

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

Ms Julia Robinson, General Manager, Australian Festival Association (*via videoconference*).

The CHAIR: The Economy and Infrastructure Committee public hearing for the Inquiry into the Impact of the COVID-19 Pandemic on the Tourism and Events Sectors continues. Please ensure that mobile phones are switched to silent and that any background noise is minimised.

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

I wish to welcome any members of the public that are watching via the live broadcast.

My name is Enver Erdogan, and I am Chair of the Economy and Infrastructure Committee. I would like to introduce my fellow committee members that are present with us here today: Mr Quilty, Mr Barton, Mr Tarlamis, Ms Lovell, Mr Davis and Mrs McArthur.

To the witness 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 comments repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public on the committee's website.

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

Ms ROBINSON: Thank you. My name is Julia Robinson, from the Australian Festival Association.

I would like to also start by saying that I am a proud Wurundjeri woman, coming to you from the lands of the Gadigal and Bidjigal peoples. I pay my deep respects to their elders and acknowledge any First Nations people here today. Sovereignty was never ceded. It always was and always will be Aboriginal land.

The Australian Festival Association, or the AFA as we are known, would like to thank the committee for the opportunity to contribute to this Inquiry into the Impact of the COVID-19 Pandemic on the Tourism and Events Sectors. The AFA was established in 2018 to represent the shared interests of the festival industry. Our members include festival promoters and organisers, as well as suppliers, venues, councils and sole traders working within the sector.

Tourism and festivals, particularly in the regions, are linked in a mutually beneficial way. Festivals both drive and are driven by tourism. Australian festivals deliver considerable economic and employment benefits to this country, with the latest data revealing ticket revenue contributed \$2.7 billion output in 2019 and just under 10 000 full-time equivalent jobs. With some 42 per cent of Australians attending festivals each and every year, this is an industry that many are connected to. According to the same research, the Victorian share of this economic output was \$390 million to this state and 1310 full-time equivalent jobs. In 2020 those figures plummeted by 86 per cent. It is important to note that these figures only capture ticketed events, with impacts much higher when taking into account community and free-flowing or non-ticketed festivals.

The AFA acknowledges the current funding and supports available through and projects funded by Creative Victoria for the festival industry, as well as the general business supports that were available from the Victorian government. We also recognise targeted federal funding in the form of RISE has been recently extended by a further \$125 million, taking this to \$200 million, and that was alongside other industry supports. Funding for the industry has generally been welcomed by the AFA. However, even with these supports, the industry is still facing some key issues.

Number one is business confidence. It is low, with continued snap lockdowns seeing cancellations and the unavailability to insure events and festivals against COVID-related closures. Number two is the recent dip in consumer confidence in some areas of the market due to those continued festival cancellations and postponements as well as border closures. A third is COVID restrictions and the constant shifting goalposts for a business that usually takes 12 to 18 months to plan their events. Artist availability is the fourth, both within Australia and the inability to secure talent from overseas due to mandatory hotel quarantine. The fifth is that border closures within the country across state lines have caused issues with events being cancelled and artist availability for those events. And then sixth is skills losses and, when we do get up and running, the shortages that might be faced by festivals when reopening at scale with things like security, first aid and hospitality.

Of these, though, the first issue is most concerning. The inability to insure events is the largest barrier to business-as-usual operation and, while we know it is also complicated to execute in the current environment, it is the single issue that, if solved, would have the greatest impact. Festivals are months, even years, in the planning to produce a single event, but many businesses rely on them for their entire year of income. Many businesses are simply not willing to risk yet another year without income, and indeed with the additional losses, to put on their event.

Once again I thank the committee for their time today and welcome any questions now.

The CHAIR: Thank you, Julia, and thank you, Australian Festival Association, for your submission and your presentation today. What I will do is I will pass over to committee members to ask questions, and we will go around. I will start with Mr Davis, and then Mr Tarlamis.

Mr DAVIS: Thank you for your submission, Julia. Just to understand the insurance side of this further—an industry-led business-interruption approach—I do not see any reason personally, and you may tell me different, why there could not be a scheme similar to what is operated with some medical insurances and similar to what was operated with the extreme events groups in the early 2000s when the insurance disappeared, with the state government taking a levy from each part of the sectors. They came in and through the VMIA—the Victorian Managed Insurance Authority—actually provided an underwriting for the sector. Is there any reason why that model could not work?

