

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

Mr Martin Richardson, President, Paynesville Business and Tourism Association.

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. 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 introduce my fellow committee members present with us here today: Mr Mark Gepp, Mr Tim Quilty, Ms Wendy Lovell, Ms Melina Bath, Mr Lee Tarlamis and Mr Rod Barton.

To all witnesses appearing, 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 of the hearing may not be protected.

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. Can you please begin by stating your name for the benefit of the Hansard team, and then over to you.

Mr RICHARDSON: Thank you. My name is Martin Richardson. I am the President of the Paynesville Business and Tourism Association. I am not sure how many members of the committee are familiar with Paynesville. Paynesville is about 300 kilometres east of Melbourne on the beautiful Gippsland Lakes. Our local community has a population of a bit over 4000 residents, and importantly the local economy and employment in our town is heavily reliant on visitors. Our hospitality businesses, our accommodation businesses and other related businesses really do most of their business in the summer season, although the trend has been over the last few years for that uneven seasonal nature of tourism to actually be spreading out, so we are finding more and more people are visiting for short trips throughout the year. The Paynesville BTA is the representative body for businesses in Paynesville and district.

I will just go straight into the impacts of COVID-19. I am sure you would have heard most of this before, but there would also be submitters, I am sure, who have raised the fact that the pandemic was a double whammy for our region because of the effect of the bushfires in 2019–20. Paynesville was not actually directly affected by the fires in that we were not burnt, but people were evacuated from the area and there was a perception that Gippsland simply was not a safe place to be for those few months early in 2020. Following the loss of the peak summer trade, the shutdowns due to COVID-19 really created a stop-start effect for our tourism sector. Many businesses, especially those in accommodation and hospitality, lost most or all of their customers. And whilst recovery over the last few months has been strong, that has not nearly compensated for the impacts that were felt through 2020.

The Paynesville BTA is also responsible for the organisation of one of our major events in the town, which is the Paynesville Music Festival, and we made the decision to cancel the festival in 2021 due to the difficulty that we faced in terms of meeting the COVID-19 requirements. It is a large outdoor festival. We would have had to have gated the whole event. We would have had to have more volunteers to do the check-in et cetera. And unfortunately when we started to look at applying for the COVID permit in December last year we were told that it would take about eight weeks to process the application, and that would have taken us to about a week before the event, and we just could not take the risk. I think I made the comment in my submission that the perception that we have—perhaps quite rightly so—is that it was being made deliberately difficult for people to run large events, and that is a risk management issue. But we just found that the challenges of organising an event under those restrictions meant that we had to cancel.

The restrictions on the number of patrons obviously in restaurants, pubs, and live music venues et cetera have been felt throughout the state. I am aware of that. Again that has been felt pretty strongly here in Paynesville. One business in particular which I will refer to is a wine bar operated by a family member of mine. They have been restricted to just 20 patrons for most of the period since the start of the pandemic. That is a venue that has live music every weekend. Normally it might have 70 or 80 or up to 100 people in the venue, and they have found that they simply have not been able to run the live music performances that they would normally run. And of course the limitations on the number of patrons have meant that from time to time businesses such as that have in fact decided to close rather than to attempt to trade with such restrictions on their patronage.

One of the significant impacts of COVID-19 for us has been the loss of employment opportunities for young people. With the closure of restaurants and businesses coming in and out of opening, I think a lot of the casual and part-time staff, who would be a lot of our young people, found that they were without work. For some reason that I cannot really explain, those businesses have not been able to attract staff back, so we have a bit of a crisis at the moment in that we have our hospitality businesses that are reopening but they cannot actually get enough staff. I do not know where those people have gone, but it is an increasing problem for those businesses simply to get waiters and baristas and chefs and that sort of thing.

I will add that one of the silver linings of COVID-19 has been this crazy boom in property, so everything in Paynesville has just sold—everything. Paynesville quite commonly has property on the market for long periods of time, but at the moment every time a house goes on the market in this area it is sold within a week. The effect that that has had is that when businesses do try to get staff to come to town they have got nowhere to live. Now, that is obviously affecting our visitor economy, but you may be aware that this is a problem which is actually having a much wider economic impact in the regions. I am sure that in the health services, in education, in manufacturing and other businesses in East Gippsland they are dealing with the same problem: that if you get staff to come here, then they cannot find anywhere to live. And I am pretty sure that we are going to have to do something about that from a sort of policy point of view into the future, because the shortage of housing in the regions and in East Gippsland in particular is causing some significant problems.

