

# 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 Mick Sheehan, Owner, and

Ms Bindy Sheehan, Owner, Southern Exposure.

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

I wish to introduce my fellow committee members: Ms Wendy Lovell, Mr Andy Meddick, Mrs Bev McArthur, Mr Lee Tarlamis, Mr Mark Gepp and Mr Rod Barton.

To all witnesses, 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 comments repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public on 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 begin by stating your names for the benefit of our Hansard team and then start your presentation. Over to you. Thank you.

**Ms SHEEHAN:** I am Bindy Sheehan from Southern Exposure.

**Mr SHEEHAN:** And I am Mick Sheehan from Southern Exposure.

**The CHAIR:** Excellent. Please start your presentation.

**Mr SHEEHAN:** Well, first of all, thanks for inviting us to this get-together. It could be well overdue. I have been running Southern Exposure for about 21 years. It covers a lot. We do events as well as conduct school camps, learn to surf, mountain biking and kayaking. We also arrange transport, catering and accommodation, right through and around here, for anything—you know, in days gone by we have done some stuff with Deakin International around the 300-kids-a-day type of thing. We also run an event over at the Otways at Forrest. We also run accommodation in Forrest and in Torquay as well. So we have got a few hats that we put on. I am open to some questions on things.

I was listening to Liz, and what we—Bindy and I—think is that the real way forward with tourism is trying to sort of frame it up differently. You have got to almost age-group your tourism to see what they can do—for example, your school groups coming midweek. An example of the spin-off might be that one surf lesson of, say, 25 kids employs three people, perhaps four, on the beach; a bus driver; and the two teachers. Perhaps they go off and they will eat after that as well, and the spin-off can be a lot bigger than just a surf lesson, you know. So if we can make this a designated education, adventure education, combine it with some sort of, I guess, course or something like that down the track, through Deakin or through some other forum, we can turn this area into a—midweek it can be flat out, because you can have the schools coming down, the camps. They could do three-day camps, they do activities and then they go back to where they are, and it is year round; it is not just in term 1 and term 4, which are the peak periods that we operate under. And we get dribs and drabs through outdoor ed over the next bit that bridges the gap after Easter to around September. Okay, so that gap can be filled with some good programs.

The other thing is you have got to have something that they want to come for. So, for example, the mountain biking in this area is basically made by kangaroo trails. Kangaroos have made the tracks; people ride them. It is now a designated area. The spin-off of that is millions of dollars to this area—millions. The fight to even get

that designated area took about 25 years. In Derby, in Tasmania, they spent about \$20 million on a trail. What they get back is about \$60 million.

So if you want people to do things on the weekends—so you have your schools during the week, then the weekends can be done with proper places for them to ride that can cover all levels and all age groups. That is sort of what I was getting to before with the different kids. Families can ride that track, and older people can ride that track. We have got the best terrain in the world. From Lorne to the Otways to Torquay is some of the best stuff I have ever seen, and I have been around a bit. But it is not used. It is just sitting there. And for us to come up with and take an idea to someone does not exist. Who do you take it to? Like, we have tried to sort of do this stuff.

I have got a few notes and things that I am going to get Bindy to prompt me with. Sort of pre-COVID we were going pretty well. We got hit in March. When I say ‘pretty well’, everything was ticking along quite well with the schools. After that of course we were stopped; we could not work, right? We did not have any contact from anyone in the department of education or any department from anywhere. It was like, ‘Oh, well, you’re kind of this great annex that kids can come to and people can come to. But you’re an industry that doesn’t really exist’.

But the other thing is, by making this an industry you are going to give it certainty so that kids will be around so that we can employ them longer. And just on staff, most of mine are over 50. So you have got to have something exciting to keep them here, and you have got to offer them a bit more than, ‘Can you come and work Thursday afternoon? We’ve got a surf lesson’. You cannot do that. It has got to be, if you have got your—sorry?

**Ms SHEEHAN:** It has got to be consistent.

**Mr SHEEHAN:** Yes, and we will get that if we can get this. And it is a pretty easy turnaround to make this area a focal spot for Australia. We do not see any interstate schools here. I think I have seen one from South Australia. I have never seen one from New South Wales, and I mean, there are lots of schools that would love to come to the Great Ocean Road. I have never seen one. It is an easy market if we could get someone to drive it for us.