Ms ROBINSON: Look, I am unaware of the inner workings of how that would work, but that is what we are asking for. That is what we would like, and we feel that we have put together a bit of the case for that: the fact that there sort of is precedence—that it has existed—and also we can provide and have provided sort of policy documents as to what types of insurance we were previously able to get, understanding that the industry is complex and there are a lot of moving parts. We do understand there is a bit of complexity there, but we can go through those details and put the case forward. As I said, it is the single most important factor for us at the moment.

Mr DAVIS: Thank you.

The CHAIR: Thank you for that. I might actually go next now. I do have a question. Are you and your member organisations concerned that we do not have a set date for the vaccine rollout now, and how do you expect that to affect your members in terms of confidence?

Ms ROBINSON: Yes, it is pretty important. It did cause a bit of a stir last week, the announcement that the borders will remain shut well into next year. The vaccine rollout will have a massive impact, and if it is delayed it will further delay, as I have sort of mentioned, those artists coming from overseas. Whilst it is great for our Australian artists and talent here, we are an ecosystem. When one part is broken the other part does not work, so it is going to have a huge impact, a delayed vaccine rollout. Then even with a vaccine rollout, we are still unsure as to whether that will allow events of scale to operate as they used to. It has still not been discussed or sort of proven how that would happen. In the United States at the moment they are holding large-scale events and they have separated areas into vaccinated, partially vaccinated, unvaccinated. We are still unsure whether that will have an impact moving forward as well.

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

Mr QUILTY: I do not have a question at this stage.

The CHAIR: Okay. No problem. Ms Lovell.

Ms LOVELL: I just wanted to explore the confidence of the sector to actually start planning for events. We saw the blues festival in Byron Bay cancelled recently. What is the confidence in the sector, and what do they need to restore their confidence to start to plan for events like the Falls Festival or something that we have here in Victoria?

Ms ROBINSON: Look, confidence is just low. Smaller events—there is a bit of confidence there. We can have something I guess with under 5000 people relatively easily, especially if it is seated. But in terms of getting back to business as usual, as you mentioned, with Falls Festival or some of the larger-scale, free-flowing, general admission festivals, business confidence is pretty low and it is multifaceted. I guess I went through some of the issues—the insurance is one—and an almost equally important issue is the availability of the talent. If we are talking about music festivals, we have had a great 18 months of just Australian-only artists playing, which has been excellent for that part of the industry, but as I mentioned, it is an ecosystem. Australian artists are buoyed by internationals and vice versa, so you need to have a bit of a blend. Not all the Australian artists that we have got are ready to be at the top end of a line-up. It is an ecosystem that is not currently functioning. Business confidence is relatively low. It is one of those tricky things as well to navigate, I guess, from advocacy and then sort of public advocacy as well. You are mindful about talking about business confidence being low and not wanting to put on events because the risk of cancelling could affect consumer behaviour, but likewise you need to get the advocacy out there that the business confidence is low and we need help, so it is a really tricky line for us to also play from that respect.

Ms LOVELL: What are the top two or three things that the state government could do to assist you to restore confidence in your sector?

Ms ROBINSON: Certainly some type of business interruption fund—and we have been open about being willing to pay for a premium if that was what was required, like an insurance premium. Previous costs were around 1 per cent of the cost of cover. We have been upfront about it being not even fully funded. It is partially funded by industry. So a business interruption fund would be number one. We are also very interested in talking through the limitations and the availability of bringing in international artists with some type of augmented quarantine system—

Ms LOVELL: We can do it for tennis players, so we should be able to do it for artists.

Ms ROBINSON: Yes, something like that. Having said that, of course the artists that we would want to bring in from the US and the UK and Europe now have the ability to tour their country and also internationally to some extent without quarantine, so we have seen a recent drop in those conversations being as palatable. With promoters trying to get artists on their bill, the sell of, ‘You have to fly here, however long that takes from wherever your country is, quarantine for 14 days and then you can start playing your shows’ is a bit of a hard ask now that they can just tour their country without quarantine—so some type of discussion around that. And then with the border closures state-by-state, we have just seen it does not necessarily just affect the state that is shut down. If artists are coming from interstate or if indeed patrons are coming from interstate, a state border closure really can impact any part of the country and any part of our festival ecosystem. That would be the third one.

