria's High Country, which encompasses the shires of Alpine, Murrindindi, Benalla, Indigo, Mansfield, Towong and Wangaratta, and the three alpine resorts of Falls Creek, Mount Bulla, Mount Stirling and Mount Hotham. We are an independent not-for-profit organisation that represents a partnership between local government, the Victorian alpine resorts, Visit Victoria and industry.

As a region the High Country is renowned for its physical beauty as well as a rich diversity of visitor experiences. The region boasts beautiful landscapes, big blue skies, clear, starry nights and clean fresh air. We only need to look outside the window today—why wouldn't you want to be here?

As a tourism-reliant region with the industry supporting an estimated 27 per cent of all employment, COVID-19 has had a catastrophic impact on the High Country. Devastatingly, the pandemic arrived a month after the 2020 bushfires, which cost the region an estimated \$200 million in the peak summer trading season, leaving tourism industry operators without a financial cushion for the year ahead. The lockdowns and restrictions associated with the pandemic from March to December 2020 resulted in an estimated loss of \$400 million over the June quarter, \$700 million in the September quarter and a further \$200 million in the December quarter. Most notably impacted were the accommodation sector, the creative industries and the alpine resorts, where a significant proportion of on-mountain businesses derive 100 per cent of their revenue over winter. The loss of earnings in these industries in many cases has crippled their capacity for recovery, causing serious financial distress and mental health challenges, including social isolation.

On a positive note, the initial demand from visitors to come back to the region post lockdown has been positive. In many cases the demand within the valleys has exceeded expectation. However, this has highlighted other challenges that were known pre COVID, such as the quality of digital connectivity, attracting and retaining staff, and affordable housing.

I welcome the opportunity to discuss the tourism industry with you further today because recovery from bushfires and COVID is about more than just building more stuff; it is about taking the opportunity to make holistic, strategic and significant change that will position the High Country's tourism industry with a long-term advantage, enabling sustainable growth into the future. Thank you.

The CHAIR: Thank you, Bess. That was very to point, sticking to our 5-minute time frame to allow for discussion. I appreciate that.

Ms NOLAN-COOK: No problem.

The CHAIR: I will start with Ms Lovell.

Ms LOVELL: Thank you for your presentation, which was really great. I am going to explore the tourism vouchers that have been offered by the government. They were offered through the late summer period and through the autumn period, which are traditionally high visitation times for this area. Do you think they assisted with bringing people back? But mostly they expire on 31 May, when we are going into our quieter period over the winter, not so much for the alpine resorts but for other towns in the area. Do you think those vouchers should be extended throughout winter to keep tourists coming to the region rather than heading off to Queensland or somewhere?

Ms NOLAN-COOK: It is a really interesting question, and I might answer it in a couple of parts. To start with, yes, I think the vouchers were really welcomed. I think that they provided a mechanism for people who we might otherwise not see to come out to regional Victoria, and so therefore I think the vouchers did exactly what they were intended to do, which was get people out into the regions. So in short, yes. Coming into the winter season it would be great to see a lot of support directed at particularly the alpine resorts. I mean, they lost 100 per cent of their income, effectively, last year, and they are an enormous contributor to our regional economy. They account for over 25 per cent of the visitation to the High Country. So it would be an interesting thing to explore, but I think there would need to be some rules around it. If there was to be another tranche of vouchers, my personal opinion would be to ring fence them to encourage people into particular types of activities rather than being an open invitation to choose your own adventure.

Ms LOVELL: That is actually really interesting. I actually put that to Felicia from VTIC. I do not think she quite understood what I was saying. But the concept of the vouchers needing to be extended through winter was put to me by some tourism operators in Bendigo, who said over the summer particularly they benefited the Great Ocean Road and Gippsland and the beach resort type places and that perhaps some other regions missed out and if we extended them through winter perhaps we could make them area specific to encourage people to go to areas. I think you mentioned the alpine resorts. Those vouchers might encourage families who have never had the ability to have a snow experience to actually go to an alpine resort.

Ms NOLAN-COOK: And just to follow on from that, if that is something that we were to look at, then directing those to being redeemable midweek as an example, as opposed to a weekend where we are already expecting to see high levels of traffic.

Ms LOVELL: That is a good idea too, a very good idea. Thank you.

The CHAIR: Mr Barton.

Mr BARTON: You are touching on areas that I am interested in. What I really like in your presentation is that after this disastrous last year we have had—18 months, I guess, now—we have a holistic, long-term view. Let us take the opportunity just to have a look at how we do things. What do you want to do?

Ms NOLAN-COOK: I think the initial bounce back with domestic tourism, specifically our region, has been incredibly strong but it is also largely to do with environmental factors. When I walked into this room today, I had a conversation with someone who said, ‘I live in Melbourne and I couldn’t wait to get out and see trees and big landscapes’ because they were locked up all of last year. So therefore I think we need to keep one eye on the horizon and solve some systemic challenges that we have been facing pre-COVID to ensure that when the environmental factors change we do not fall off a cliff in terms of our visitor economy.