So pre COVID, good. Just on the snap lockdown, the Friday night: the next week we had a group from Mildura coming. Now, that was a week’s camp. It was worth \$30 000. It tipped over. That same week we had a cycling team coming to race at the Otway Odyssey, a mountain bike event in the Otways. They reserved—I think there were 60 in that group; that tipped over. And you go to apply and see what you can retrieve—there was an announcement that you could retrieve back something. We got declined on that for some reason, and I cannot even work out why. That was hard. Now, we have managed to get that camp back—because they wanted to come. And we had catering, we had staff, we had buses, we had food—the whole lot—on that week that tipped.

Then on some of the hurdles we have been through, one of the biggest hurdles that we have got is the licencing procedures that the governments have been at. Bindy and I in 2016 went through what they do in this area. They have an expression of interest, which means basically we can be operating in a five-year block, then we go back to an EOI situation. Then the EOI comes up and we apply for it. But it is open Australia wide, so anyone can come along and apply for it. What happened was that we had been going pretty well with all our trip reporting and everything—had not had a situation at all—and they thought, ‘In fairness, we’ll give someone else a go at this’, who had no gear, no skills and did not have the trip reporting or anything. And that went to appeal for nearly two years and is still sort of half resolved. And now we go back into it again. This does not supply our company with any real certainty.

Ever since I have been in this business, in every meeting similar to this—they have had a few in Melbourne—asking ‘What can we do?’, it is like ‘Well, you’ve got to get your licencing to 10 years so it gives you certainty, it gives you a way to employ, a way to borrow, a way to do things’, and everyone agrees. Yet when it comes down to these EOIs, they get taken back to someone else to make a decision, who goes, ‘Oh, I’m not comfortable with that’.

**Ms SHEEHAN:** Committee of management.

**Mr SHEEHAN:** Yes, they go to the committee of management. Say, for this region it would be the Great Ocean Road committee of management. It is just very difficult for us to go through because it stalls you in your

business. It takes your mind off things for months and months because you have got document after document to produce, and they keep throwing new stuff at you. And some of it is irrelevant to what we have been doing for 20 years. That needs to change. I do not know whether it will or what is going to happen there, but we can still tick over.

But, I mean, if you look at New Zealand and you look at other places, they do not have that. They just go for it and do it properly and market properly. I have probably got some other stuff here. When the bus tours dropped off here, with all that, there was no downturn because that market was not actually a tourist market. It was all crowds of people coming in and spending nothing. What I suggested was it should have been tolled; there should have been a toll put on that market to create a great income stream. Anyway, that was just a comment that I thought was worth raising while I have got the chance.

Well, that is kind of about it, really. It is like trying to turn it into an educational adventure experience, combining it all, and trying to cater for different age groups is the key.

**The CHAIR:** Mick, I know Wendy and a couple of other committee members do have some questions. Like I said, we really appreciate you sharing with us the difficult period you have had during COVID, obviously with a number of cancellations, but also pre COVID, it sounds like, with the licensing regime around—is it adventure tourism you describe? How would we describe it in the Hansard transcript?

**Mr SHEEHAN:** Yes, it is nature-based tourism.

**The CHAIR:** Nature-based sort of adventure. So on the licensing process around that, I am not that familiar.

**Mr SHEEHAN:** Yes, that is it.

**The CHAIR:** I understand. So as a small business operator it is obviously a challenging environment as it is, and then you have had the COVID pandemic, which has also affected you greatly. What I might do is just continue discussion and keep it more informal, because that is the whole point of these hearings. We are trying to hear from people and ask them. We have already seen the submissions, a number of submissions from businesses affected. I might go around the room and give everyone an opportunity. I might start with Wendy, then Rod, then Lee, then Mark and then myself. We will ask one question each, and then will probably get a chance to go around one more time.

