

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

Cr Darren Howe, Deputy Mayor, Latrobe City Council.

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 off and any 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 would also like to add that the committee had planned to hold today's hearing in Traralgon. On behalf of the committee, may I express my concerns and our best wishes to everyone in Traralgon and other parts of Gippsland affected by last week's storm. We hope you stay safe and are able to recover from the storm as quickly as possible.

My name is Enver Erdogan; I am Chair of the committee. I would also like to acknowledge my fellow committee members present here today: Mr Rod Barton, Ms Melina Bath, Ms Wendy Lovell, Mr Lee Tarlamis and Mr Tim Quilty.

All evidence taken at this hearing is protected by parliamentary privilege, as provided by the *Constitution Act 1975* and further subject to provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law. However, any comment repeated outside the hearing may not be protected. Any deliberately false evidence of misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a transcript following the hearings. Ultimately, transcripts are made available for the public on our committee website.

We welcome your opening comments but ask they be kept to a maximum of 5 to 10 minutes to allow plenty of time for discussion. Could you please start by stating your name for Hansard and then begin your presentation. Over to you.

Cr HOWE: Thank you. My name is Darren Howe. I am a councillor and the Deputy Mayor of Latrobe City. On behalf of Latrobe City, thank you for the opportunity to respond to this inquiry and act as a witness at today's public hearing.

As many of you would know, Latrobe City is one of the four major regional cities, located 135 kilometres east of Melbourne. The city has a diverse tourism and event offering, including an annual schedule of major events, a variety of recreational and cultural facilities of an international standard, significant sporting events, an accredited visitor information centre and many natural attractions. Tourism also encompasses activities across other industry sectors, such as accommodation and food services, and provides a spin-off benefit to the retail and service industries. Latrobe City's event and tourism strategy is based on attracting visitors to the region through major events, given the lack of significant natural attractions such as beaches or mountains.

For Latrobe City it is estimated that the net loss of jobs over the 12 months from February 2020 to February 2021 was 1536, representing a 4.74 per cent reduction in employment. There was a significant reduction in the visitor economy activity over the lockdown period, followed by a gradual recovery.

In Latrobe City there was almost no work in the events industry during 2020. Our submission provides details of the COVID-19 impacts on the tourism and events sector compared to the other industries. Many organisations have lost experienced staff and cash reserves to fund future projects. The community events were cancelled or postponed during this time.

The DHHS events framework, while providing a guide, puts additional conditions and requirements on small community events which are cost inhibitive. Its late delivery made it difficult for event organisers to know what they needed to do to meet COVID guidelines, particularly for smaller community events. In relation to the framework, more clarity and consistency, delivered expediently, would have been very helpful.

Sectors that were able to adapt to the pandemic: the catering companies have been able to provide takeaway meals as well as prepackaged meals for catering purposes that particularly met their revenue requirements. However, in many cases the revenue was insufficient to retain staff. Some arts-focused events were able to continue in a virtual format.

Other issues caused by the pandemic: the tourism and events industry relies heavily on casual staff, often only working two or three days a week. For many of these people the JobKeeper allowance was more than they earned during a small number of shifts, and therefore it was hard to encourage them to return to work. The other key source of staff for many tourism and events companies is the backpackers. The closure of international borders has seen a huge decrease in the number of this resource. In regional areas the lack of casual staff has also been compounded by the requirements of agriculture for the same type of workforce, resulting in competition for limited numbers of casuals and transient workers.

In the tourism sector there is also a reliance on volunteers. Visitor information centres, attractions and other information services are often staffed predominantly by volunteers, many of whom are retired and are in the older demographic and as such are at a greater risk from COVID-19. Many have been reluctant to return to their volunteer roles until an appropriate level of vaccination has been achieved. Many experienced staff have also left the industry due to either forced retirement or the need to find employment in other industries where their skills were transferable. Some will never return to the events industry, which leaves a large experience shortage. Associated industries such as hire equipment, catering, security, lighting and other equipment providers have had companies go through a forced closure and are likely not to return. This leads to a lack of expertise in these areas and less competition, resulting in higher costs in the medium term.

