

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the impact of the COVID-19 Pandemic on the tourism and events sectors

Melbourne—Wednesday, 19 May 2021

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 David Limbrick

Ms Melina Bath

Mr Andy Meddick

Dr Catherine Cumming

Mr Craig Ondarchie

Mr David Davis

Mr Gordon Rich-Phillips

WITNESS

Mr Brendan McClements, Chief Executive Officer, Visit Victoria.

The CHAIR: I declare open the Economy and Infrastructure Committee public hearing for the Inquiry into the Impact of the COVID-19 Pandemic on the Tourism and Events Sectors. Please ensure that mobile phones are 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 welcome any members of the public that are watching via the live broadcast.

My name is Enver Erdogan and I am the Chair of the committee, and I would like to introduce my fellow committee members Mr Lee Tarlamis, Ms Wendy Lovell, Mr David Davis, Mrs Bev McArthur and also Mr Tim Quilty, who is joining us online.

To 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 comment repeated outside the hearing may not be protected.

All evidence is being recorded. You will be provided with a proof version of this transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

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 start by giving your name for the benefit of our Hansard team, and then begin your presentation. Over to you, Brendan.

Mr McCLEMENTS: Thank you, Chair. My name is Brendan McClements. I am the Chief Executive Officer at Visit Victoria. I would like to begin today by also acknowledging the traditional custodians of the land on where I am today, the Boon Wurrung and the Wurundjeri people of the Kulin nation. I would like to acknowledge their culture and elders past, present and emerging, and I would also like to extend my acknowledgement to traditional custodians right across the country from wherever you may be listening from.

Thank you for the opportunity to appear before the committee today. I would like to take an opportunity to provide a short presentation on the things that we have seen from a Visit Victoria perspective as we have dealt through the impacts of COVID-19 over the last period of time, so if you will indulge me, let me start.

Visual presentation.

Mr McCLEMENTS: I would like to probably touch on four areas: the context, which gives a bit of a framework on where Visit Victoria's work has been focused; the current environment; what our response is, what our role is, as an organisation; and where we perhaps see the future going—recognising that the future is uncharted, so we are all speculating a bit there.

The committee will have seen many of these stats before, but I think it is worth framing again. It has been an incredible period of time in the visitor economy since March last year as COVID hit. Prior to 2020 it injected \$32.5 billion into the Victorian economy. It had a \$19.5 billion impact on the visitor economy in 2020. Our role has been to support the industry through creative campaigns and building a strong pipeline of events. The industry is a quite complicated collection of different organisations, and I am sure the committee has seen that already. There are many representative bodies and there is a group of participants who have recognised perhaps for the first time how connected to the visitor economy they were. We are a great one for acronyms, so we have got VTIC, we have got VECCI, we have got AAOA, we have got the AHA—

The CHAIR: All the regional tourism bodies.

Mr McCLEMENTS: All the RTBs. We have got the live music industry, and now we see a number of people starting to recognise just the interrelationship between visitors and the businesses they are involved in. What we have observed from our perspective are incredible stories of resilience and strength in our industry. A

number of operators have done incredible things as they have adapted their business models, as everyone has had to, over the last 18 months to find a way forward, and that is one of the great success stories in the visitor economy in Victoria—the adaptability of the people in this industry. We have been tracking consumer sentiment over the last 15 months as a key indicator of where things might be going. These two slides are very encouraging for us. It is consumer confidence, which is a great predictor of economic activity, and business confidence. For Visit Victoria both these statistics are very encouraging for us, where we find ourselves today. We are a forward-looking organisation. I know much of the committee’s deliberation will be about the impacts over the last 18 months. We have been focused on where do we think we can get to in the next 18 months. It is going to be a grind, but starting with high levels of consumer and business confidence is a great position, we believe.

These statistics are very interesting for us—the hotel occupancy levels in regional Vic. Sorry, I might have skipped a slide there.

And also a very encouraging component for us is that the concern of catching COVID is at its lowest ever as a barrier for travel. So it is real positive in our industry that people are not concerned about catching COVID. The concern about travel is the risk of being locked in your own state or locked out of your state and not being able to get home. But there has been a trend here that, as people have learned to understand the implications of travel arrangements, the willingness to come back to travel after a lockdown has consistently shown itself to get less and less. We can see perhaps towards the end of the chart there, where you see a dip where there was a travel ban put in place, confidence returned very quickly, and it has been trending up from the start. So there is a willingness to consider travel, which is also very encouraging for us.