**Ms LOVELL:** Okay. Obviously you do a lot of school groups, and it is something I do not think that we have really thought about as a committee as yet. We have had a lot of accommodation providers and other experiences people present to us and talk about the need for bringing tourists back and bringing them back midweek and everything. But we have had a system of vouchers that have brought families back to regions, and we are even hearing that they should be extended and perhaps they should be more midweek so that they bring them in the off-peak time. I am just wondering if you think that there should be some sort of incentive offered to schools to start to bring these school groups back and to give them the confidence that they can—

**Ms SHEEHAN:** That is definitely the—

**Mr SHEEHAN:** Sorry, I do not mean to answer everything, but I just had a thought and sometimes they disappear pretty quickly out of my head.

**Mr GEPP:** Welcome to my world.

**Ms LOVELL:** It is the age we are getting to, Mick.

**Mr SHEEHAN:** You just tapped into it then. You said there are vouchers. Now, I have never seen one. And in fact they are annoying. They are more annoying than anything because you could have someone come down Friday night, 'Oh, we've got six vouchers here', and they'll ring you up to book a lesson. So for me to drag \$30 000, \$40 000 worth a year down to the beach to do three people is just not worth it. Like, tomorrow we have got 30 out mountain biking, 30 kayaking and 30 surfing, so then it is a program that is volume based. You know, it is volume based.

**Ms SHEEHAN:** And that is why the school education market is so good, because they put them on a bus, they bring them down here, they stay and they do activities for three days, so there is consistent work going on.

**Ms LOVELL:** Have you found though that the schools are a bit reluctant to get back to doing these bigger school camps at the moment and that there needs to be incentive to get them back to it?

**Ms SHEEHAN:** We were so busy first term, but it is slowing down now.

**Mr SHEEHAN:** It is slowing down, yes. It is like it had this, like, 'Let's go', and now it is like, 'Hey. Oh, stop it'. But the idea of an incentive to a school—I wrote to the local member here, and I do not know where that went, but I said to him, 'Why don't we have a school access voucher for coming to this area?'.

**The CHAIR:** So support for schools directly?

**Mr SHEEHAN:** Yes, yes. Totally. So you are actually promoting it. And they are going, 'Well, hang on'. It is us against, let us say—some schools might go to Ayers Rock. But it's like, 'Well, hang on, why don't we take this offer?'. Do you know what I mean? And we fight against those states and we bring it on.

**Ms SHEEHAN:** And there are a lot of school camps down here. There must be seven or eight school camps here, which sleep up to 120 kids.

**Mr SHEEHAN:** Yes. Also what you have got now is that the government actually owns a lot of these camps along the front here. We are moving back to putting some of our schools in them because they have actually created some really good facilities—

**Ms SHEEHAN:** At the foreshore.

**Mr SHEEHAN:** like what they have done over here at Torquay at the foreshore there. We have spoken to them and said, 'Well, this is just on the beach off-peak, and what you have actually created now is a really good school camp area'. You know, there is no-one around.

**Ms LOVELL:** Yes. But there could be a whole range of reasons why schools are not taking these opportunities. It could be that they are not confident because of COVID, or it could be that they do not feel they can put that expense on families, because families may have lost jobs and stuff through COVID.

**Ms SHEEHAN:** Yes, that is right.

**Mr SHEEHAN:** Yes.

**Ms LOVELL:** So having some sort of subsidy might help schools to bring that back into their program and help to get the customers back through your doors.

**Mr SHEEHAN:** Yes, exactly right.

**Ms SHEEHAN:** Yes, exactly.

**The CHAIR:** I might pass over to Mark to ask a question.

**Mr GEPP:** Yes. Thanks for coming along today. Very interesting. I am particularly interested in the point that you were making about product development and about dissecting the market.

**Mr SHEEHAN:** Yes.

**Mr GEPP:** You know, what is the product offering that we can offer kids, families, older people—

**Mr BARTON:** Grey nomads, mate.

**Mr GEPP:** Grey nomads.

**Mr SHEEHAN:** You are dead right, yes.

**Mr GEPP:** So would there be benefits similar to what we were just talking about perhaps with schools—you know, the encouragement for schools to come out and visit with a school excursion over a few days? Would there be benefit in a particular targeted product development fund? I have not thought this through—

