



The Secretary
Economy and Infrastructure Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

By email: tourisminquiry@parliament.vic.gov.au

Dear Secretary,

Legislative Council Standing Committee on Economy and Infrastructure's *Inquiry into the impact of the COVID-19 pandemic on the tourism and events sectors*

NORTH Link welcomes the opportunity to contribute a submission to the Legislative Council Standing Committee on Economy and Infrastructure's *Inquiry into the impact of the COVID-19 pandemic on the tourism and events sectors*. We offer this submission on behalf of our members and stakeholders.

NORTH Link is a strong regional partnership of industry, education and local government, established in 1995, that plays an integral role across northern metropolitan Melbourne. A business network and regional economic development advocacy group representing Melbourne's northern region, NORTH Link comprises local councils (the cities of Banyule, Darebin, Hume, Moreland and Whittlesea and the shires of Mitchell and Nillumbik), local tertiary education institutions and industry including Melbourne Airport, Caravan Industry Victoria, Northern Hospital, Plenty Valley Community Health and the Melbourne Market Authority.

Impact of the pandemic on Melbourne's north

Melbourne's north is one of the regions that has been hardest hit by the COVID-19 pandemic against a backdrop of some of the highest unemployment rates in Victoria. In fact, the overall economic impact of COVID-19 on Melbourne's north was greater than that on Melbourne, Victoria and Australia in terms of loss of Gross Regional Product and employment.

In June 2020, NORTH Link commissioned a COVID-19 Impact Report from independent consultant the National Institute of Economic and Industry Research (NIEIR). This report stated that the impact of COVID-19 on Melbourne's northern region is typically greater when compared to Melbourne as a whole, Victoria and Australia (a 14.4% drop). The same applies to sales and value adding.

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The report emphasised that, if not corrected, this situation will have longer term employment impacts and also found that:

- the impact of COVID-19 on employment is higher than the national average (a 14.1% drop in employment over the June quarter 2020 compared to 13.8% nationally)
- an estimated 76,000 jobs would be lost overall
- 39% of those categorised as unemployed were on JobKeeper as at June 2020
- the biggest impacts were on the Hume, Moreland and Darebin local government areas.

It should be noted that these figures do not take into account the impacts of the second Melbourne lockdown and the five-day snap lockdown, which will have exacerbated the figures even further.

Impact on the tourism and events sector

The visitor or 'experience' economy in Victoria plays a significant role in the state's economy, with the value of the sector worth \$32 billion to the state and employing over 250,000 Victorians directly and indirectly in tourism businesses at the end of 2019¹.

Melbourne's north is renowned for its high standards of liveability and vibrant experience economy including hospitality, arts and culture, aviation and tourism. The impact of the lockdowns has reverberated throughout the north in a variety of ways and created an extremely challenging environment for our region's visitor economy.

Accommodation and food services

Of the industries impacted by the pandemic, one of the hardest hit was local accommodation and food services, largely represented by cafes, restaurants and bars. Following are examples from two of our municipalities:

- 91.1% of Mitchell Shire accommodation and food services businesses reported a significant impact to their sector, with an estimated 357 job lost, an average impact of 54.1% and median impact of 70% on revenue
- with 662 accommodation and food services businesses in Moreland employing 3191 people, they are predicting a loss of 1463 jobs or 2470 without JobKeeper.

Events

The events industry has also been hard hit by COVID with festivals and events being forced to cancel or postpone, resulting in significant financial and operational loss. The impact of COVID related cancellations of events in just one of our municipalities (City of Whittlesea) provides an example:

- Whittlesea Country Music Festival: an annual event attracting thousands of local and regional visitors that can generate \$125,000 into the local economy
- Whittlesea rodeo: attracts more than 4000 visitors to the city each year
- Table of Plenty: a collaboration of local food and beverage producers, educational institutions and community groups, anticipated to attract 130 people with a direct contribution of \$13,000 through ticket sales
- Plenty Ranges Arts and Convention Centre: annual program deeply impacted with a loss of 120,000 potential visitors, \$1.1m in revenue loss and 16 jobs
- Whittlesea Show: annual two-day showcase for food, farmers and a trading place for rural skills and crafts, attracting up to 30,000 local and regional visitors each year
- community events: council delivers four major events, more than 10 smaller events and supports community to deliver their own events every year; in March 2020, 17 events were cancelled

¹ VTIC economic recovery submission 2.0, p 3

- Whittlesea Monday Market and monthly South Morang Farmers and Makers Markets: attract more than 1000 people per market and support local small businesses.

To reactivate this sector of the visitor economy, funding support is required in the form of event grants (currently only available for regional events) as well as a review of existing event policies and procedures to reduce red tape and allow event organisers to remain agile.

Performing arts

The creative economy has been disproportionately affected, particularly the performing arts, which require social gathering. The impact across this region, specifically the inner areas where live performance artists are heavily concentrated, has been severe. It has been noted that many local artists lost their first job in the arts and their second job in the hospitality sector.

Melbourne Airport

The presence of Melbourne Airport has been a positive for the visitor economy in the region for many years. The absence of travellers, particularly international travellers, has had a major impact on retail and hospitality outlets at the airport and specific sub-sectors such as duty-free retail. This has led to significant job losses, although the exact impact is yet to be quantified.

There will be a need for aviation recovery to ensure international airlines return to the city. This will require increased funding to incentivise the airlines to choose Melbourne over other Australian cities.

