



15th April 2021

Patrick O'Brien
Committee Manager
Legislative Council Economy and Infrastructure Committee

Dear Patrick,

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

Thank you for this opportunity to contribute to the Legislative Council's Economy and Infrastructure Committee's inquiry into the impact of the COVID-19 pandemic on the tourism and events sectors

Within the Rural City of Wangaratta (RCoW) the Tourism, Accommodation & Food Service and Arts & Recreation contribute approx. \$262m under a 'business as usual scenario' to the local economy annually. *(Replan)*

Our tourism sector was particularly was hard hit during 2020, firstly with the impacts of the summer bushfires through evacuations and smoke haze during the peak summer tourism trading period and then again in March 2020 with Covid-19 causing further financial impacts to the sector for the remainder of the year. Due to the impacts of both these between January -September 2020 it is estimated that RCoW experienced a loss of between 332,000 and 411,000 visitors with a financial loss of between \$114 – \$141 million in visitor spend. *(Urban Enterprise report commissioned by Tourism North East)*

The Rural City of Wangaratta also had 41 tourism, sporting and music events cancelled from 20 March 2020 to 21 March 2021. These events, whilst some have a local participation rate, are still estimated to bring in approximately 50,425 visitors from outside the region to them – economic impact on overnight and visitation estimated to be \$9.2m *(Remplan)* Further to this the Wangaratta Performing Arts & Convention Centre had 68 conferences cancelled (Est \$87,816 loss and attendee Est 16,269) and a local business The Gateway Hotel in Wangaratta had 168 workshops/conferences cancelled (approx.. \$249,890 loss not including overnight stays) a further 18 performances were cancelled at the WPACC with expected patronage of 14,100.

Tourism Attractions and Experiences:

- Cellar doors and producers - those who could especially those with non-perishable products and had the capability to pivot did and commenced online sales, making some gain in sales.
- Tourism Tour operators – closed throughout to September/October some into December.
- Limited Capacity: many small producers do not currently have the infrastructure or current space to expand their areas to allow Covid-19 capacity requirements of visitors. Opportunity to provide assistance to create/build this additional space allowing increased capacity to make venues viable again.
- Outdoor Activities: The Rural City of Wangaratta has seen growth in outdoor activities such as cycling, hiking, camping and water activities. People are looking for activities that are not crowded and can be done while remaining Covid safe. Whilst we appreciate the growth in this space, the increase in

camping has presented its own issues particularly around the areas of waste disposal and toilet facilities. We have seen several state-owned camping areas within our municipality that are having waste dumped along sites/waterways, waste is also being taken to neighbouring towns and being dumped next to bins at community parks requiring Councils and the community to assist in cleaning up the mess. Waste management needs to be addressed if this trend is going to continue.

- Pathway to Market: many small businesses were able to find an alternative path to market through direct sales or online platforms however logistics particularly for perishable products is still needed in many areas and is seen as an opportunity.
- Events: whilst most events were cancelled some when restrictions lifted were held with capacity capped, we are seeing a gradual return to events and many organisers are hoping to come back bigger and better, moving onto pre-ticket sales to assist with numbers and greater online promotion. Many small community organisations however, who hold events to raise funds for their local townships will need assistance this year as fundraising normally held throughout the year has not been able to take place, also adding burden is additional cleaning costs if halls are used.

Accommodation:

- Shutdowns – loss of income. Ongoing late notification of shutdowns caused accommodation to refund most bookings. Some did manage to hold over bookings for future dates. Impact is greater than just the accommodation as those that provide food also had to cancel supplies and other services such as cleaning and laundry services
- Loss of staff, particularly casual employment due to constant closures. Some struggling to re-employ staff particularly cleaners and back of house staff
- Increased costs – with additional cleaning requirements and cleaning materials increasing costs
- Lack of forward bookings – bookings are now last minute rather than in advance as people's confidence to travel is shaken. This places pressure on accommodation to adequately prepare with staff levels to provide a good service
- Corporate Visitation Drop – major drop in corporate bookings and the high probability of this trend remaining with many businesses now switching over the virtual meetings

Hospitality Industry:

- Loss of staff, particularly casual employment due to constant closures. Many restaurants have not returned to full capacity due to fear of another shut down, so they are limiting their exposure.
- Ongoing impact of restrictions and limited service has is that staff are having unpleasant interactions with customers whom seem to believe service should be back to normal. Frustrations over waits, pre-booking, limits have seen some staff leaving the industry due to rude customer behaviour. This presents an opportunity for a Government education campaign to support not just hospitality but also other businesses and educate consumer to be kind and patient during this time.
- Loss of perishable foods - due to the fast nature of the shutdown's hospitality businesses lost fresh produce which has impacted their cash flow. This has had a flow on affect to suppliers such as vegetable, butchers etc who had last minute orders cancelled.
- Additional costs associated with additional cleaning, managing seating again the burden has been placed on the business.

Opportunities:

- One Source of Truth – there was a lot of confusion of who to believe and misinformation from too many websites that circulated to businesses on the requirements for Covid-19 restrictions. State Government website had too many multiple clicks to find business specific information or had old information still on the page. There was a lack of timing between Minister announcements and information being uploaded to the Covid-19 sites in some instances 2 days. Overall businesses were willing to comply but became confused and exhausted trying to find the right answer.
- Clear direction – providing clear direction of the steps moving forward and the milestones that trigger the next step to assist businesses to plan to reopen or potentially close. Having clear steps outlined

allow business to prepare in advance rather than the announcement they can open tomorrow, then the rush to comply the stage compliance guidelines

- Mental Health – mental exhaustion and stress has become apparent throughout Covid-19, it is not just related to financial stress but also the stress of worrying for staff who in regional areas tend to be more than just an employee they are part of a community.
- High Speed Internet – Access to reliable high-speed internet is crucial for operators, venues and events to remain selling online, and also look to attract conferences major music events that are adding a virtual streaming elements to their program. If regional areas are going to be attractive and competitive this needs to be addressed immediately.
- Assistance programs for community held events in local halls– to assist with paying for additional costs of cleaning and insurance.
- Long term planning for Tourism & Events. Whilst there is a big influx in domestic tourism and interest in events in 2-3years will that still be there when overseas travel returns 'to a new norm'? We need to be preparing on how we are going to attract both the domestic and international market to remain here visiting and attending attractions and events in our regions.

Should you require any further information on the above please do not hesitate to contact me [REDACTED]
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Yours sincerely,

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Celeste Brockwell
Manager – Economic Development, Environment & Strategy