

Mr Patrick O'Brien
Committee Manager
Legislative Council Economy and Infrastructure Committee
Parliament of Victoria

Dear Mr O'Brien

RE: Inquiry into the impact of the COVID-19 pandemic on the tourism and events sectors

I am writing to provide input to The Legislative Council's Economy and Infrastructure Committee's inquiry into impact of the COVID-19 pandemic on the tourism and events sectors.

Impact of COVID-19 on the tourism sector

Murrindindi Shire's tourism industry is an important employment sector and contributor to the economy. Data collated as part of Council's COVID-19 Business Recovery Plan indicates that in 2019, the Shire received 1.1 million visitors, including both domestic and international travellers. These visitors contributed \$190 million to the economy in direct expenditure across the year.

The Shire's visitor economy experienced a loss of 193,964 visitors and a loss of \$34m in direct visitor expenditure across the first two quarters of 2020. This is driven by a greater loss in the June quarter of 2020, with a 43% loss in expected visitation and expenditure. Further losses were experienced in the September quarter as a result of further lockdown measures being imposed.

With 66% of businesses in Murrindindi Shire operating as sole traders and 98% falling within the small business category there have been significant challenges for all of these businesses to be able to adapt quickly to meet COVID restrictions and requirements which led to many businesses temporarily closing their business and tired business owners.

The Shire's economy relies heavily on tourism, particularly sectors of Accommodation and Food Services, Arts and Recreation Services and Retail Trade, and has therefore been greatly impacted by business and travel restrictions imposed by COVID-19.

During the period which Metropolitan Melbourne was in Stage 3 restrictions the impact on Murrindindi Shire was particularly severe due to the majority of normal visitation to the Shire being from Melbourne residents rather than intrastate visitation. In addition, the Shire's location abutting the Metropolitan Melbourne boundary further reduced the appetite of regional Victorians to travel to Murrindindi Shire.

Whilst restrictions have now relaxed and visitation to the region has recommenced, businesses continue to be impacted in their requirement to meet ongoing COVID restrictions still in place which limit venue capacity and increase costs through additional requirements for cleaning, sanitisation and record keeping.

Similarly to businesses located across Victoria and Australia, staff employment and retention has been an ongoing impact of the COVID-19 pandemic. Many businesses have referenced restricted interstate and international travel as key factors behind this, limiting a sufficient transient workforce to fulfil many tourism roles.

Tourism Sector Recommendations

Staff employment and retention

To address the ongoing challenges faced by businesses in retaining staff, initiatives for small business in the tourism sector should be considered which provide training and support to help educate and upskill business owners on creating retention and development plans for their employees.

To address both the short and longer term challenges of recruitment in the tourism sector, particularly in regional Victoria, skills and training pathways programs should be made more readily available and accessible to the workforce and additional funding support should be made available to tourism businesses to undertake traineeships and apprenticeships.

Demand driving activities

The impact of state-wide and metropolitan Melbourne lockdowns has been catastrophic for many businesses in the tourism sector and whilst recent trends have seen many visitors return to Murrindindi Shire and other regional areas, it will take many years for businesses to fully recover. It is important that initiatives similar to the Regional Travel Voucher scheme continue to be offered to Victorians to encourage ongoing visitation across Victoria.

Visit Victoria and regional tourism boards play a key role in driving regional visitation through their marketing and product development activities and these bodies should be supported with additional funding to expand the activities they undertake in the short to medium term to maintain the desire to travel both within Victoria and across Australia.

Further funding should be provided to support the delivery of new tourism projects, particularly those that support outdoor activity. The Regional Tourism Investment Fund played a key role in supporting many shovel ready tourism projects across Victoria and further such programs are required in order that Victoria continues to develop new tourism product to attract new and repeat visitation to its regional and metropolitan destinations.

Business skills

Opportunities to assist small businesses with upskilling to prepare for future crises should be one area for consideration. This would include skills development in digital literacy, staff recruitment and retention and mental health which will stand all businesses in better stead for any future business challenges.

Financial and industry support

Whilst significant business support funding has been provided during the COVID-19 pandemic which has helped many businesses in the tourism sector, additional support is required in the short to medium term to assist with offsetting additional costs or revenue lost through venue capacity in the current operating climate.