Ms LOVELL: Thank you.

The CHAIR: Thank you. I might pass over to Mr Barton, then Mrs McArthur.

Mr BARTON: Thank you, Chair. Thanks, Julia. Clearly the insurance issue is the thing, and you said the industry should perhaps be paying 1 per cent. How do you see that—as a levy on events?

Ms ROBINSON: Yes. The way that we have presented it is that it would be a 1 per cent cost to ensure the coverage that you need—in the same way that the previous version of what we would get pre-COVID was called ticket cancellation insurance and that would cover all manner of things that may cause a cancellation and therefore the ticket to be cancelled, so weather et cetera, and then the line that has been taken out is just pandemic or communicable disease. So that is just no longer available. So yes, it would just be a 1 per cent fee of cost of cover; that is what it used to cost. And just to be clear, the event organisers and promoters would still

be paying that to their normal insurer for all of the normal range of cancellations. This would just be going over and above just to cover that cancellation related to COVID.

Mr BARTON: Thanks, Julia. Just on that, you are obviously talking about your festival industry. Would that work across the other aspects of the events industry? Are you aware what they pay?

Ms ROBINSON: Yes. So that particular insurance is not just for festivals. It is for all types of ticketed events. That is just a good example of a policy that exists for a ticketed show. And whether that ticket costs \$5 or \$500 it would still work the same way. So yes, in my limited other event experience, it should be possible for some kind of ticket cancellation.

Mr BARTON: Thanks, Julia. That is great.

The CHAIR: Thank you, Julia. I might pass over to Mrs McArthur. I am sure Mrs McArthur is interested in this extra 1 per cent levy or tax.

Mrs McARTHUR: Well, what I am interested in, Chair, is whether the one thing we could do is get a guarantee from our state premiers—who operate like emperors half the time—to end border lockdowns. We are one island state here. Don't you think it would be feasible if we could operate like one people instead of a series of fiefdoms? And if we have got a case here or there, we could actually just isolate that particular area instead of closing borders and locking down whole states.

Ms ROBINSON: I am unsure if that is a question. Is that a question?

Mrs McARTHUR: Yes, that is a question. Do you agree?

The CHAIR: What was the question? I saw you make a statement. A question, please.

Mrs McARTHUR: Do you agree? The question is: do you think we can put an end to these premiers locking down, closing borders?

Ms ROBINSON: I would not hazard to answer that specifically on behalf of the premiers, but it certainly would be—

Mrs McARTHUR: Well, we will make you one soon, if you could.

Ms ROBINSON: One of the issues is certainly border closures. So as a recent example, when the Perth shutdown happened, we had a member that had three shows booked for that state but then also two further shows booked for Darwin and the region that you do not get to very often, being an east coast company. So they had to move the Perth shows and then forgo one of the Darwin shows, because the timing was just not going to work and the border closures affected them so much. So border closures are certainly a massive issue for us, and particularly for artists, and sort of getting that essential worker status would really assist with the border closure issues for us, from our perspective.

Mrs McARTHUR: Well, regardless of what the rest of the world does, that would seem an easy solution that we could make in this country.

The CHAIR: Thank you, Mrs McArthur. On that point, Mr Quilty, do you have a question now? Or we might continue. What I might do, because we started late and to afford the committee members some fair time, is allow one more question, if committee members have one. Does anyone have an additional question? One additional question each.

Mr DAVIS: I do have an additional question.

The CHAIR: Yes, Mr Davis.

Mr DAVIS: Have you seen any of the health advice on which this sector, the events sector, has been closed down? Have you ever been able to engage with one of the governments to see this, the Victorian government in particular?

Ms ROBINSON: It is a very good question, actually, in terms of pointing to specific citations. In the reverse I do provide a lot of, I guess—

Mr DAVIS: Assistance to them.

Ms ROBINSON: Assistance, yes. I mean, I see a lot of what is happening overseas. There have been a lot of recent examples of test cases and things like that coming out of the UK in particular where they are doing test festivals and test concerts. I think there was just one report that came out today of a 3000-person concert—it was a nightclub-type event—saying that there was no increased risk over and above what you would see in a shopping centre environment. So yes, that is a particularly interesting one for us, and we do provide that information.