As I mentioned, I am not sure how it is that with the loss of the employment opportunities for young people that those young people have not been seeking to re-enter the workforce, but that is just, I guess, the anecdotal evidence that I have been hearing.

I guess I just wanted to quickly touch on some of the sort of lessons that we have picked up from the pandemic. The first one I mentioned would be the application of statewide restrictions. Now, I guess the more recent policy decisions around opening up the regions and leaving Melbourne in lockdown has responded to that issue, but it was very, very frustrating for us when we had one case of COVID-19 in East Gippsland—one case, I think that was in March last year—and yet we were unable to open our businesses for visitors from within the region. Those sort of one-size-fits-all restrictions across the state were really felt here, and people got pretty frustrated that we did not have any active cases of COVID-19 in the region yet our businesses were still not able to open even to service that local or regional trade. As I mentioned, I think there has probably been a slight shift in the view in the last few weeks with that, and that has been welcomed in that even if there are hotspots in Melbourne, then businesses in the region are still able to operate.

A couple of other lessons were that thankfully the state government and local councils found a way to ease up some of the liquor licensing restrictions. So you would be aware that businesses were able to extend their red line, those with liquor licences, and we found that particularly beneficial. So I guess the lesson for us was it is not actually that hard to loosen up bureaucratic restrictions on liquor licensing. There was a fair bit of paperwork for people to go through if they wanted to extend out onto the footpath, but many of our businesses actually took the advantage of doing that, and that was quite helpful because they were able to add to the number of patrons that they had in an outdoor setting.

The support for hospitality venues that was provided by the state government was welcomed, and I know of several businesses in town that took the opportunity to apply for grants to undertake improvements to their live music facilities, to facilities in general. My understanding, and I may not be correct on this, is that there was a further round of funding provided for businesses and councils in the metropolitan region late last year, but my understanding is that that was not offered to businesses in the regions. And we would recommend that there is continued sort of effort to look at what support can be provided in terms of cash grants et cetera for businesses that wish to carry out renovations or extend the premises or improve their business offer.

The restrictions on events I have touched on, but it was virtually impossible for us to run any of our large events. But again thankfully we did receive some funding support for next year's festival, and that was welcomed.

The opportunities that I see coming out of the pandemic—and I guess I have always had the view that recovery from these kinds of things is not actually about just getting back to where we were, it is actually raising the level of where we want to be, and for me recovery is much more about how we facilitate further growth in our visitor economy, not just get back to where we were. And you will probably hear this time and time again from the regions, but investment in tourism infrastructure is what we are always on about. We understand that money is not freely available for, you know, public parks and streetscape improvements and those sorts of things, but we do see that there is a continued need for governments to provide funding for those public investments that then generate and drive private economic activity.

We have been pretty lucky actually with some funding we have received from state government and federal government for a couple of significant projects here, but there is always the opportunity for government funding for investment in some of our public amenities and public projects, particularly for boating facilities; we do struggle in this region, on the Gippsland Lakes, to have high-quality boating facilities for recreational boaters.

I have mentioned also in the submission the opportunity for opening up opportunities for private investment on public land. We have significant Crown land foreshores in our area, and it is often very, very difficult for small enterprises to operate kayak hire or open a cafe on the foreshore or to run a private enterprise on Crown land. I know that discussion has been going on in government for quite some time. However, we believe there are opportunities for some relaxation of the requirements for businesses, particularly itinerant businesses, to operate on public land so that they can provide more of an offering for visitors.

And I guess coming back to the employment thing, the last thing I would like to say is that I think there is an opportunity for some more targeted investment in training for young people in the tourism and hospitality sector or, you know, new start-up enterprises, that sort of thing, and to provide some more opportunities for young people who may see a career opportunity in tourism or hospitality but perhaps cannot access the training and the skills development that would enable them to take on that career option and to stay within the region.

