

REF: DOC NO: 21/21541

16 April 2021

Mr Patrick O'Brien  
Committee Manager  
Legislative Council Economy and Infrastructure Committee  
Parliament of Victoria

Dear Mr O'Brien,

***RE: INQUIRY INTO THE IMPACT OF THE COVID-19 PANDEMIC ON THE TOURISM AND EVENTS SECTORS***

Thank you for the opportunity to contribute to the inquiry and the impact that the pandemic has had specifically on the tourism and events sectors. This is partially impact as our shire relies heavily on tourism and events.

Hepburn Shire is a small rural Council with a community of approximately 16,157 residents located in Central Victoria. The Shire is a popular tourist destination that has a reputation for wellness and relaxation, good food, festivals and outdoor recreational activities.

In Hepburn Shire, tourism supports an estimated 798 jobs, which is 16.5% of total employment in the region. The largest sub-sector in Hepburn is the Accommodation & Food Services with 618 jobs supported by tourist's expenditure. When compared to other regions such as Central Highlands (6.7%), Victoria (6%) and Australia (6.3%) Hepburn Shire reliance on tourism employment is extremely high.

The impacts of the COVID-19 pandemic have had a devastating effect on our local businesses with low to no visitation leading to significant reduction in tourism related businesses income, employment opportunities and event cancellations. Regional Tourism figures support this with visitor spend showing significant decrease, of 48% (see data specifics attached) across the region.

Jobkeeper data from September 2020 showed that of the 502 local government areas in the country, Hepburn Shire:

- Ranked 22 of 502 LGA's in Australia
- Ranked 4 of 80 LGA's in Victoria
- Ranked 1 of 6 LGA's in the Central Highlands Region

In the September quarter over 52% of businesses within Hepburn Shire had applied for JobKeeper.

The effects of the pandemic are still being felt across Hepburn Shire with businesses struggling to find staff, who have either moved out of the area due to the high cost of living and low wages or have moved into other industries for employment. Businesses are resorting to still having to offer limited services due to these challenges and in addition to this the requirements expected of businesses to be COVIDSafe compliant have added extra work and strain.

Tourism operators and event organisers are still extremely anxious due to the uncertainty and inconsistency of trade and event cancellations due to circuit breaker shutdowns. Some event organisers are choosing to significantly downscale their events to reduce the costs and impact if shutdowns are introduced.

Hepburn Shire has a vibrant and diverse welcoming community and pre-COVID the Shire hosted a large range of events throughout the year – including community run festivals, book fairs, LGBTIQ+ festivals, sporting events and artisan masterclasses to name a few. With a vibrant arts community there were always opportunities to visit artist studios and exhibitions and participate in workshops as well.

Hepburn Shire Councils Events Strategy 2020-25 asserts that Council supports over 50 events each year, which range from small community events to large scale events that play a significant part in our local economy and the indirect value-add to other businesses including accommodation providers, hospitality and retail. Of these 50+ events, 33 were cancelled in 2020 and the remaining significantly scaled-down and/or offered as a modified online event. The overall estimated economic impact of event cancellations was over \$8.5 million with a reduction of 109,250 people attending events across the Shire.

Event organisers are struggling with the addition of the extra COVIDSafe requirements. This is sometimes a significant challenge for voluntary run events. The additional workload is causing fatigue and frustration, which is already leading to event organisers choosing to cancel or significantly scale back their events for 2021. Local businesses were also traditionally great sponsors of community run events and due to the significant downturn in their income they too are unable to support events as they might have prior to the pandemic.

Event organisers reported that they were unable to receive any insurance or refunds if their events are cancelled due to COVID-19 shutdowns. It would be of interest to understand whether the government have considered offering an Event Attraction Incentive to attract event operators to regional areas and provide some funding for local Council's to encourage signature events and attract different audiences. This incentive would support Council's Economic Development and Event Strategies and encourage or attract new visitors to the region.

Our Council continue to work with our local businesses including our tourism operators and event organisers to provide information, support and to understand their challenges and needs. We would welcome any opportunity to support government in providing opportunities to our region and to continue supporting the growth and renewal of our local economy.

In consideration of all of this, we suggest the following actions be taken by Government:

- Implementation of an affordable housing strategy for tourism regions
- Short and medium term tactical and strategic actions which ease the hospitality labour supply issue
- Consideration given to the impact of short-term rentals on the long-term rental market in tourism towns (the AirBnB effect)
- Marketing funding for Regional Tourism Boards to prop up demand into mid-late 2021
- An event recovery plan and funding above and beyond that provided by the REF (for example funding for event acquisition via an EOI)
- Better communications to industry when lockdowns occur (one example was the Valentine's Day lockdown, there was no clarity as to whether visitors to the region were required to 'shelter in place' for 5 days or whether they could return home during the lockdown)
- Continued investment in the development of tourism infrastructure feasibility and business plans
- Clarity on the rollout of the various funding streams announced in the November state budget (industry support, visitor servicing review etc)
- An extension of the travel voucher scheme
- Provision of improved and more granular data – real time demand data, better insights into geo and demographic segments
- Consideration of funding to Council to support that fact that Council has offered financial support to many businesses, while operating in a rate capped environment.
- Finalisation of the review into Regional Tourism Boards, to provide certainty to the boards and local government.



Attached to this letter is a data report supporting this submission and clearly shows the devastating impact the Covid-19 pandemic has had on Hepburn Shire tourism and events sectors.

Thank you for the opportunity to provide you with detailed information to understand the direct impacts to our tourism and event industries and thank you for considering our submission. Please feel free to contact Acting Manager Community and Economic Development ( ) if you require any further information.

Yours sincerely,

Bradley Thomas  
Interim Chief Executive Officer  
Hepburn Shire Council