This chart is hotel occupancy in regional Victoria and in Melbourne up until January 2021. There is a lag in the data coming through, so we have not got the latest quarterly figures, but it tells quite a positive story. For regional Victoria we are back to prepandemic levels of travel and economic activity—hotel bookings. There are certainly individual operators who had a more difficult time than other operators, but in an overall sense regional Victoria has got back to its prepandemic levels. That is not to say they have not had 12 months of little activity, but it is an encouraging sign that Victorians and Melburnians in particular are willing to get back into regional Victoria. And I am sure others have said Melbourne has been severely affected here, but again trendlines start to be encouraging. I saw some comments in the papers today from Simon McGrath, who is the regional head of Accor Group, a very big accommodation provider in this space, and I am actually seeing Simon today. He has indicated that his portfolio, Asia-Pacific, is the highest performer across his peer groups for that worldwide industry, and Australia has been a strong market for them relative to others.

A characteristic of the visitor economy in Australia which is also a source of great comfort through this is that domestic visitation represents about 70 per cent of the visitor economy in Australia and similarly in Melbourne. So if we can get ourselves into the best possible position, we have a core basis in Australia for our domestic tourism to be able to provide a level of support to the industry as a whole. Yes, international tourism would be great to come back. Yes, it will come back at some stage. But in the interim we still have a significant economy and part of the economy we can focus on.

From Visit Victoria’s response, I mean, we saw ourselves in the last 18 months having a number of roles. I have got three broad levers I can pull on the demand side. One is marketing campaigns—activity to encourage people to visit. Major events sits under my portfolio—the staging, attraction and retention of major events. And the Melbourne Convention Bureau—we are a 51 per cent owner—in a practical sense sits within Visit Victoria as well, so business events and how they come and perform.

In the marketing space we have conducted a number of campaigns. We decided very early on to focus on what we can do, not what we cannot do—so campaigns around, particularly in the first instance, social media and PR to help people in the consideration phase, the dreaming phase of wanting to travel. Some of the work we did in this space is represented here.

We were able to put into play a campaign called Click for Vic, which was designed to support regional producers. It was one of those campaigns that was certainly a travel campaign but recognising how people think about travel. While we could not travel there was also the opportunity to explore from their own room and their own computer some of the products and things that they could bring out of regional Victoria. And we saw an incredible level of support for that. I think the statistics indicate that more than 25 per cent of Victorians took a

purchase action—went and bought something—as a result of seeing the campaign. So it did deliver to our industry around the state the ability to keep revenue in the system.

As restrictions have eased we have moved into Stay Close, Go Further, which is the current campaign for our intrastate market and, as you see, the response has been that regional Victoria is performing very well. This, layered with things like travel vouchers, has been able to stimulate demand. Visit Melbourne, the last campaign there, that we are working with Working Dog on, is a campaign currently running outside of Victoria to encourage people to come. It is also starting to resonate. We are seeing that through our research. So we believe the first thing we need to do is do great marketing campaigns, and we think we are in a reasonable position with that. Without resting on our laurels, we know there is more work to be done.

And in the major events and business events space, we are focused on, firstly, where events did have to be moved or cancelled in 2020, making sure that we could reschedule, keep them in the calendar, moved from a distant time. That generated an enormous amount of work, both in the business and the major events space. And as we have been able to bring events back, get them up, get them running, working with the event owners—and everyone knows what a great job the Australian Open did and Craig Tiley did in bringing the Australian Open back—and now we see our calendar starting to come back to something approaching prepandemic levels. So we do see that once the Australian Open got away, we saw the food and wine festival, the fashion festival and the international comedy festival. *Harry Potter* has reopened in our theatres. *Come from Away* has reopened in our theatres. *Moulin Rouge* is coming in September and the State of Origin will be here in June. So in the major events space we are starting to see some action come back, and we are actively pursuing. These tend to work on long lead times, so from 2023 to 2032 we are actively pursuing opportunities to bring major events to the city.

