

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

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

Melbourne—Wednesday, 16 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 Edward O'Donohue

Ms Melina Bath

Mr Craig Ondarchie

Dr Catherine Cumming

Mr Gordon Rich-Phillips

Mr David Davis

Ms Harriet Shing

Mr David Limbrick

Ms Kaushaliya Vaghela

Ms Wendy Lovell

Ms Sheena Watt

Mr Andy Meddick

WITNESS

Ms Tamara Cook, Manager, Captains Cove Waterfront Apartments, Paynesville.

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 are switched to silent, and that any background noise is minimised.

I wish to acknowledge the traditional owners of the land, and I pay my respects to their elders past, present and emerging.

My name is Enver Erdogan and I am Chair of the committee. I would like to acknowledge my fellow committee members present here today: Mr Mark Gepp, Ms Melina Bath, Mr David Davis, Ms Wendy Lovell, Mr Tim Quilty, Mr Rod Barton and Mr Lee Tarlamis are appearing on my screen.

All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and subject to the provisions of the Legislative Council standing orders. Therefore the information you provide at this hearing is protected by law. However, any comment repeated outside of 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 and you will be provided with a proof version of the transcript following the hearing. Ultimately transcripts will 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 and questions. Could you please start by stating your name for Hansard. Over to you, Tamara.

Ms COOK: Terrific. Thank you. My name is Tamara Cook, and firstly thank you everybody for the opportunity to be heard at this tourism inquiry today. I am the owner-manager of Paynesville Holidays, which is a holiday rental business, and Captains Cove Waterfront Apartments on the beautiful canals in Paynesville, and we are proud to be in the tourism industry in East Gippsland. We employ 12 people and we have approximately 130 beds available each night.

I am the vice-president of the Paynesville Business & Tourism Association and a board member of East Gippsland Marketing. In a normal year we welcome 6000 guests per annum. This has been growing steadily over the years, with a strong marketing campaign. We have a really high repeat visitation rate, and we collaborate really well with other East Gippsland towns. Of course the increased popularity of Raymond Island, and I am sure everyone has heard of the Paynesville koalas, has really helped that visitation increase.

Since the first lockdown in March 2020 to the end of 2021 we have taken 2300 cancellations, which equates to over half a million dollars worth of bookings. Of course the follow-on effects have been significant to our stakeholders—all of our apartments here at Captains Cove are owned by individuals, and we manage those—and of course to our employees and flow on to ourselves. The general feel in the business community is a bit of exhaustion and uncertainty, and in fact reading the submission that I made to this inquiry on 16 April, just two months ago, we are in a very different space now. This lockdown I feel has hit everybody a lot harder.

We did see a regional boom when we opened up in September 2020 and it did help recover some losses. We were feeling more confident to invest in our business and I was about to put on another permanent employee. Fortunately I did not do this, due to the recent lockdown, and the impact to our business has been a lot worse, partly because we are in the middle of winter anyway but partly because regional people just did not travel this time. My rates are the lowest they have been for 10 years and I am still running at 15 per cent occupancy. Our average occupancy is 80 per cent in a normal year. As well as this, Melbourne guests are cancelling reservations into the July and September holidays. In speaking to a lot of the guests when they cancel—because we have got a really relaxed cancellation policy during COVID—we say to people, you know, 'Make your mind up right at the end. We're happy to see what happens with lockdown'. We throw cancellation periods out the window if it is due to a lockdown, but people are still cancelling. I just feel there is a real lack of confidence and probably a bit of a lack of motivation to travel. People talk about losing jobs and not having work, and of

course this time there is no JobKeeper, so I think that this is going to really affect our recovery. Also there is the uncertainty of when we will open up and if we are going to be closing down again. Some guests have actually cancelled and rebooked with us three or four times, and I guess there is just that loss of motivation to continue to try and book a holiday.

Running a business during these times, there is certainly a feeling of hopelessness and just a lack of control over your business. When you have a high ratio of casual employees, which a lot of people in our industry do have, there is a huge weight on your shoulders to try and find work for these people.

What do we need to do to get through this? Could we have created a travel bubble instead of shutting down when the closest case was 3½ hours from us? If Gippslanders could have travelled within Gippsland, I think that would have really helped the situation. Do we have to close down the state when there are cases in Melbourne? We take a statewide approach instead of focusing on hotspots. I understand there are complexities to this; however, the economic benefit of allowing our regions to stay open when there are not any cases would surely outweigh the constraints.