So, Mr Chair, I will leave it at that, having met my 5-minute requirement, and thanks for the opportunity to make the presentation.

The CHAIR: Thank you, Mr Richardson, and thank you to the Paynesville Business and Tourism Association for your submission and quite a comprehensive overview of the issues faced in the region. I might hand over to Mr Barton to ask the first question, then Mr Tarlamis and Ms Bath, in that order. Mr Barton.

Mr BARTON: Thank you, Chair. Thank you, Martin. That was really good. One of the recurring themes that we are hearing about is the difficulty in holding staff, housing, because they have got nowhere to live, and I think a lot of this may be—and I am interested in your views on this—the casualisation of all these people, these jobs, where they do not have the job security, you know, having to do split shifts or you may have to do some hours here and hours there and all that sort of stuff. How much is this impacting on the recovery?

Mr RICHARDSON: Well, look, I am aware of several business owners who simply have not been able to open or they have had to restrict their hours of opening because of the lack of availability of staff. We had one new operator in a lovely restaurant called Pier 70 on the foreshore at Paynesville who could not even reopen after the last lockdown because he could not get staff, he could not get kitchen hands and that sort of thing. And I am aware of other businesses. I guess it is also perhaps exacerbated by the fact that we do not have backpackers coming through and itinerant staff as well, but I am aware of a number of businesses who have had to restrict their business hours or even, you know, have long periods of closure because they were unable to get the staff that they would normally have to run that operation.

Mr BARTON: And accommodation for restaffing?

Mr RICHARDSON: Oh, accommodation is a nightmare. So there is just nothing. There is virtually no rental property available. I am aware of a couple of places, the Paynesville Hotel and our almost world-famous Sardine restaurant, who actually are accommodating their own staff. They have actually rented property to put

their staff in. Now, that must be quite a liability for a business owner, to actually not only pay the staff but to put a roof over their head. So all the accommodation in the pub is actually now taken up by the staff in the pub, and a couple of apartments above the Sardine restaurant are occupied by staff in the restaurant. So that is an added liability for the business. It is probably great for the staff, but it is an added liability for the business, and certainly anyone else—you know, young people who want to come back, young people who want to stay here that are thinking of moving out of home or whatever—they just do not have any accommodation options at all.

Mr BARTON: Well, if you have got an experienced chef or someone like that, it is almost that you have to find them accommodation so he can bring his family, on top of the job as well.

Mr RICHARDSON: Yes. And as I said, I think that is not just about tourism. I reckon that there would be some other significant businesses in the region who are really struggling. Patties Foods or Vegco or those big businesses who would be bringing in professional staff and the Bairnsdale Regional Health Service, who are bringing in doctors and that all that sort of thing—I reckon they would be really struggling to find accommodation.

Mr BARTON: Thank you. Thank you, Chair.

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

Mr TARLAMIS: Thank you, Martin, for your written submission and also for your comprehensive presentation today. Both in your submission and today you have mentioned the positive effects of relaxing the liquor licensing requirements and how they have benefited Paynesville. Are there any other initiatives like that that would you think would help that you could suggest in other areas or similar initiatives?

Mr RICHARDSON: The licensing one was quite an important one because of the initiative to encourage outdoor dining. As I mentioned, it was still a bit difficult for businesses to get through the red tape to get that happening, but that was valuable. I think probably that was the main one for us, where people needed to be able to expand out onto the footpath and get crowds in the outdoor setting, but as I mentioned, the other one is the whole issue around permitting for events to make them COVID safe. Now, that is perfectly understandable why you would have to go through that to keep people safe, but one would hope that in the future as we start to emerge from this and we start to look at holding larger events we do not suffer too much from restrictions around the permits required in order to accommodate larger crowds. I think you have probably all heard the public referring to some inconsistencies when you can have 50 000 people at the MCG but we cannot have 500 at Paynesville Music Festival. That is about the only one I would raise, Mr Tarlamis.

Mr TARLAMIS: Thank you.

The CHAIR: Thank you. Ms Bath to ask a question. Then Ms Lovell, then Mr Quilty.