In the MCB area, again we saw an impact directly on business events being able to take place, but with the recent innovation of announcing a National Business Events Program to support event stages, to bring their events to Melbourne, we have seen 50 applicants already for up to \$25 000 in grants. That started to take place, and we were really pleased actually that we could stage what was then the largest business conference that had been held since the pandemic hit in April at the Melbourne exhibition centre, where 900 people in our industry came together to start the process of getting back. I will probably leave my comments there, Chair.

The CHAIR: Thank you very much, Brendan, for that quite comprehensive overview of your work and also how the sector is tracking. Maybe I might go around the room. There are quite a few committee members present here today, so I guess that probably demonstrative of the level of interest. I will give everyone maybe one question each so that we can get around. I might kick off myself, if that is okay. Could you provide a breakdown of the regional visitation stats, region by region? Do you have that information?

Mr McCLEMENTS: I do not have it to hand, Chair. I can provide some additional information on that if you wish me to.

The CHAIR: Yes, please. I might hand over to Mr Tarlamis, and we will keep going around in that direction—and then to Tim. We have not forgotten you, Tim.

Mr TARLAMIS: I was also interested in terms of the Click for Vic campaign. Initially there would have been a huge spike in the take-up of that. I am just interested in how that is going at the moment and whether there is any information or data around follow-up purchases, and if that relationship that was established through that program has continued. I know with opening up people would be possibly going to these places in person, following up from their purchase, but if that initial connection has been maintained at follow-up purchase?

Mr McCLEMENTS: It is a very good question. There are a couple of things about Click for Vic that have come to the fore as we have done it. Clearly as Victoria had certain restrictions in place, people's ability to move was limited and Click for Vic was their opportunity to virtually travel and experience. So we saw a very, very significant interest in doing that.

One of the unexpected pieces of feedback we got from operators as a result of Click for Vic was actually that not only was it driving business into their businesses, but it was an extremely important part of their own mental health during the course of the pandemic. Leigh Docherty who runs a business up at Mount Beauty came and spoke to the team. Her business, Gather and Harvest, a sort of homewares shop up there, was able to

put people on through Click for Vic, and she actually indicated that that was the sort of support she wanted rather than a government handout. She wanted something that could help drive her business, and that gave her a greater sense of being.

Since travel restrictions have lifted we have moved into a different phase for our campaign to encourage travel. Click for Vic still is going; it exists on an online platform only. It was an above-the-line marketing campaign, so you saw it in the newspapers, you saw it on TV. It is not there at this stage, but it does exist through the Visit Victoria platform, which brings 3 million to 4 million people a quarter into visitvictoria.com. People can still execute their purchases through Click for Vic on that platform. We have moved from maybe 15 000 to 20 000 people a day using Click for Vic to in the hundreds, but that 15 000 to 20 000 have moved across to Stay Close, Go Further—‘How do I actually get out there?’. Click for Vic remains. If we find ourselves in the unfortunate position of going backwards, our expectation is we would bring Click for Vic to a more prominent space to connect with people’s particular circumstances at that stage.

The CHAIR: I also wish to mention that Mr Barton and Mr Gepp have also joined the committee.
Ms Lovell.

Ms LOVELL: Thank you. Thanks for the presentation; it was great. Some of the initiatives that you have had to try and restart the visitor economy have been fantastic so far. Something we have been hearing from operators is that the vouchers were terrific but that they actually came probably at the wrong time because they came over that summer-autumn period when we had pretty busy visitor activity happening anyway. Those vouchers are now going to run out, on 31 May, at a time when Victorians tend to look to go north rather than stay in our own state. Last week we heard some fairly good evidence from operators down on the Great Ocean Road about extending those vouchers and perhaps streamlining them to include some midweek stays et cetera. I was just wondering if you had a view on the vouchers and whether you think that they should be focused a little bit more and whether they should be offered to interstate visitors to bring them into Victoria?

Mr McCLEMENTS: A couple of things on the vouchers. I thought they were a terrific initiative. Victoria did them particularly well. Some other states went a bit earlier and perhaps have not been as sophisticated in how they put the system together, but the Victorian system, I was very supportive—it was not my decision obviously—to put them into play as quickly as possible to provide as much support as quickly as we could. I was lucky enough to be part of an announcement I think that was made the week before last around the City of Melbourne and the state coming together to put a Melbourne voucher scheme together, so I do know there is a Melbourne voucher scheme coming forward, which will be terrific, similar to what Sydney has done with its Dine & Discover. I think this is focused where we do have an ongoing challenge in bringing Melbourne back strongly. In terms of additional interstate travel vouchers, I assume it is a policy decision that is outside my pay grade, I am sorry, committee member—

Ms LOVELL: Do you think it would help to bring visitors to Victoria?