Another huge issue for us when we are busy is our staff, and for us that means a lack of housing. Housing is a real regional issue that is impacting on many businesses. Two of our staff, for instance, have been evicted from their houses because they have been sold, and they cannot find anywhere to live. One girl is looking at moving back to Melbourne. She is my superstar, and she cannot find anywhere to live. There are just no rental properties here, so it is really difficult to retain good staff let alone attract people to the region.

Another thing I believe that is really important is investing in the RTOs. I think you have just spoken to Terry Robinson from Destination Gippsland on East Gippsland marketing. It is going to be really important for our recovery to take a real regional approach with our marketing. A lot of us go off and do our own small campaigns, but we really need to invest in some really decent regional campaigns.

Another one is attracting investment to our regions and assisting developers in the process. Much of East Gippsland's infrastructure is really old. There are no new tourism developments coming into East Gippsland, except for the Metung Hot Springs of course; it is going to be incredibly exciting. But we do need to improve this to improve our offering for our visitors, and then our tourism industry can thrive. We need to inspire more small businesses to invest. Currently Paynesville does not have any purely tourist operators, so we do not have boat hire, we do not have kayak hire and we do not have any water sports. You cannot hire a kayak and you cannot hire a bike. There is no adventure tourism. In the past—years ago—we have had people try and do this, but it has been quite seasonal so it has not been viable. But I think now there is more of a year-round opportunity with this potential for a regional boom. You know, attracting those types of smaller businesses will really help everyone's offering.

East Gippsland is known for its natural beauty and we are the largest inland waterway in the Southern Hemisphere, and it is quite embarrassing to say to guests, 'You can't hire a boat'. You can get over to Raymond Island on the ferry to see the koalas, but unless you have got a boat there is not much else to do. One way to solve this, I think, is a government-managed site for Bulls Cruisers. It is the perfect location to create a real hub of exactly these businesses. It has got brilliant infrastructure—jetties, amenities, on-water fuel. It is located on the McMillan Strait in Paynesville. This iconic business of Bulls Cruisers closed down in January 2020, during the fires, and has remained empty. It is on Crown land and managed by Gippsland Ports as the committee of management. I owned and operated Bulls Cruisers for six years, so I know the real economic benefit that it brings to the town. It is such a loss to our town to see it lying dormant while we wait for Gippsland Ports to one day release the expression of interest. We have been waiting 18 months, and I know there are a number of people that are interested in going in there. But where is the motivation for Gippy Ports to get that happening?

When Melbourne opens up we are surely going to be busy. People are travelling to our region for the first time because a lot of the time they will not want to go interstate and they cannot go overseas. For our region and for our business it is such an opportunity, so the challenge is to get these people to return. So all of this investment into infrastructure, getting something happening at Bulls Cruisers, is all going to help us in the long term.

One other big issue that I am passionate about, and I am not sure if you guys can do anything about this, but there is a bit of land banking going on in Paynesville. We have got two really large sections of prime real estate,

beautiful blocks of land in Paynesville, that have been vacant forever. How do we motivate these landowners to invest? Because there is certainly not enough accommodation. Whilst I do not really want competition, there is not enough accommodation in Paynesville.

Finally, our industry has been incredibly resilient. However, it is exhausting taking cancellations and watching your work pretty much go down the drain. We will get through this, but gee, it is going to be tough. So thanks for your time.

The CHAIR: Thank you very much for that, Tamara. Thank you for sharing your experiences but also providing some insights and some guidance about some proactive steps that could be taken to generate activity in the region, so I appreciate that—your positive outlook also that there are options. What I might do is first start with a couple of the committee members that did not ask a question last time. So I might go to Mr Tarlamis and Mr Barton and then we will go to Ms Bath, in that order. Mr Tarlamis to ask the first question.

Mr TARLAMIS: Thank you, Tamara, for your submission. You highlighted some infrastructure examples there, but in your submission you did talk about that lack of infrastructure in Paynesville. Are there any other specific types of infrastructure that would make a significant difference that you have not already spoken about in your opening statement there?