**Ms SHEEHAN:** Like all year 9s should do a school camp, basically.

**Mr GEPP:** Well, I am talking about for local businesses.

**Ms SHEEHAN:** Oh, okay.

**Mr GEPP:** So maybe through your tourism boards or whatever, but where there is a specific COVID recovery product development fund where you are actually looking outside of the square about what you previously offered, what are the alternative products that we can build on to restart—

**Mr SHEEHAN:** So you are right, you are dead right, but it is low volume. There needs to be a think tank about how to do low volume properly. New Zealand can do it but we sort of cannot. I do not know why. I have been at it for years and I do not know why I have not got any answers to low volume, because of the expense. Whereas over there people land, they get the air in their face and they just want to go and it does not matter. It is \$500 to go on the Shotover speedboat ride—you know, that sort of stuff—it does not matter, but here it does. It does not have that sort of—

**Ms SHEEHAN:** They do not want to spend.

**Mr SHEEHAN:** Yes, they will not do that. And then the thing is we cannot respond, sending two experienced guides with the mountain bikes worth \$2000 out for a hundred bucks, you know? Those days are over.

**Mr GEPP:** Just on that, I was hearing from Liz before and Damien earlier in the day, and they were talking about the midweek occupancy, and that sounds to me as if that is your wheelhouse.

**Ms SHEEHAN:** Yes, that is us. We do not do anything on the weekend or in school holidays.

**Mr GEPP:** It is the Monday-to-Friday stuff for you. But it seems to be, you know, we have got plenty of people coming through, particularly in the peak seasons, on the weekends, but not so much in the Monday-to-Friday sort of timeslot. So how do we develop the product, not just for your business but for all businesses through the Surf Coast, that attracts people?

**Mr SHEEHAN:** Yes. Well, if you focus on the schools, you are going to get the ability to perhaps tap into that older or different market because you are already going. So you can say, 'Actually we have got a school booking that week' and we will say, 'We have got 10 other people that can come and do that'. So maybe that is a good idea. So if you are up and running and you are out and you get not so much twos and threes but 10 maybe, and a dozen, you could probably put something into gear and it adds on.

**Mr GEPP:** Makes it worthwhile.

**Mr SHEEHAN:** Makes it worthwhile.

**Mr GEPP:** Yes, you have got that critical mass.

**Ms SHEEHAN:** Conferencing used to be really big with doing outside activities. That has not happened for 15 years. We have not done a conference, like hiking or surfing or anything, have we?

**Ms LOVELL:** No, they do golf.

**Ms SHEEHAN:** Yes.

**Mr SHEEHAN:** Yes. We used to do a lot of that team-building stuff. And even footy clubs and things.

**Mr GEPP:** So how many people do you employ?

**Mr SHEEHAN:** Well, we employ—

**Ms SHEEHAN:** Up to 15—15 to 20, depending on the time of year.

**Mr SHEEHAN:** Yes, it is a seasonal thing too, see. And, you know, subcontract this out—we subcontract our accommodation and things like that as well. We have got some accommodation, but for our big camps we do not own them.

**Mr GEPP:** So the people that you do employ, you said before they tend to be older workers.

**Mr SHEEHAN:** Yes.

**Mr GEPP:** So I assume that they are locals who are happy to work intermittently, whatever that looks like.

**Ms SHEEHAN:** That is right.

**Mr SHEEHAN:** Yes. Some of them are up at Mount Bulla running ski patrol, ski school, that sort of stuff—

**Mr GEPP:** So they move around.

**Mr SHEEHAN:** and so they have got that other work that works perfectly for the summer—

**The CHAIR:** Summer and winter work.

**Mr SHEEHAN:** Yes. I just thought of something: combining some sort of joint venture with other adventure places like, say, Tasmania or Bright, somehow combining it—‘If you’ve tried that, try this’ sort of thing.

**Ms LOVELL:** Mountain biking would be an ideal one. Bright is big with mountain biking.

**Mr SHEEHAN:** Totally. Because you have got the range of age groups up at Bright, and across and over at Forrest too you have got that.