Mr McCLEMENTS: To bring visitors—so an interstate scheme?

Ms LOVELL: Yes.

Mr McCLEMENTS: There is no one single thing that brings visitors to Victoria. Most travel is prompted by a combination of activities, so we are certainly doing what we need to do with our marketing campaigns and then making sure we have got events in place. I do know the airlines have been very aggressive on the Melbourne-Sydney route, for example. Sydney is our biggest market. You can get a \$39 return airfare, Melbourne-Sydney, through Rex or through Virgin at the moment, so there is a lot of activity going into driving out-of-state visitation to Melbourne. I am sure the government will consider whether a travel voucher is part of that mix as well.

Ms LOVELL: Thank you.

The CHAIR: Mr Davis.

Mr DAVIS: Thank you for your presentation. You do have an absolutely central role in supporting both the tourism and events sectors. There is one point about the events sector that I would like to ask you about. Unlike in some other states, we have used our major event spaces for vaccinations. Now, I am a big fan of

vaccinations—it is an incredibly important process—but effectively doing that cuts out the use of those spaces for the purposes for which they are intended. I guess what I would say is: would it be helpful if the government found other proximate sites for mass vaccination and allowed our major events spaces to open up as major events spaces, given that they are huge drivers of visitation?

Mr McCLEMENTS: The placement of the vaccination centres is a difficult one for me to speculate on. I got my vaccination at Jeff's Shed a couple of weeks ago, so another 10 weeks and I can go for round 2. Through the convention bureau, which we sit on, what I do know is that Jeff's Shed has an enormous capacity. It is continuing to stage major events or events of scale. I think the Brickman Jurassic Park Lego exhibition is there at the moment, so it is finding itself able to accommodate both events that it would—and in fact our tourism conference was there at the same time—as well as providing some of the space. Currently it is not at full demand, it is not at full capacity from an events perspective, so it is able to provide some of its space to also at a convenient location allow people to be vaccinated. Certainly that was my case.

Mr DAVIS: But I am looking ahead. You see, the time lag or the time preparation period with events is quite long, especially with large events. So if we were to have a policy like some of the other states have, where they are not using their major event spaces for vaccination—they have found alternate ones—that would surely help open up the maximum prospects.

Mr McCLEMENTS: In the major events space that we have looked at, we have not found a circumstance where we cannot get access to the spaces we need to put the major events on at the moment.

Mr DAVIS: Is that just because the scale that you are doing things at is not at its full? See, I mean, our biggest events space is the convention bureau or the convention centre—Jeff's Shed, as you were saying.

Mr McCLEMENTS: For that style of event the major events places tend to be—if it is, you know—our sporting stadiums, so we are active in the sports stadium space obviously, with the MCG, AAMI Park, Marvel; those places are available, and the AFL is getting away. Jeff's Shed at the moment, as we forecast through business events, provides an accessible area for us to do our job. We are not finding ourselves pushing up against the provision of a vaccination centre there. There is a nice mix that is finding a sensible level, and our forecasts are not that we would see a competition between being able to access that for a business event or—do they are living—

Mr DAVIS: The convention centre, for example, is our biggest space, so the very biggest conventions can only go there.

Mr McCLEMENTS: Yes, and currently it is accommodating all our needs. So we have two significant exhibitions there—the Lego Brickman Jurassic one, and then *The Lume*, an illumination; both are coming in there, and we are continuing to place, through MCB, our events there. And given the size and scale and the additional capacity that was put into the venue a couple of years ago, we have also been able to accommodate the need for a vaccination centre.

The CHAIR: I had the pleasure of attending there recently. It was a babies and children's expo that was there. It was right next to it and I did not see any, it was quite clear—if you wanted to go to the business events that were there in relation to children or if you wanted to attend the vaccination hub, it was quite clearly delineated and signed.

Mr McCLEMENTS: Peter King and his team have done a good job of being able to, in a difficult time, find the right place for that venue to be used. And it is in a very COVID-safe way.

Mr DAVIS: I just had one other question about the figure work that you might have. Do you have some estimates of the leverage that we get from the events that are staged and the impact that that has on tourism? Do you have some?