Ms BATH: Thanks, Chair. And thanks, Martin. Really good to see you. I have eaten at Sardine and Pier 70, and they are both fantastic. They are well worth the journey, as is anywhere in Gippsland, absolutely—Lakes and up to Omeo and everywhere. Martin, I was interested when you said just now that the visitor economy needs to be better than it was before rather than going back to the status quo, because in effect businesspeople have had such a deficit. They have lost; they are backwards in terms of a financial position. On that comment, I would like you to sort of flesh that out a little bit more, but also the mental health. To my mind—I understand your relatives have a wine bar that is fantastic; they have been shut down for a long time—there is nothing like making money and being busy to support mental health and stimulate that growth in the town. Do you see dangers in terms of the region's mental health? And if so, what does government need to know about it and do about it, or is it just literally a matter of having a vibrant community that will bring that back up?

Mr RICHARDSON: Okay. So the first part, just in terms of recovery being more than just getting back to where we were, we certainly have aspirations here, as I am sure all communities do, for continued growth in our tourism sector. One of the concerns that the Paynesville BTA has had is that we do not have the quality of public infrastructure that we should have. So I suspect that there are people who are coming to the region perhaps whose expectations are not met by the quality of public infrastructure and public spaces and facilities and that sort of thing. Therefore for us to diversify that visitor offer, that tourism economy, and to continue to take advantage of the growth opportunities there is going to have to be continued public investment in facilities. That does also mean that people are able to travel more widely and are able to have access to basic amenities

and that sort of thing. So I think one of the recurring themes in East Gippsland has been that it is very, very difficult for us to attract more visitors unless we can improve the quality of the infrastructure that they use.

On the mental health issue, I have been contemplating this for a little while. I am a private consultant in the region and I am currently doing some work in the Omeo region on bushfire recovery, and what has really hit home to me, as well as the experience of talking to people locally here, is that everyone is just really tired. Everyone is exhausted by COVID, and this is not something that is special to us. But everyone is exhausted from having to get through the bushfires and then get through COVID, and in the world of hospitality you cannot have business owners who are tired and emotional. I know of, for example, for the owner of our largest accommodation house in Paynesville, Captains Cove, the mental anguish caused by lockdowns when she just has to get on the phone and cancel every booking, and it is just heartbreaking for people like that when they do that. So I think a problem that we have as a community really is that everyone is exhausted, everyone is stressed. People cannot cope that well, I do not think, with personal circumstances or whatever might pop up for them in the current environment, because they are just mentally exhausted and emotionally exhausted.

What to do about it, Melina, I really do not know, I am sorry. It is not my area of expertise, but I know there are plenty of people who work in that field. But it is certainly an issue I think for all business owners who are just exhausted, and the impact for small communities also is in volunteering. So communities that rely on local volunteers are finding it very difficult because people are just too tired. They are not putting their hands up anymore to help out in the local community like they may have, and I would hate to suggest that the answer to everything is money, but perhaps looking at some targeted investment in building that community resilience, whatever that means, and then helping individuals to help themselves in terms of their own private recovery.

The CHAIR: Thank you. Ms Lovell has kindly ceded her right to Ms Bath. So Ms Bath, if you have got an additional question, please feel free to proceed.

Ms BATH: Thank you. I am not sure how my reception is going, but thank you very much, Wendy. That was very good of you. You just spoke about resilience. There is nothing like a good festival or a community event: happy, relaxed people, COVID open, so regional communities open. What will be the blockers from say the Paynesville Music Festival getting up and running again? What will keep it open and return it to being open? What are the blockers, and what do we need to understand, listening in this committee, to remove those blockers?

Mr RICHARDSON: As I mentioned, with the current restrictions, I am not sure if they have changed, but it was described as a tier 2 event. So we needed to lodge a fairly comprehensive COVID plan, and for us the volunteer effort required to do that, to run an event where you have to check everyone in and out, was going to be very, very difficult. Hopefully, I would like to think that by February 2022 we will not have that same level of restriction, particular on large outdoor events. If we do, then we have got a problem, because we rely on a very small core of volunteers to actually run the event on the day, the days, and I doubt that we would have the volunteers available to run an event with those kinds of restrictions.