Latrobe City Council recommendations for the short term: funding for events to allow event professionals to source work and to begin earning an income again—this may take the form of grants to event organisers or contracted work for government-secured events; access to low-cost finance to allow event organisers to recover repossessed equipment, pay down loans and fund event marketing initiatives; additional funding grants for community events that will assist local event suppliers and contractors to source work close to home; continue streamlining of the public events framework and approvals process for event organisers and assist with the development of technology for events and venues that supports the attendance of larger crowd numbers; increase promotion of the region through continuing incentives to travel regionally, such as the current initiative for \$200 accommodation and organised tour vouchers—extend this initiative to incorporate attractions, hospitality and event tickets; develop marketing campaigns to build confidence in interstate travel to enter Victoria without the fear of border closures; in the long term, continue to invest in acquiring new major events that deliver broad supplier opportunities, particularly those that incorporate components in the regional areas; fund large existing regional events such as the International Rose Garden Festival Morwell and similar regional signature events; access to government-led trade missions to explore potential international event-related business opportunities and networks overseas and government support and marketing initiatives at no cost for suitable Australian event businesses to assist them to secure major international events contracts once international travel recommences; fund tourism and event infrastructure to assist a speedy recovery—this may take the form of roadways and roadside signages that assists visitation, toilets and long-bay parking sites that encourage caravans and other travellers to stop in regional towns; improve internet connectivity in regional areas to allow movement for individuals able to work from any location while they travel; improved access to suppliers that support the events industry; finally, training and support for community event organisers by funding resources that assist community events to operate in a COVID-safe environment; and in addition, providing employment pathways for tourism and events staff to encourage the capacity building of the industry through study.

The CHAIR: Thank you, Cr Howe, and thank you, Latrobe City Council. It is great that you have been able to narrow down, I guess, the areas of greatest need or assistance in regard to our terms of reference. On that point I might pass over to Ms Melina Bath, one of your local members in the upper house, and then we will go to Mr Lee Tarlamis following Ms Bath's couple of questions.

Ms BATH: Thank you, Chair. Thank you very much. And thanks, Cr Darren Howe, for being here today and preparing the submission. It was really useful. To say that the events industry has certainly been smashed—there was no greater example for me than actually the Premiere Function Centre, which backs onto my office in effect in Traralgon. They have been a fantastic enterprise, because, you know, there have been government functions there, there are balls, there are weddings and parties and everything, and then unfortunately they have

been closed down. So they just lost hundreds of thousands of dollars worth of custom in that time because they had to close. Now, my line of questioning looks at local government procurement and the importance of focusing on, I guess: how can those that survive and governments—local government and state government and federal government—procure as much as they can in terms of that hospitality or in terms of contracts, whether it be cleaning contracts or the like? What is the message that you would like to send back to us as an inquiry in relation to the local procurement?

Cr HOWE: I understand, with all levels of government, it is easier having one supplier and having a centralised supplier or service provider for whatever we are talking about, but what you have got to realise is in the country we rely on that supporting the local industry and local jobs. An example is probably the fire services; they have now gone to a centralised laundering service, which means that all the small laundromats in our area now have lost \$500 a week or \$1000 a month. You just cannot get that back, and I think you can probably spread that across your whole government. You know, if there are stationery requirements, you can go to a local stationer rather than going to a centralised one—photocopies and printers and servicing and all that. It is a lot easier and a lot more convenient to have one point of contact and one company, but if you can spread the love across the whole country, especially our little ones in country Victoria, I think there is a lot more benefit from that.

Ms BATH: Chair, thank you. Darren, the other thing is: what is the outcome in terms of service? If there is a positive relationship between clients and small business and the services there, then why would you change? And really when we are living in a COVID world now, on local procurement—I guess I am asking for your council's point of view but yours as a resident and a business owner there—is that that is an important aspect for you a message for us?

Cr HOWE: Very important. Not only that—you can go one step back. You know, you use locally produced copy paper. If it is manufactured in Australia, it is going to be a little bit more expensive, but you are supporting a local business. As far as your service, you are right: you are going to get a better level or quality of service when you are dealing with somebody local.

Ms BATH: Chair, if I may just touch on the rose garden festival, the Morwell rose garden festival has been around for a number of years. On the contrast unfortunately between last year—when you pivoted and council did a great job, and community, and you went online and you had a light show and it was a really good, I guess, a substitute—and the previous year, when there were thousands of people going to the rose garden and being out, enjoying nature but spending their dollars in the Latrobe Valley, have you got a quantum? It might be sort of a question on notice—the difference, the loss of that from one year to the next. And you spoke in your submission about that. Is there anything specific? What was the drop, I guess, but also what were the specifics, if you had any, for the rose show and those sorts of events to continue?