Mr McCLEMENTS: Yes. Major events and business events?

Mr DAVIS: Yes. All of them.

Mr McCLEMENTS: Yes. I am happy to provide that. I think that is subject to—

Mr DAVIS: That would be very helpful. Thank you.

The CHAIR: Thank you. Mrs McArthur.

Mrs McARTHUR: Thank you, Chair. Thank you, Mr McClements. I think one of the most important messages that has been coming through in this inquiry is the concern about certainty. If big events or the most minute events want to be conducted, they are nervous about doing it; clients are nervous about getting involved, organisers are nervous about making bookings, because they are not sure whether a Premier might shut down a border at a minute's notice and the whole event will be off the calendar. So what advice would you be giving about locking down borders when there are perhaps only a couple of cases in Melbourne and certainly locking down the whole of country Victoria when there are just cases in Melbourne? Because that is what is certainly going to make a huge difference to tourists coming in to the state and events being conducted. Some of the border communities have had no activity whatsoever because they are on the way to nowhere and no tourists are going through those small towns, just in a tourism sense but also for event organisers, so perhaps you could comment.

Mr McCLEMENTS: Yes, I am pleased to. I think one of the things that we were very conscious of and very supportive of from our space from early on was the importance of treating this as a health emergency. Very early on in the piece—we have got people in different parts of the world—we heard terrible stories of what it was like in Europe and what it was like in America from our people, so we have been very, very locked into understanding that the treatment of this particular circumstance is as a health emergency. I have, to our team and to our board collectively, never sought to second-guess the health advice. It is very important for Victoria's and Australia's brand that we are regarded as a trusted and safe destination, whether that is domestic or international, so we have not sought to deviate away from supporting treating this first and foremost as a health emergency. Individual decisions about individual times are not something that we have sought to second-guess. We have sought to simply be able to adapt and evolve as the circumstances arise, and so many in our industry have been able to do the same thing. It has been—and is—a circumstance that forces us all to re-evaluate our own business models, how we operate, the way we do stuff. We have restructured our business entirely as a result of what has happened here, and across our industry so many of our operators have done the same thing. I was talking to Shane Delia, who runs Maha, the restaurant at the other end of town, recently about his experience and he spoke at our conference of his experience during COVID and his ability to adapt. He established an online platform in Providoor to be able to accommodate the changes. There is uncertainty—that is a certainty, if that makes sense. We are now in a world where accommodating the certainty of uncertainty is part of the job of all of us. In that framework I support all the health advice. We have gotten to an amazing place in this country. We all understand that. The ability to work through the next stage—we will get there. For people in our industry, as in all industries, the certainty of uncertainty is a challenge.

Mrs McARTHUR: So have you got the detailed health advice? Because we certainly have not been able to get it.

Mr McCLEMENTS: In—

Mrs McARTHUR: The advice that you are suggesting you have got, the health advice that—

Mr McCLEMENTS: No, we follow the public health advice that is issued. If there is a need to lock down, we lock down. If there is a need to adjust, we adjust. We are in a good trendline on the public health advice. It has continued to relax a little bit, not in the sense of 'take it easy', but just that the restrictions have been eased. In our industry we have been a major beneficiary as this has happened over the last month or so. Our conference was able to take place with up to 1000 people in an event space within the current guidelines, and they have actually eased a bit since then.

I have spent quite a bit of time talking to people in the industry. It is, as I said at the start, an industry populated by a lot of different representative groups and characters. In a broad sense we are optimistic people who work in our industry and are passionate about it, and that was what came through at our conference. But I am encouraged with what I hear from people who are operating day-to-day in the industry, whether they are in hotels—and we have seen a number of hotels open over the last little bit. We have got the Next Hotel, Ovolo and W Hotel all have opened, and the Lancemore Crossley St. lodge. We have got a number of restaurants that have opened. We have seen Gimlet, Farmer's Daughters and Grazeland in Spotswood. Speaking to people in

the events industry, in particular those who deliver events, those who have clients who want to do events, they have been very encouraging and are seeing green shoots. I mean, I am not a big fan of following social pages in newspapers, but I have noted that even the *Herald Sun* on Sundays has now a whole page dedicated to ‘Melbourne VIP’, which is the fabulous events and photos from around our state. So we had a wedding of the week that I saw—a Harry Potter wedding of the week—organised by Tori Allen Events in Ballarat last week. We had a gallery opening. We had a special lunch for cancer circumstances. It just says to me that there are some things starting to move in this industry.