Ms COOK: Yes, good question. One of the key drivers to economic improvement to Paynesville is the slip-road development. The state government has kicked in—I am not sure if anyone knows exactly—\$2 million, \$3 million to that project so that it is now going to be pretty much fully funded. So that is a really important bit of infrastructure because it connects the marine industry and it is good for community, good for tourism. But, yes, the main ones, I think, infrastructure wise—there is opportunity for private investment here. There is, like I mentioned, those two blocks of land that are just sitting dormant. I know myself I have been trying to ring the agents and arrange a meeting. The meeting went quite successfully, and they went off to council. I have not heard back as to what are their obstacles. Why are they not developing? Why are they not motivated to do that? But, yes, I would say that the Gippsland Ports managed site of Bulls Cruisers is really crucial to Paynesville's infrastructure moving forward.

Mr TARLAMIS: Thank you.

The CHAIR: Thank you. Mr Barton.

Mr BARTON: Thank you, Chair, and thank you, Tamara. Bulls Cruisers—that is a brand I have not heard of for a long time.

Ms COOK: Have you been on a Bulls Cruiser?

Mr BARTON: Well, my old father-in-law used to go down there fishing, so I am a bit familiar down there. It is a nice part of the world and we love it. But my couple of little questions that I would like to ask are—and Melina was with us and sat with us on the homelessness inquiry and we know there is a serious shortage of housing down there. This is clearly affecting your ability to get staff. Could you just tell us a bit more about the problems with getting staff in the area? If you do not have the staff, you are not going to have your business and you are not going to be able to service your clientele and all those things.

Ms COOK: For sure, yes. I have been fortunate in that I do have a good group of staff and I have actually picked up quite a few staff from people that are finding it really challenging to work in the hospitality industry, because it is a pretty tricky industry at the moment, you know, when you are governing QR codes and—

Mr BARTON: All that stuff.

Ms COOK: Yes, all that sort of stuff. So I have got a great group of people, but I know this anecdotally as well—a lot of businesses just cannot attract people because there is literally nowhere to live. One of the girls I was talking about before, her mum moved back to Melbourne because she could not find a place to live. We are lucky in that we have got a couple of connections. We have got her into a house but that is only for a couple of months, so what does she do after that? I know of some businesses down here who have—one of the local veggie growers have just bought an old motel and they are going to be decking that out. But, you know, not

everyone has got 4 million bucks to buy a motel and to put their staff up. To me, that staff retention is completely hinging on housing, for sure.

Mr BARTON: Thank you, Tamara. Chair, can I ask another question?

The CHAIR: Yes. Please go ahead, Mr Barton.

Mr BARTON: You mentioned about the ring of steel. I have got friends, obviously, down your way and family and things like that, and I have had people say they do not want Melbourne people coming up there. They are concerned. Is that a big thing? Is there a lot of feeling like that?

Ms COOK: It was. Like, the first lockdown—I would say March, April last year—there was a lot. We have got a large elderly population, so people were really concerned about that. I think as time went on you realise that you just have to trust people. And, yes, there were a couple of people that were doing the wrong thing, but most people were not. Most people do it right, and I think the big thing that has probably come out of this for our town—and you do not have to be in a business to have this appreciation now—is the value of the Melbourne customer. You know, 70 per cent of our guests are from Melbourne, and people were walking around on the June long weekend saying it is the quietest they have ever seen the town. These older people that normally do not always love a tourist, they have got kids that are being affected and grandkids that are being affected. So I think, to answer your question, yes, that was probably a concern in the early parts but I think people have seen that it worked and that people can be trusted to generally do the right thing.

Mr BARTON: Thank you, Tamara. Thanks, Chair.

The CHAIR: Thank you. I want to go to Melina, then Wendy.

Ms BATH: Thanks, Chair, and thank you, Tamara, for being here. I have to flag a conflict of interest. I have stayed at Captains Cove, and it is absolutely magnificent. It looks out onto the canal, and there are so many wonderful things to see and do in Paynesville and all of Gippsland. But it just resonated with me when you said 15 per cent occupancy. Now, 15 per cent occupancy transfers to unsustainable business in the long term. So my understanding is that you would not be able to survive in that space for, you know, any period of time. And also if we translate that across to the broader towns in Gippsland, those sorts of numbers are scary—and the loss of confidence that people have in business: why would I stick my neck out and keep staying in business when I don't think I can survive and the bills are outweighing the income? I have got a couple of questions there, but regional bubbles—I would like you to unpack the conversation. You have had a bit about it then, about regional bubbles in terms of if Melbourne goes into hotspots again. What do we need in Gippsland, in those LGAs in Gippsland?