Cr HOWE: Yes. We will that on notice. I will get Hanna to follow that up. I suppose with that particular event, we had taken the next step to make it an international event and were trying to build it over not just one day but two or three days, so you get somebody coming down they are going to say at least one night, maybe two nights. So we really built some momentum. So not only do you lose the visitors and the cash into your economy for that one year, it is probably going to set us back two or three years as we lost that momentum. We will have to try and build it up again this year, if we can go ahead with it. And it is not just that. You know, you look at we had the Lions Australia Day event we had to cancel, we had the Carols by Candlelight, all those. There are 8000 to 10 000 people at these events. That is all people coming to Latrobe City to go to those events. They might not stay, but the first step is you get them there and then you can try and build that into, like I said, a two-day event, where they are staying one night or have an offering the next day to encourage them to stay.

The CHAIR: Thank you for that. I might pass on to Mr Tarlamis to ask a question. Then we will go to Mr Quilty.

Mr TARLAMIS: Thank you, Cr Howe, for your submission and also for presenting today. I was just interested in your views as to if you have any concerns about the slow rollout of the vaccine and the impact that that will have on Latrobe City Council going forward.

Cr HOWE: Look, it is a concern as far as the more people and the quicker people get vaccinated, the freer Victoria will be, and then people are going to be able to travel to support the events. I do not have the latest figures on me, but I think the last scare has really jolted a lot of people into wanting to go and get vaccinated.

Mr TARLAMIS: We heard from previous witnesses that there were some reservations about people getting vaccinated. Have you seen any evidence of that or—

Cr HOWE: I see them all. There are people who love it; there are people that—it is a conspiracy theory, there is nothing, there is no COVID. I think most, 95 per cent of the people, understand the situation. They will get vaccinated. But you do have that certain cohort that flatly refuse.

Mr TARLAMIS: Thank you.

The CHAIR: Thank you. Mr Quilty.

Mr QUILTY: So you talk in your submission and obviously talk about how DHHS were slow, cost-prohibitive, not responsive at all. How could that have been done better? How could it have been faster, cheaper, with more local input? Do you think someone else could handle it or local DHHS people could handle it or council could help with handling it?

Cr HOWE: Yes. If you have got a local presence, that would make it a lot easier because you can go and see face to face. I know particularly—there were three levels, from memory, weren't there? The major event one was the really big problem, trying to jump through all the hoops. And also there was that threat hanging above people's head that if they did not get it right, you know, there was a, I think, \$10 000 fine or something similar to that. It is really a put-off. Especially your Lions and Apex clubs, they might do a regional event, local event, to 5000 or 6000 people. Once it got to that level, which needed the extra work and the extra fines, I suppose, associated with it, they were really put off because they were worried about it. They could do their best but if they did not do it right, they were going to be in, you know, all sorts of trouble. Yes, I think if they could sit down and have a local face to talk to—it would have been a lot easier.

Mr QUILTY: Now, we have heard from a lot of other regional areas that there is a massive housing crunch happening now, there is a massive shortage. Is that the case in Latrobe—

Cr HOWE: Yes.

Mr QUILTY: and if it is, is council doing something about it? What is council doing?

Cr HOWE: At the moment we are developing a social and affordable housing strategy. We have sort of fast-tracked that. We are hoping to have that by September and October, so then we can work with—the state government has got their big build initiative; we can try and work with them to try and fill some gaps. As far as new houses, we are just trying to develop the planning process, streamline that as much as we can. The problem is everything costs money. Developers might have land ready to go but they need to place the services up front, the roads, the power, the water. They have just got to try and find funding for that.

Mr QUILTY: Thank you.

The CHAIR: Thanks for that. I might pass over to Ms Lovell, then Mr Barton. Ms Lovell.

Ms LOVELL: Thank you very much. Thank you very much for your presentation. I note in your submission you talked about the \$200 accommodation vouchers and extending those to other initiatives like attractions, hospitality and events—and we have heard that from other witnesses. We have also heard from other witnesses that perhaps those accommodation vouchers were aimed at the wrong time, during the heavier or more busy tourism time of the year. I was just wondering about your thoughts on the timing of those, whether they should be extended throughout the winter and whether they should be confined to, maybe, midweek visitations or something to encourage people to come when the accommodation is not already full.