Mrs McARTHUR: Have you got feedback from your industry about the challenges that they are facing with getting staff and housing for staff, especially in rural areas?

Mr McCLEMENTS: Yes, we have. I was in Port Fairy recently. We took 3AW down there to help Melburnians understand the charms of Port Fairy, and it is an amazing place.

Mrs McARTHUR: It is in my electorate. It is a wonderful place.

Mr McCLEMENTS: It is. Can I say unfortunately that was the first time I had been there, so I am now sold on Port Fairy, and 3AW’s listeners were very impressed with it too. But talking to the owner of Blakes Restaurant in Port Fairy, her feedback was, yes, if they could, they would open seven days a week for two sittings a day, but they are experiencing a staff shortage. And that is across a number of industries and across Australia. One of my directors is Gerry Ryan, who owns Jayco caravans, and he was quoted in the papers yesterday talking about his challenges in supply chain, manufacturing and engineering as well as his hospitality businesses. This is an issue that is affecting a number of organisations in a number of ways and is not unique to the events space and the visitor economy space.

The CHAIR: Thank you. I have got Mr Quilty online and also Mr Gepp online. We will go to Mr Quilty and then to Mr Gepp. Mr Quilty.

Mr QUILTY: Thanks. All right. We have heard from sections of the events industry that Visit Victoria does not have a strong focus on the industry, especially the smaller businesses and smaller events in the industry, even to the point where there has been a suggestion that the relentless positive messaging you have been producing about how good everything is looking is undermining their campaign to say how bad things are for them still. So partly could you comment on that, but also what support have you provided for minor events, and do you think the events industry needs separate representation from tourism in Victoria?

Mr McCLEMENTS: There are a couple of components to the question. In this last 12 months we have really focused on becoming much closer to our industry. As I said at the start, there are lots of different representative groups and then there are some individuals and organisations that have merged during this period where they have been very challenged. I noted through VTIC’s submission to the committee that 88 per cent of its members indicated they had some sort of government support, which was very reassuring. We will always look to improve what we can do. One of the things that we are doing is my chair and I will convene—we are just trying to find the right date—a representative group from many of the organisations that we have talked about, so we will see VECCI, we will see VTIC, we will see individual event operators, Peter Jones Special Events and others. We want to understand if there is more we can do from the demand side. At a very practical level we have launched our national business events fund to allow event stages to access support funding with the support of the government to support their events—to de-risk them. This seems to be the challenge there. There is a concern that if they commit and at some stage settings change, they will be exposed financially, so we have put in place a system to allow them access to financial support to make that happen. It is a very broad church. We have live music, we have weddings, we have bar mitzvahs, we have parties and we have all sorts of things that in some way define themselves as events but are often members of other groups. Live music venues are often members of the AHA. So one of the challenges is often to get a clear line of sight on exactly the representatives and what they are saying, so that is why we are trying to bring a number of different people to the party—to VV—so we can hear directly from them.

The only other observation I will make is that New South Wales and Victoria have taken a particular approach in supporting event owners, which has been focused on providing financial support to the person staging the event, and it is very easy in hindsight to look at other things. There is also a federal scheme, a \$50 million Event Here This Year support scheme. It is designed slightly differently, where it is to try and subsidise the delegates’

attendance. Now, that is certainly an option open to you. I think what has been more successful to manage the issues that we now better understand in the event industry is how we derisk the person who is staging the event—

Ms LOVELL: That is it.

Mr McCLEMENTS: from putting it on. That is where New South Wales and Victoria are focused: how do we derisk the event organiser? There have been discussions with the feds around how we could adjust that perhaps, because I do not think they have had a large subscription to their scheme. We would prefer if that scheme was focused on derisking event organisers rather than subsidising delegates, and I think you would see a stronger take-up of that \$50 million nationally—including, obviously, in Victoria—if that could happen.

The CHAIR: Thank you. Thank you, Mr Quilty. I might pass over to Mr Gepp to ask a question.

