



**Victorian
Chamber of Commerce
and Industry**

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Mr Enver Erdogan
Committee Chair
Economy and Infrastructure Committee
Parliament House
Spring Street
East Melbourne VIC 3002

via: tourisminquiry@parliament.vic.gov.au

Dear Mr Erdogan

Thank you for the opportunity to provide a submission to the Inquiry into the impact of the COVID-19 pandemic on the tourism and events sector. The Victorian Chamber of Commerce and Industry (VCCI) is the peak industry body in Victoria representing over 47,000 members, customers, and clients across the state, many of which are part of the tourism and events sector and directly or indirectly impacted by its success.

Compared to other countries, Australia is emerging from the COVID-19 pandemic in a relatively strong position. At a macro level unemployment has returned to pre-COVID levels, apprenticeship and traineeship commencements are some of the strongest experienced in over 20 years and business and consumer confidence has rebounded relatively strongly.

However, this macro-economic recovery masks the pain continuing to be felt in certain parts of the economy. This is especially the case in the tourism and events sector that is still struggling to survive, reopen and recover. Victoria can no longer take for granted its position as the cultural capital of Australia and Melbourne as one of the most liveable cities in the world.

If government does not provide strategic support as outlined below, businesses and capabilities in the tourism and events sector will be lost forever and a gaping hole will be left in our economy. This will become even more problematic as borders re-open, international travel resumes and major events continue to be held. In order to help the inquiry better understand the strategic support required, seven recommendations for the immediate, short, medium and long term have been provided below.

1. **Immediate:**

Financial support: The significant financial support provided by the Andrews government to assist business survival and recovery during the height of the pandemic were a lifeline for many businesses. For example, the Business Survival Package which included the \$87.5 million Outdoor Eating and Entertainment Package and the Regional Travel Voucher Scheme.

Many of these programs were designed to be short-term measures to keep businesses afloat during the worst of industry restrictions and lockdowns. As restrictions were lifted, other industries have been able to recover revenue streams, however, revenue streams for the tourism and events industry remain heavily restricted due to international border closures, unpredictable and inconsistent domestic border closures and density limits remaining in place. As such, many businesses in this sector that remain greatly impacted by the pandemic require targeted support.

Recommendation 1:

- *Provide targeted financial support for businesses in the tourism and events industry that have been most greatly impacted. Eligibility should be linked to declines in revenue and should focus on regional events and tourism and those businesses operating in the CBD. Priority should be given to those businesses that use the support for new capital equipment, resilience training or improving their business capability.*
- *A further round of tourism vouchers for all of Victoria should also be provided to further drive short-term demand and revenue growth.*

COVID Limits: Despite no community transition for over a month, an increase in the data collection of attendees, and the vaccine roll out commencing, density limits are still being applied to the tourism and events industry while other industries can operate at maximum capacity.

Recommendation 2: *Remove density limits for tourism, hospitality and events industry businesses and provide a framework for what would result in limits being reapplied if there was a subsequent COVID-19 outbreak.*

Industry Input: During the pandemic, blanket rules were applied across the tourism and events industry, with many businesses in the sector feeling the nuances of the industry and role business can play in supporting a COVIDSafe recovery.

Recommendation 3: *Tourism and events industry businesses need to be supported in taking an active role in shaping the pathway to recovery.*

2. Short term:

Government regulation: Regulation remains one of the biggest barriers to business operation and growth. There are many layers that businesses must complete and there are numerous examples of duplication amongst regulatory bodies. Improved information sharing among regulators and a portal where businesses can register for multiple regulators would be useful in decreasing the burden on businesses to comply with regulations.

Recommendation 4: *Introduce regulatory reform that makes it as low cost and streamlined as possible for businesses in the tourism and events industry to re-open, recover and grow. This should focus on increased information sharing between regulators, councils and government departments, and the creation of one singular portal for businesses to deal with regulators and regulations.*

Tourism Infrastructure: Victoria is lucky to be home to a number of high-quality natural assets such as the Great Ocean Road, the Grampians and Philip Island. However, compared to other states in Australia, we are not adequately leveraging them and strategically investing in supporting infrastructure to maximise visitor attraction and consequently their spend. The Government needs to work with the sector to strategically invest in the required levels of infrastructure throughout the state to amplify the growth of the tourism and events industry. This infrastructure should help ensure that there is adequate amenity at all major locations and develop emerging locations. It should also include sufficient public transport where possible.

***Recommendation 5:** *Work in partnership with the tourism and events industries to invest in strategic infrastructure over the next 2 years to address any shortfall in current requirements, while developing a longer-term plan for consistent infrastructure development.**

3. Medium term:

Visitor Economy Strategy: Victoria needs to develop a sound strategy for dealing with the Visitor Economy. One that effectively links the events, tourism and hospitality industries and provides a designated framework of how the government will develop campaigns and fund infrastructure that aligns with the expectations of industry. There needs to be significant industry input into any such strategy so that industry buy in is guaranteed and real tangible outcomes will be delivered. Such a strategy should have short-, medium- and long-term milestones that are underpinned by the strategies overall purpose. Importantly this will make Victoria quite unique with a genuine well thought out Visitor Economy approach that is not just focused on events or specific destinations but is instead all encompassing.

***Recommendation 6:** *Work in partnership with the tourism, events, and hospitality industries to develop a 10-year Visitor Economy strategy, with in-principal agreement on the next 5 years by mid-2022. It should be formative and inclusive with clear milestones and tangible outcomes. It should be reviewed every 18 months.**

4. Long term:

Established and Evolved Visitor Economy Policy: Victoria needs to have an established and evolved Visitor Economy Policy that has created an offering that is not only attractive but sought after by domestic and international visitors. This will require not only significant investment in tourism infrastructure, but also general infrastructure, combined with sensible investment in effective marketing and policy's purpose made and developed overtime for and with the industries.

***Recommendation 7:** *Ensure that there is established and genuine engagement between industries, government, political offices and industry associations that meet regularly to ensure that the needs for a resilient and contemporary Visitor Economy are front of mind and fit for purpose.**

The Victorian Chamber of Commerce and Industry looks forward to continuing to work with the Victorian parliament and the tourism and events industry to ensure this critical sector of our economy recovers and can continue to reach its full potential.

If you would like to discuss this submission further, please contact
Policy and Advocacy, or

General Manager

Yours sincerely

Paul Guerra
Chief Executive