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Fee relief to support the waiver of registration and other annual fees relating to businesses in the tourism sector will provide some assurance to the tourism sector for many of their annual costs and provide some impetus for businesses lost during the pandemic to return to the sector. In particular the ongoing waiver of Australian Tourism Data Warehouse fees should be considered for businesses.

In addition, there needs to be a strong tourism sector industry voice for Victoria that works closely with tourism sector businesses and government at all levels. Additional funding for VTIC should be considered to help ensure Victoria emerges strongly from the pandemic when international travel restrictions ease to be able to secure a significant percentage of the international visitor market.

Impact of COVID-19 on the events sector

Murrindindi Shire Council's Tourism and Events Strategy 2019-2025 identified that there were 27 tourism events in 2018, attracting approximately 39,000 visitors. Although not tourism events, it is important to note that there are several other small-scale community events in the region, totalling 43 events and receiving about 5,500 visitors annually. The majority of these events are annually recurring events and organised by community organisations with limited financial and volunteer resources.

At the commencement of the COVID-19 pandemic all major and smaller event were cancelled from mid-March 2020 and only upon the relaxation of restrictions to permit events from November 2020 did we begin to see interest from event organisers to hold events again. During this period, several key visitation driving events in the Murrindindi Shire were cancelled including the Alexandra Truck, Ute and Rod Show, Eildon Lions Easter Market, Kinglake Country Fair and Marysville Jazz and Blues Weekend. These major events alone account for over 21,000 visitors, generally occur in off-peak visitation periods and such provide a much needed economic benefit to accommodation, hospitality and retail alike. In addition, the scheduled 2021 Lake Eildon Boating and Fishing Show, organised by the Boating Industry Association of Victoria has been cancelled with a future date as yet to be identified.

Whilst the Public Events Framework has provided a pathway to enable events to return, the encumbrance on these primarily community organisations to complete the required COVIDSafe checklists and/or plans and meet guidelines during the event has proved significant to a point that many organisations have decided not to undertake events in 2021 as they do not have suitable resources to undertake the additional work required. Where event organisers have decided to proceed with running an event they have often looked to reduce numbers significantly in order to reduce the level of COVIDSafe planning required under the public events framework to a manageable level which in turn reduces the investment to return the event generates both for the event organiser and the broader community.

In addition to the challenges identified above, given the ongoing uncertainty around future COVID outbreaks and the return of restrictions, many event organisers, particularly those operating larger events have been reluctant to schedule events in the fear that they could be cancelled at short notice creating a sizable unrecoverable costs which could impact any ability to host future events.

Event Sector Recommendations

Public event framework support

Given the additional requirements placed upon event organisers to meet the guidelines within the public events framework, support should be provided to event organisers to assist them in preparing and executing COVIDSafe event plans. This could be provided through funding support to enable

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them to employ a dedicated resource to undertake this work and thus free up valuable event committee resources and effort which can be dedicated towards the running of the event.

Financial support

To support event organiser confidence in hosting events amidst the current COVID Normal climate with ongoing uncertainty of whether new restrictions or snap lockdowns may be implemented, funding support to underwrite costs incurred by event organisers due to event changes, curtailment or cancellation should be considered.

Access to event support funding should be made available to assist events in re-establishing or for new events to be delivered to foster a strong events sector recovery. This may include funding to support specific COVID related equipment, event infrastructure or other event costs. In addition, access to mentoring support should be provided to event organisers to assist with effective event planning and to help events be financially sustainable.

Demand driving activities

Visit Victoria and regional tourism boards should play a role in developing and delivering a series of significant events to support regional visitation and help build regional Victoria's event calendar. These organisations should also work with local government areas across Victoria to identify existing events with potential to grow and become key regional events. These events should then be supported with expertise to elevate them to events that drive visitation.

Murrindindi Shire Council continues to work closely with our tourism businesses and event organisers to understand and support their needs with the support of all levels of government and other tourism and events sector stakeholders. We look forward to hearing the outcomes of this important inquiry.

Thank you for the opportunity to provide a submission on this matter.

Yours Sincerely

Shivaun Brown
Director Community Engagement

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