Infrastructure

The [Northern Horizons](#) report highlights essential infrastructure for the future connectivity of our region. It is important to maintain a sense of urgency for completing these projects so that Melbourne's north can rebound from the impact of the pandemic.

Other than key trunk road and rail projects that will enable visitors to move around, important infrastructure developments could include:

- redevelopment of the Broadmeadows Station, which is an important link to Melbourne Airport
- continued support for redevelopment of La Trobe University
- support for the continued rollout of the Northern Regional Trails (walking and cycling) to attract tourists
- enhancement of these trails under a Cultural Trails umbrella to link key places of artistic and cultural significance across Melbourne's north
- support for TAFE training of tourism and hospitality workers.

We also request support for the North and West Melbourne City Deal in conjunction with Commonwealth and local governments

Employment

Employment across the visitor economy has been heavily impacted by COVID. Staff have lost their jobs, been stood down or lost confidence in re-entering the job market. Many businesses that employed casuals or new staff were ineligible for government support. Examples from two of our municipalities are:

- 4.4% jobs lost across three-quarters of Moreland City Council's industries, amounting to 6.7% of residents losing their jobs

- almost 4000 job losses recorded in City of Whittlesea's retail trade and accommodation and food services sector; with the discontinuation of JobKeeper, the sector is predicted to lose more than 7000 jobs.

As the industry reopens, businesses are finding it difficult to source skilled labour, especially in hospitality which has been impacted by the loss of international students and migrants. Continued support for NORTH Link's work on employment would be welcomed.

Overseas students

Recovery of the tourism and hospitality sector has also been compromised by the absence of overseas students who, during their permitted work hours, have traditionally filled part time and casual positions in the retail and hospitality sectors, as well as being consumers of tourism product. With two universities in our region – La Trobe University and RMIT University Bundoora campus – and two large TAFE institutes – Melbourne Polytechnic and Kangan Institute – the impact of losing this labour stream has been significant.

The loss of international students living and studying within Melbourne's northern suburbs is felt by businesses across the spectrum. As well, their visiting friends and relatives provide significant financial input into the visitor economy; this has also been lost.

Melbourne's north destination campaign

Currently the state's marketing efforts are focused on the city and regional Victoria, with visits to regional Victoria improving significantly due the efforts of the Regional Tourism Boards, regional travel vouchers, regional funding and the significant marketing efforts of the state.

In response to the issues being faced in the tourism and events sector, NORTH Link and the seven councils in our region joined forces to create a destination campaign that positions Melbourne's north as an up and coming, desirable place to visit for Victorians. With a stronger buying power as a group, the councils worked with a creative agency to create a single brand and creative campaign platform that elevates the region, making it a desirable location for families and foodies alike. The website is [here](#).

Establishment of a Regional Tourism Board in Melbourne's north with Victorian Government funding would complement this work and build on the momentum created. This would require seed funding but would deliver strong outcomes for our region and for Melbourne.

A higher level of strategic support would bring the tourism and events sector back to pre-COVID levels and ensure these businesses survive and thrive. A dedicated 'Greater Melbourne' marketing campaign involving a second round of travel vouchers would help rebuild consumer confidence, create awareness of destinations and encourage spending.

Business development

The pandemic has had a significant impact on job creation through existing business development/expansion and new tourism investment. To remain competitive, destinations must continue to provide visitors with new and improved experiences and products. COVID has caused new developments to be put on hold or delayed. Existing businesses have been forced to close or reduce their operating capacity, making business expansion difficult.

Currently the state offers regional tourism operators and Regional Tourism Boards access to the Regional Tourism Investment Fund. The north seeks a similar fund for Greater Melbourne, to encourage and support new tourism investment and generate new employment opportunities.

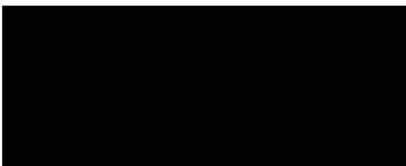
Recommendations

NORTH Link recommends the following support measures that will assist in restoring the tourism and events sectors to their critical role in the Victorian economy and restore lost jobs:

- funding for tourism marketing campaigns for Melbourne’s north (in line with Regional Tourism Board access to the Regional Tourism Investment Fund)
- support for the concept of a Regional Tourism Board for Melbourne’s north with some seed funding to accelerate its establishment
- acceleration of infrastructure funding for Melbourne’s north as detailed in NORTH Link’s [Northern Horizons](#) document
- support for the North and West Melbourne City Deal in conjunction with Commonwealth and local governments
- support for NORTH Link to provide further employment programs, which will contribute positively to delivering local job outcomes
- working with the Commonwealth Government, development and delivery of the *Australian Strategy for International Education 2021-2030* to reboot international education in our region
- funding support in the form of event grants (currently only available for regional events) and a review of existing event policies and procedures to reduce red tape and allow event organisers to remain agile
- a specific ‘Greater Melbourne’ marketing campaign supported by a second round of travel vouchers to help rebuild consumer confidence and greatly assist our businesses to recover
- increased funding to incentivise airlines to choose Melbourne over other Australian cities.

We are thankful to have the opportunity to make a submission and hope you consider our recommendations to support our region in the recovery, redevelop and reinvigoration of our tourism and events sectors.

Yours sincerely



Chris James
Executive Director