Cr HOWE: Yes, good idea. That would be well worth looking at. I suppose it is a bit of a trial, isn't it—try the midweek ones and the off-peak ones to see how it works. That is a great idea. Hopefully with no restrictions next summer, or next tourist season, they will be busy again anyway, particularly if there is no overseas travel, which there probably will not be. So yes, good idea.

The CHAIR: Thank you. Mr Barton.

Mr BARTON: Thank you, Chair. Thank you, Darren. You mentioned before about the shortage of backpackers coming through. Some of the most optimistic reports that I have seen say that we will have international travel by the end of this year; some of the pessimistic ones will say towards the middle or towards the end of next year. That is going to be enormously challenging for everybody. How can we help that? I will just give you two at once here, to get around the Chair. There is a recurring theme about the shortage of housing out in Gippy, and it is a serious issue where you are trying to get staff and they cannot get permanent accommodation—those sorts of things.

Cr HOWE: Yes. Obviously with the accommodation it goes back to funds and it goes back to staffing for our planning department. Planning is booming all over Victoria. To try and get the good staff—they are going to the private sector, where they can offer more money. In saying that, we are doing the best we can. We were turning around the planning applications within the required time. We were up to 95, 98 per cent. I think we are down around the 85, 90 per cent now. It is still not far off the mark, but there are definitely areas we need to work on. I am not sure if there is any way that state government can step in and help streamline that any more than it is. I am not sure. I can find out and get back to you on that one, if you like. As far as the backpackers, that is going to be another big problem for the next 12 months. What can we do? I am not sure what the answer is on that. Like I said with the hospitality and the farming industries, we are fighting over the same person and body.

Mr BARTON: Yes. And it seems to be that particularly in the hospitality sector there is that insecure work and the irregular hours, and then we throw in a shutdown for two to three weeks—you know, it can just break them.

Cr HOWE: Yes.

Mr BARTON: And then they cannot afford the rent—if they can get a place. It is sort of a catch 22, isn't it?

Cr HOWE: Yes, definitely. It is so hard. You shut for two weeks, then you are open, then in another couple of months you are shut again. People need that surety. And the employers are the same. I am lucky; I have got a newsagency. I was low, like my sales dropped, but I was open every day. I should be able to manage to get through. But you shut the Premier Function Centre—they could not run any functions at all last year. You will not see them come back.

Mr BARTON: Yes.

Cr HOWE: They cannot—and they could not—pay rent. They lost all their staff. It is just very, very sad.

Mr BARTON: Yes. Thanks, Darren. Thanks, Chair.

The CHAIR: Ms Bath just has an additional question. I might just pass over to Ms Bath.

Ms BATH: Thank you very much. We are an upper house committee; we are going to make a report, Darren, to government. The Latrobe Valley is going through some significant challenges. We know that we have got Yallourn power station closing in seven years—and let us hope it continues on for seven years, because at the minute there are challenges there in terms of water. What sorts of partnerships would you like to initiate or to have between Latrobe council and the state government? What sorts of initiatives or relationships or partnerships would you like to see being able to operate? This topic is around the COVID response to tourism, accommodation and hospitality, but in that context what would you like to be able to see?

Cr HOWE: I am just trying to ascertain what you are after here, Melina.

Ms BATH: Are there any initiatives that you would like state government to come to you with that you could partner with? It might be one to take on notice and have a chat to the other councillors about, but what sorts of things would you like to see, or what would stimulate, I guess, any specific partnerships there?

Cr HOWE: Yes, I will have a chat to the other councillors. I need a little time to think about that one. Thanks.

Ms BATH: No problems. Thank you.

The CHAIR: On that note, Darren, I might say thank you for your contribution and Latrobe City Council's submission and involvement in this inquiry. If anyone does have any further questions, are you okay for us to just email them through to you?

Cr HOWE: Yes, certainly.

The CHAIR: There are just a couple on my mind as well, but as I said, I might just email them through in due course in the interests of time. I know we kept firing a number of questions at you, so I thank you for your time, and like I said, our thoughts are with everyone in the region. We could not be out there today, but like I said, later in the year I will be out in the region, as Melina referred to. Our committee has another inquiry that is about to commence and that will be out there. Maybe I might see you when I do come.

Cr HOWE: That would be terrific.

The CHAIR: Thank you.

Cr HOWE: Thank you for the opportunity today.

Witness withdrew.