The other impact for us has been our sponsorships. So we normally attract \$30 000, \$40 000 worth of private sponsorship for the event. We have been thinking about how we can creatively deal with that, because we would be reluctant to go to our local business owners and ask to put their hands in their pockets to support the event next year, given what they have been through, although we will probably hit up the real estate industry, because they have done all right. And again the answer is money. We received a \$10 000 grant from, I think, the minister for tourism as a bushfire recovery grant, and that has been carried over, so we have got \$10 000 in the bank from the state government that they have kindly allowed us to carry over because we cancelled the event. That is a big boost for us, that kind of based, foundation funding to run a significant event. It takes a lot of stress away from us in terms of being able to generate the sponsorship et cetera. I am aware that, for example, there is a region-wide festival coming up called the East Gippsland Winter Festival, which has also received state government funding support, and that is going to be a great way for people to get out and about and explore the region.

We find it very difficult to get funding for events. Local council does not have a whole lot of funding available for events, and sometimes you fall between the gaps because the event is not quite big enough to be a Melbourne Food and Wine Festival or whatever but too big to survive on sponsorship and donations. I think what we would like to see is the opportunity for events such as our music festival to have the door open for

continued funding year after year so that we know we have got that base funding that enables us then to move ahead with confidence in organising the event.

The CHAIR: Thank you for that, Martin. I might hand over to Mr Quilty to ask a question. If we get an opportunity, I will pass back to Ms Bath to ask an additional question because I know how enthusiastic she is about the region. All right, I will pass on to Mr Quilty.

Mr QUILTY: I was interested to read your bit and hear you talk about liquor licensing changes, and that goes to something we talked about for a while about how a lot of the regulations we have were never needed. Relaxing them during COVID has shown us that we could do this all the time and that we should never bring them back. But I am just interested—you were talking about Crown land leasing and so on. The previous witness also talked about DELWP and DELWP being focused on conservation and not being focused on tourism or commercial use of the lands for things that generate tourism money. Do you think they should reform DELWP so that they have some areas of land focused on tourism and generating income for regions?

Mr RICHARDSON: I could talk for hours about that, Mr Quilty. I have spent a fair bit of time in local and state government in the region, and from dealing with DELWP I would agree that whilst the conservation focus of DELWP is quite justified in many ways, as Crown land managers they do not take an active role in facilitation of opportunities for the use of Crown land. They are just very, very difficult to deal with whenever you have something half creative insofar as an idea for the use of Crown land. That equally applies in our region to Parks Victoria who manage significant areas of public land. I know this debate has been going on in government for many years as to the opportunities to open up government-managed land for private investment. That does not mean open slather; obviously there are environmental performance requirements for any kind of activity where you are dealing with sensitive environments, but in other states—I often use Tasmania as the example—the government has found it quite straightforward to facilitate private investment on public land. If you look at Cradle Mountain or Freycinet Lodge or Lake St Clair and areas like that which have extremely high-quality private visitor facilities, the government has said, ‘Well, we’ll arrange for land to be leased. We’ll put strict requirements in place for management, and in fact often improvement, of environmental outcomes’, so it has been possible in other states for them to open up those investment opportunities. The mentality appears to be—or the culture; I am not sure what it is—within those agencies, DELWP and Parks Victoria, that the land is to be shut off. Even with the bushfire recovery efforts there are still areas within East Gippsland where facilities have not been rebuilt. Whether it is wilderness lodges or that kind of upmarket-type development within national parks or whether it is someone being able to get a permit to put a coffee van on the foreshore, it is just always difficult. So the opportunity for DELWP as a land manager—and I think their mission is something about improving the lifestyle of Victorians; it is not just about conserving natural areas—to take a more proactive stance in relation to enabling business development associated with public land I think is there for the taking.

The CHAIR: Thank you. On that point, Mr Richardson, I might actually conclude your contribution today. I note that the committee is now due for a 1-hour lunchbreak. But I also just want to, on behalf of the committee, really thank you for your submission and your contribution. It is quite a broad overview of the issues faced, and you have obviously got vast experience in dealing with the different agencies and obviously the operators in this space, which are so crucial. So I just want to thank you again for your contribution and submission today.

Mr RICHARDSON: And I thank you all for your attention. I appreciate the opportunity.

The CHAIR: No problem. Thank you very much. You have been very helpful.

Witness withdrew.