Ms COOK: Yes. So, as we were just saying with Mr Barton earlier, I think the regional bubbles worked so well at the start, but I think this time we were—I guess I was questioning did we need to be closed down for this recent lockdown. It affects everybody in that once you stop it is really hard to get going again. People are prepared to support and, you know, travel regionally, but—okay, we were only locked down for a week and Melbourne have been locked down a lot longer—if we could have just kept that economic flow through our communities, I think that would have put us in a bit of a different situation now. It has just kind of come to a complete stop.

Ms BATH: Thank you. In effect—I am putting words into your mouth—if it is in Melbourne, keep it in Melbourne, but let us open up regional Victoria. I guess that is what I am hearing you say, Tamara.

Ms COOK: 100 per cent.

Ms BATH: The other thing I want to talk about are the regional travel vouchers. How successful have they been? What would you like to see changed with them? What is your experience, and what do you want to see happen potentially?

Ms COOK: It was tricky. The news of the regional travel vouchers was exciting, but for us they were released at a time when we were already fully booked. There was a huge benefit to the consumer, but whether there was a benefit to business and whether that did stimulate income, I am not entirely sure. I would have loved to have seen it for last weekend, because I had no-one here. Just to give you a bit of an idea, our long

weekends are normally four-night minimums for \$400 a night. I had two-night minimums for \$160 a night and I could not fill them. But if those regional travel vouchers were available, I think that definitely people would have taken advantage of that. I know that every single operator in Paynesville was quiet on the weekend. It would have been great to have seen that released a little bit quicker. I am not sure if the second round has been released now. We have had a lot of people ring about it. But again, if Melbourne opens up, we are hoping to be full during the July school holidays, which I would say a lot of places will be.

Ms BATH: Chair, I have got many more, but I will respect the right of others to have a say.

The CHAIR: Thank you, Ms Bath. I appreciate that. Ms Lovell and then Mr Quilty.

Ms LOVELL: Ms Bath actually asked my question about the vouchers, so I am happy to cede my time to her if she has other questions as the local MP.

The CHAIR: Okay. Ms Bath, please go ahead and ask an additional question or two.

Ms BATH: Thanks, Wendy. That is very good of you. I am interested in skills that you need in the region, and you can talk about Paynesville in the broader context of Gippsland. What sorts of skills, education and training do you need for small businesses and enterprises to flourish? What sort of skill gap do you see in Paynesville as a measure for others, and what needs to happen there?

Ms COOK: Unfortunately for us we do not have a university, and a lot of our kids go to Melbourne, so we do lose them. There are skills shortages. There is training there for hospitality and tourism, but we are struggling and for whatever reason—I am not sure what that reason would be—we struggle to get people into the tourism and hospitality industry. I would say the seasonality and the casuality of it is really difficult. I mean, why would you go and work in hospitality at the moment when you could be shut down tomorrow? That is a real issue. But I am hearing from all different industries. You know, the building industry is obviously booming at the moment, and they are struggling to find people. I am not sure what the answer is, but that is definitely an issue. I think the big one for us is that we are 3½ hours away from Melbourne. We send our kids to Melbourne and not a lot of them come back because there is not a lot of big business here. The region relies on small business—

Ms BATH: And tourism.

Ms COOK: and tourism—yes, for sure.

Ms BATH: Thanks, Chair.

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

Mr QUILTY: I have already got through most of my questions. What do we need the government to do right now—if there were things they could roll out today—and what should we have in place ready for lockdown number five?

Ms COOK: Maybe change tack and give us some confidence that if we are COVID free in our region, we can come up with other ways to manage it. So lockdown a hotspot—I get it. It has to be done, public health. But, as I said in my thing before, I know there are complexities to keeping regions open, and I know it is difficult, but it is just so important to keep everyone going. From a long-term perspective, I guess it is that planning around the infrastructure and making our regions more vibrant. Yes, those are probably the two things.

The CHAIR: Thank you. Mr Davis, do you have a question? If not, I have actually got a question. Thank you, as I said, for your contribution. It has been very insightful. I just want to change tack a bit. Throughout obviously the last 16 or so months there have been a number of government support programs for regional tourism operators and business support or assistance programs. There was a recent one announced as well because of the most recent lockdown. Have you been able to access any of this support?