And I do understand that it is changing all the time, but I guess specifically, other than what is available in what we use, which is the public events framework—anything that is cited in any of those pieces of road map and documentation that are provided to us, not specific to any changes with recent sort of festival examples—we do not get that directly, no.

Mr DAVIS: And the Victorian rules—it was obviously longer down here—were harsher for the events sector, including the arrangements that are in place for numbers and density and so forth, still harsher than New South Wales or Queensland. Have you engaged with the government down here on that dichotomy that exists?

Ms ROBINSON: I would actually respectfully disagree to some extent.

Mr DAVIS: I am happy to share the tables with you.

The CHAIR: Please, elaborate.

Ms ROBINSON: We operate in every state and territory; we have got members across every state and territory. It is actually almost impossible to compare each state and territory because the baselines are just not the same, so it is not just apples and apples. My point in saying that is that it is a complete fruit salad out there—and I am happy for that to go in Hansard. It is very hard to compare, but if I were to go through a New South Wales versus Victoria-type environment, Victoria's public events framework does at least provide some good guidance for festival organisers in particular on how they could go over and above what is laid out, whereas in New South Wales it is a little bit less clear and you have to—

Mr DAVIS: But you might never hear from them. That is the problem. You might try to get in a variation—

The CHAIR: Mr Davis, final question, final comment. I know Mr Barton has got one more question.

Mr DAVIS: That is what was put to me by people in the sector.

Ms ROBINSON: Look, there are limitations with all of the states and territories, I must say. But I guess there is a lot of room to move with all of them as well, and we are able to provide that feedback.

Mr DAVIS: And we might grab that study if possible. That would be very helpful.

Ms ROBINSON: Yes, sure—no problem.

The CHAIR: Thank you for that. Mr Barton has an additional question.

Mr BARTON: Thank you, Chair. Julia, we have heard today that one of the problems and frustrations for the events industry is that they could not get access to government and have their concerns heard. We heard about a round table that at the time when it was needed most, throughout COVID, did not sit. My question to you has two parts. One is: are you on that committee, on that round table? And the other part is: are you dealing with government directly or have you had no engagement with the government?

Ms ROBINSON: To the first part, yes, I have been a part of many of the round tables that have happened. I understand that they kind of move in a timetable that fits in with the COVID outbreaks that are happening at the time or the relieving of restrictions as well, so they are not in set time lines. And then to the second: through our contacts at Creative Victoria we are able to feed information through to the Department of Health and to the

DJPR on the public events framework as well. But I do recognise that some of those round tables—and did get feedback from some of the round tables—were limited in the ability to have a bit of back and forth and provide real case studies as to how hard it is to navigate the systems and work our way through to putting on an event. I have recognised that there are some limitations there but do appreciate being able to be a part of those round tables. Sometimes you just have to make sure that you are sitting at one of those tables in whatever way you can. That is sort of my job: to try and get at those tables—and to get at this table.

Mr BARTON: Fantastic, Julia. Thank you.

The CHAIR: Mrs McArthur might ask the final question of the day.

Mrs McARTHUR: Look, I am just wondering, Julia, if you think you would have been better off if you were in the tennis, football or cricket game, or even the racing industry, in getting your events up and going? They seem to have been accommodated here in Victoria. Would you have been better with a tennis racquet or something in your hand?

Ms ROBINSON: Definitely. Yes, I think all of our artists would have been better off on a horse or with a tennis racquet. That is not just Victoria, that is nationally. We are a sporting nation and unafraid to say that, I think. But we do all engage with the arts and we do all engage with music on a daily basis. And as I said at the beginning, with 42 per cent of people actually attending festivals each year, that is almost half of us that are going to something of that nature. But unfortunately we just do not have the TV rights and we do not have Sportsbet. Maybe we need to—

Mrs McARTHUR: But we all need to get on our horse and get going, Julia, don't we?

Ms ROBINSON: We do, yes.

The CHAIR: On that note, I might—

Mrs McARTHUR: On that happy note.

The CHAIR: On that happy note, I want to thank you, Julia, and the Australian Festival Association. It is great to hear from another festivals and events sector representative. On that note, we conclude our hearings for today, but it was a pleasure to speak to you and hear from you.

Ms ROBINSON: Thanks so much. Thanks, everyone.

Committee adjourned.