Mr GEPP: Thanks, Chair. And thanks for your attendance this morning and very informative presentation. I have a couple of questions, first in relation to the issue that Ms Lovell raised in her question, and it is about interstate visitors. We recently saw the federal government announce a half-price flight scheme which, unlike most other states and territories, only identified Avalon as a destination airport here in Victoria. Can you tell me what the feedback was from the industry and what you would like to see in terms of that model going forward?

Mr McCLEMENTS: I presume the committee will have heard some of the feedback from industry, as I did. Probably the polite way of putting it is they were disappointed that Melbourne and—to be fair—Sydney were treated as source markets to provide other parts of Australia with visitation. When it was announced I did take that up directly with people federally and with my counterpart at Tourism Australia, who I must say has been a strong supporter of domestic tourism, as well as with Austrade, who designed the scheme. It was pretty hard to understand how they arrived at those destinations in that way. I am advised, and I saw some public comments, that there seems to be some sort of algorithm that sits behind it to identify those parts of Australia that were suffering from international tourism droughts that needed some additional support.

Mr DAVIS: That would surely have included Melbourne, though, you would have thought.

Mr McCLEMENTS: I would have thought so, yes. Our articulation federally was that Melbourne works in a particular way. We are a compact state and most of our visitation—if you are interested in supporting Phillip Island or Gippsland, which has been badly affected, people come in to Melbourne and it is distributed. It is a spoke-and-hub system primarily in Victoria. Other states are different, and we see that in Queensland with a number of airports up and down the seaboard there. There was a degree of frustration expressed to me by the industry around the design of the program. There was certainly advocacy on our behalf federally around: how did they land on Burnie as one of the badly hit international destinations? It did not track with our numbers, but there is an algorithm apparently. And we have sought to see if it could, if it is extended in the future, include additional parts of Victoria. Yes, we would like to see Mildura included. We have an airport in Bendigo that could have been included, in addition to Avalon and, importantly, Melbourne. I think I am meeting with Martin Ferguson, who has been appointed to a special task force about the future of the visitor economy. That is one of the discussion points we will have—not that it was his responsibility, I have got to say, but that is one of the things that has been put forward. And I am aware that the RTB has provided a letter to Minister Tehan about their individual concerns around what had happened. I will probably leave my comments there.

Mr GEPP: Thank you. My other question relates to the issue that Mrs McArthur raised at the end of her questions, and that is around staffing and employment. We have heard from a number of witnesses of the difficulties that people are experiencing staffing back up, and we know that much of the work in the tourism and events sector, according to witnesses, is casual work, it is insecure work. And there were issues around people being able to get access to JobKeeper and the like, and what they sought to do was secure during this period, during the pandemic, their employment and ongoing financiality by taking up positions elsewhere. So I am interested in your thoughts on that employment model for the industry going forward. Is it an employment model that has reached its end? We heard recently there was a Fair Work Commission case in relation to casualisation in the driver sector, so is this something that the industry needs to look at—turning those jobs into long-lasting, secure employment?

Mr McCLEMENTS: I am going to defer to experts in the design of work on that one, I am sorry to say. Where Visit Victoria is focused on is driving the demand. I absolutely acknowledge that there is a challenge at

the moment across the industry, across all industries, in identifying and filling a number of jobs. It is a dynamic that is probably unexpected, particularly in regional Victoria, but there are wiser heads than me that are more expert on those sorts of issues that I think are ruminating on the best way in which to accommodate those challenges. In the interim we are going to continue to focus on trying to ensure that we can return as much activity to this industry as possible.

The CHAIR: Mr McClements, on that note—and I am aware of the time—I know a number of committee members have further questions. What I might do is ask everyone, as a committee, if they could send all their questions to the Secretariat. We will compile them and send them in one piece of correspondence to you.

Mr McCLEMENTS: Thanks, Chair.

The CHAIR: And if you could respond in a timely fashion, that would be appreciated.

Mr McCLEMENTS: Certainly.

The CHAIR: I have really enjoyed your presentation today, and thank you for giving us as full and frank answers as you can. And I definitely am following your popular marketing campaigns. Keep that up—Click for Vic was very popular.

Mr McCLEMENTS: Click for Vic, yes.

The CHAIR: We heard on our visits to regional Victoria how appreciative they were of that work, so keep it up. On that note the committee will now take a short break.

Mr McCLEMENTS: Thank you, Chair. Thank you, committee.

Witness withdrew.