So, for example, I think there is a real opportunity to look at options for affordable accommodation so hospitality businesses, particularly in tourist hotspots such as Bright, are able to attract staff. I will use an example. Hospitality are finding it very difficult to get chefs. If we were able to look at starting to solve the challenge around affordable accommodation, it would be easier to attract a chef to the region because they would have somewhere to live. The challenge we have at the moment is there is nowhere to live. There is very little housing stock. There is very little long-term rental, if any, in particular places. So that is one example of something that I think we need to consider in the context of looking at solutions holistically, as well as other longstanding issues like digital connectivity. Last year showed us that as a society we need the internet and we need to be able to maintain relationships with customers in a digital way as well as a physical way. I am not

quite sure if anybody has tried to use their mobile phone between here and Beechworth since you arrived, but it is a nightmare, so really addressing that black spot issue—

Ms LOVELL: Worst between Beechworth and Wodonga.

Ms NOLAN-COOK: Oh, terrible. But, yes, really addressing that kind of black spot issue, the quality of digital connectivity, affordable accommodation—they are just some of the examples that I think we need to look at as well as, on the infrastructure side of things, looking at what our greatest strengths are. I will use the alpine resorts as an example—enabling them to access funding to continue to invest in their product so we can build a year-round tourism offering of international standard that is competitive longer term.

Mr BARTON: Can I just—

The CHAIR: Yes, of course. Please go ahead.

Mr BARTON: Just one other thing: do you feel that we are getting a sugar hit at the moment because Victorians cannot travel overseas? I just kind of say this because certainly a lot of my friends are saying, ‘Going to the snow’s terribly expensive. I’ve got a couple of kids in tow and all that sort of stuff. I can go to Bali for 10 days cheaper than I can go up to the snow’.

Ms NOLAN-COOK: Yes.

Mr BARTON: Are you concerned—once we get through this season and next year we start opening up—that what we are seeing is a captive market at the moment and that you are really going to be exposed once we start international travel again? Hopefully we do have international travel again.

Ms LOVELL: The travel bubble to New Zealand is going to affect our snowfields.

Mr BARTON: Yes, of course.

Ms LOVELL: They have snowfields in the same season.

Mr BARTON: Yes, so do you have any fears about the longer term because we are getting, I think, a sugar hit right now.

Ms NOLAN-COOK: I agree to a certain extent. We have been very fortunate particularly within our region that we have seen an upward trajectory over a sustained period, with more and more people being attracted to the High Country for our cycling credentials, obviously beautiful nature-based tourism et cetera. I think at the moment we are seeing a severe spike—to use your terminology, a bit of a sugar hit—because we are attracting people that would otherwise spend money going to either Bali or their European holiday in the middle of the year. So yes, and that is why I think we need to be holistic and keep one eye on the horizon and be investing in things that set us up to be competitive longer term. That is leaning into our product strengths, and for us that is cycling, that is the alpine resorts, it is nature-based tourism and food and drink. So those types of things—we need to take this opportunity to get those experiences really running and attractive, more so than what they are today, as well as solving those systemic issues that I would almost term as being the brilliant basics. If you are going to run a hospitality business, you need staff, and they need somewhere to live. It all feeds into each other. So yes, it is one eye on the horizon always.

Mr BARTON: Thanks, Bess. That is great.

The CHAIR: Thank you, Bess. I might take the next question again. I appreciate you outlining, I guess, the longer term challenges and the fact that some of these challenges are pre-COVID issues, such as the digital connectivity and housing issues and labour shortages faced by our regions. I know anecdotally from the last two days I have been here—I have been astounded—that it seems there is definitely demand there in this short period. We heard from our previous witnesses that many of the areas in the north-east region are facing 100 per cent occupancy up until winter and some even beyond. So it seems that these labour shortages are going to continue. What can governments do to kind of alleviate the labour shortages? Have you thought about it as Tourism North East? What are your stakeholders telling you that they would like to see happen? Because that seems to be a big issue. Even to me in the last two days I have been travelling to wineries et cetera a lot of them are saying, ‘Oh, we can’t take bookings because we just don’t have the staff, because only one person or two people are running the show’. It seems to be that a lot of the restaurants here are facing similar challenges.

Ms NOLAN-COOK: Before I answer your question I would probably just like to highlight the fact that the labour challenges existed pre COVID. They have been exacerbated by COVID. I did mention in my submission to you that we actually did a piece of work in 2019 around a human capital report, which really looked into some of the major challenges facing tourism businesses within the region. So it is important to know that whilst, yes, they have been exacerbated in the short term, these are longer term issues that we do need to try and solve.