**The CHAIR:** I might go over to Rod, then to Lee. Mr Barton. Thank you, Mark.

**Mr BARTON:** Thank you, Chair. Mick and Bindy, you walked in here and gave us a list of options of what you would like to see happen, which was a nice thing instead of just saying, ‘Give me a pocketful of money’. You have sort of got a plan for how you would trade your way out of this, which I think is excellent. Mick, I do not know if you had a throwaway remark when you said, ‘Perhaps we should throw a levy on everybody who comes down on a bus’. I do not want to dismiss that little throwaway remark. I do not know if you know anything about the Treasurer, but he does not like giving out any money. But if we could find a way of self-funding something—

**Mr GEPP:** Chickens.

**Mr BARTON:** We could tax chickens like the feds. So there is a cost, and I know there are plenty of people coming down here, and I do not know what the numbers would be, but they are not stopping here.

**Ms SHEEHAN:** They do stop at the toilet at Anglesea, where we run our surf school, and it is terrible.

**Mr SHEEHAN:** Yes, and I have got photos of it.

**Mr BARTON:** Yes, and there has got to be a way of funding these things and certainly marketing. Certainly I know an industry where there is a levy to recover a cost to the government. I know a little bit about that one, as the government members snicker there.

**Mr GEPP:** No, that was before my time.

**Mr BARTON:** Yes. So there could possibly be a way that money could be raised. You know, \$1 a trip or \$1.10.

**Ms SHEEHAN:** When you get off a plane in Bali, you pay \$10, I think, or something like that.

**Mr SHEEHAN:** Well, that is a really good thing. You pick it up at the airport, and you pay it and—

**Mr BARTON:** The money has to stay here, though.

**Ms LOVELL:** We did away with arrival-and-departure tax for a reason. It discourages tourism.

**Mr SHEEHAN:** If you can grab it as soon as they land, it does not matter, you know. You grab it at the airport and, like you said, you have got to track it. The other interesting thing is in New Zealand they are offering this sort of like—and I am not really clear on it, right?—on-your-phone app and you buy it. It might cost two bucks, and that app allows you access to some camps or some vouchers here and there, and people are buying this because it is like, ‘We are part of it now’.

**Ms SHEEHAN:** Like youth hostels.

**Mr SHEEHAN:** Yes, it is like that.

**Ms LOVELL:** So a Great Ocean Road access app and you buy it for 10 bucks or something but businesses can then offer discounts on it?

**Mr SHEEHAN:** Yes, but they have kind of taken it away to be more like a responsible camp and eco—

I wish I had read a bit more about it, but you know, there is only so much you can do. It was more like if you are in a remote area, it has a service you could call for help. Everything was linked to it in a nice package, and it also had this kind of environmental protection about it as well, which is what they wanted. They did not want to see these campers just turn up and not be responsible. It was about tracking, but also it gave them the feeling that they were helping as well, you know? It was a pretty clever kind of—

**Mr GEPP:** We can get some more detail about that.

**The CHAIR:** Thank you, Mick and Bindy. Did you have one last question, Mr Barton?

**Mr BARTON:** Just one little query: I do not want to make any assumptions about the size of your business and all that, but I am making the assumption that you are not big enough to really employ a marketing person to go out and flog to all the schools and all that sort of stuff. How could that happen?

**Mr SHEEHAN:** Great. I am glad you brought that up because—

**Ms SHEEHAN:** That is us.

**Mr SHEEHAN:** that is us in a nutshell. Well, we have been at it, and while we have got contacts, we have got databases—we have bought a few databases and we send stuff, you know, does it go to the right place? There could be someone right now looking for a school camp and how do we find them? Because schools are actually shutting down, and if you send an email to the principal, that might go through about five filtering systems. It is like, ‘We will ping that one, that one, that one but we will open that one’.

**Ms SHEEHAN:** It is pot luck basically

**Mr SHEEHAN:** It is pot luck.

**The CHAIR:** Good question, Mr Barton. That was a good final question. On that note, I note that our next witness is already here. I want to thank you, Mick and Bindy, for your great presentation. It was a different perspective from some genuine small business operators in the area, and I guess there are challenges you have faced even before but with COVID. So good luck, and I hope that your group bookings do pick up and your business can prosper going forward. Thank you very much for coming along today.

**Mr SHEEHAN:** Thank you. Thanks very much.

**Ms SHEEHAN:** Thank you.

**Witnesses withdrew.**