Ms COOK: Yes. It has been a lifeline really to be able to have that and to know that your bills are covered, your mortgage is covered. I know most businesses would have been lost without it. The tricky thing, and I was going to mention it—my staff, for instance, did not receive that payment that the Melbourne people got when

we are pretty much fully reliant on Melbourne customers. It just would be great if those decisions could take into account the impact for businesses that do rely on Melbourne visitation. That would have been useful, for sure. But yes, definitely we would have been lost without it.

The CHAIR: I had another question as well, which you have kind of answered I think because Melina also touched on my question. Do you believe that the regional travel vouchers would be better targeted to off-peak periods? So weekdays and maybe seasons when it is relatively quiet. Would you say that?

Ms COOK: I would love it if there were restrictions. I think that would make so much sense. Just like we have different rates for different periods, there is no reason why that could not be restricted to certain periods. All it needs to do is just exclude peak periods, long weekends and school holidays, because most operators are going to be busy at those times and are going to be struggling for the rest. Then you get the people that will take advantage of the lower prices. Our demographic here is kind of 50-plus, a lot of retired people travelling on pensions and budgets and that sort of stuff, so that would definitely benefit those people and businesses.

One thing can I just say that I forgot to say before, and it is a little bit left of centre from the scope of what we are chatting about today, but I am concerned with the uptake of COVID vaccinations in that a lot of regional people are really sceptical. I have been talking to business owners who have been really affected, and some of them are saying, 'Well, I'm not going to have the job', and I am saying to them, 'Well, unless we close down all the time, there is no other alternative. Let's just all get immunised'. But I just wonder from a regional perspective if some sort of education could take place down here. All my friends in Melbourne are up for it, but I am blown away with how many people here are not going to get it.

The CHAIR: I appreciate that. Mr Gepp has kindly ceded his questioning rights to me, so thank you, Mr Gepp. I do have a couple more questions which I might just touch on. One is actually on that point. So one is: were you disappointed that the discounted flight package was not extended to any regional airport in northern or eastern Victoria? Were you disappointed? In Tasmania there were three airports and in Queensland there were multiple, but in Victoria only Avalon was getting discounted flights. The second bit is: is the key out of this really just a broader vaccination program, a better rollout, more information? Because that is the key to, I guess, regaining community confidence. So just a couple of questions there, and that is all from me.

Ms COOK: So the flight one, with the discounted flights, I do not think that really impacts. I had not thought about it; I am not sure about that one. But the rollout of the vaccinations—yes, education. There are a lot of people down here that need to be educated that it is safe.

The CHAIR: Thank you. We have got time for an additional question. Mr Davis? I cannot see him, so maybe Wendy, if you would like to ask maybe the final question and then we might actually wrap up there, because we are due for a short break.

Ms LOVELL: No. I would just like to thank you for your presentation, and also add on the vouchers that my tourism operators in Northern Victoria are saying the same thing, that offering them in January was like having a happy hour at 7 o'clock on a Saturday night in a restaurant or a pub. You need them offered at times when you are not busy, and through this winter period would be great—you know, vouchers that include you must have a two-night stay between a Monday and a Thursday night or something like that, so to encourage them. They might stay a long weekend by staying Thursday to Monday, but it encourages them to spend longer in the region or to actually take up some of that downtime that you have during the week. Thanks very much for your presentation.

Ms COOK: Thank you. And that is a really good point, in that I cannot stress enough that those vouchers, whilst they were at a time when we were going to be busy anyway, they did bring so many people to the region that have never been here before. So, as I said before, it is a huge opportunity for us. The silver lining of this COVID experience for the tourism industry is that, you know, there are new people visiting the region, so it is very exciting from that perspective.

Ms LOVELL: Yes. And the challenge for us is now to keep them visiting the regions rather than to go back to going to Queensland or going to Bali.

Ms COOK: 100 per cent, absolutely.

The CHAIR: Thank you very much, Tamara, for your submission and contribution today. It has been a real pleasure to speak to you. Your ideas for the area sound exciting and we will take them into consideration when we are deliberating on our report. Thank you for today.

Ms COOK: Thanks for your time, everybody.

Witness withdrew.