In terms of what the government can do, I actually think that we need to look at really creative solutions to help to try and solve particularly that housing problem. Even if we wanted to attract a new, I guess, group of workers from metropolitan Melbourne, there is nowhere for them to live. So I think we need to be creative and we need to look at different options and potentially look at funding some form of trial that enables us to really explore and try and solve that problem. And I know that I keep coming back to that and it probably seems like a long-term thing, but I do not think there is a really easy short-term fix.

The CHAIR: No, I appreciate your candour. I will pass it on to Mr Quilty to ask a question.

Mr QUILTY: You talk about government supporting local events to restore confidence. What does that look like, particularly in line with the ongoing risk of COVID shutdowns and cancellations?

Ms NOLAN-COOK: I think we need to look at events of sensible sizes. A great example is maybe about four weeks ago in Beechworth the local brewery hosted a regional hops festival. So it was a destination-driving event. All the accommodation facilities within the town were full, except the event maybe attracted I am going to say 1500 people over two days. So it was not enormously huge; it was contained, it was ticketed. It still enabled people to enjoy the best of the region without being the type of event that is, if we think on a much, much larger scale with things, taking over the town. So I think it is really about building a road map of activity—that we are not plunging people straight back into an environment where there are just people everywhere; we are kind of taking them on the journey and really helping to facilitate events that benefit both the community and the visitor. Sorry, can I just come back to your question about short term?

The CHAIR: Yes, yes.

Ms NOLAN-COOK: I think there are a couple of levers that can be pulled, exploring what stock is available in various municipalities—and I will use Alpine as an example—whether we explore stock here that is not being used or is under-utilised, and trying to connect those key workers with that stock. So there are a couple of levers I think we can explore, but certainly we do need to solve the problem longer term.

The CHAIR: I appreciate that, because it was one of the questions I asked Alpine Shire Council earlier—a previous witness, Elaine, from Alpine—about. Is there an appetite for, I guess you could say, different usage or high densities or development as you see in other parts of Australia when there is an increased demand—if there is an appetite from the council to open up other land options et cetera. And it was asked by other committee members. That is why. It seems like the short term is connecting the different parts together in the meantime till a longer term solution is offered, but I appreciate your answer.

Mr Tarlamis, do you have a question?

Mr TARLAMIS: Yes. Thank you for your presentation today. I just wanted to check—Mr Barton was talking about the question around ‘Are we experiencing a sugar hit?’, and I know a number of our presenters have been talking about how a lot of people have been coming for the first time and taking up the opportunity, which is fantastic to hear, and sort of discovering what is on our doorstep, which is really, really good to hear because there are so many wonderful things in Victoria and in the High Country. Has there been any work done, prior to the current circumstance obviously, around what percentage of people who come to the region are return travellers?

Ms NOLAN-COOK: Off the top of my head I could not give you a percentage, but I can take that question on notice and I can look through our research, because we often do do a lot of research into the types of customer that are attracted to the High Country as well as the percentage of people who are returning as habitual visitors—whether they come every year or if they are coming for the first time. So if I can take that on notice, I can come back to you.

Mr TARLAMIS: Yes. You were talking about diversification and building that sort of product, and it is a lot of that case where people are coming here for the first time and discovering what benefits there are and what amazing things are here, and that could be the hook about basically, when markets do open up overseas and stuff, ‘Why are you going overseas when you have this on your doorstep?’, and those sorts of things. So it is about that marketing strategy around that and developing products for the domestic market to sort of encourage them to basically stay local and support the local economy and that as well. And having tried it one time, there are so many different elements and aspects of it as well, so it is building on that and building those campaigns around that as well that will be so important as part of that recovery too.

Ms NOLAN-COOK: Yes, absolutely. And look, we are always trying to attract new markets and we typically focus on our five product pillars, being snow, cycling, nature-based tourism, arts and culture, and food and drink, so we are quite targeted within each of those audience segments and always evolving our marketing strategies to attract new people. But likewise retention is also really important. You know, people who have typically come here for a weekend every year in autumn, getting them to stay that extra day is also critical to underpin the yield from that visitor economy and also the dispersal. Why just come to Bright for two nights when you could potentially also do a day trip to Beechworth and maybe stay in the King Valley on your way home as well—so really leveraging our product strengths and the sum of the parts.

Mr TARLAMIS: Absolutely. Thanks.

The CHAIR: Mr Barton, do you have an additional question?

Mr BARTON: No.

The CHAIR: Ms Lovell? Mr Quilty? On that note—this is amazing. We are on schedule—actually ahead of schedule—which is rare for our committee. I think it is appreciation of your candour and your outlining of the bigger picture that the region faces very clearly. I appreciated reading the submission as well. I did not read the Human Capital report, which I will go away and look at, because that is a different issue and it is a broader issue faced by the tourism sector across our nation, not even our state. So I really appreciate the body of work that your organisation has put into it. Thank you, Bess, for your presentation.

Ms NOLAN-COOK: Thank you so much, and thanks for having me today. It was really lovely to meet each of you.

The CHAIR: Thank you.

Witness withdrew.