

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into the Victorian Government's Response to the COVID-19 Pandemic

Melbourne—Thursday, 14 May 2020

#### Members

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallenge



**WITNESSES**

Ms Felicia Mariani, Chief Executive, and

Ms Susie Filleti, Head of Member Engagement and Partnerships, Victoria Tourism Industry Council.

**The CHAIR:** We are joined by the Victoria Tourism Industry Council. Welcome. Welcome to the public hearings for the Public Accounts and Estimates Committee Inquiry into the Victorian Government's Response to the COVID-19 Pandemic. The Committee will be reviewing and reporting to the Parliament on the responses taken by the Victorian Government, including as part of the national cabinet to manage the COVID-19 pandemic and any other matter related to the COVID-19 pandemic. All mobile telephones should now please be turned to silent. All evidence taken by this Committee is protected by parliamentary privilege. Therefore you are protected against any action for what you say here today, but if you repeat the same things outside this forum, including on social media, those comments may not be protected by this privilege. You will be provided with a proof version of the transcript for you to check. Verified transcripts, presentations and handouts will be placed on the Committee's website as soon as possible. The hearings may be rebroadcast in compliance with standing order 234. We ask that photographers and camerapersons follow the established media guidelines and the instructions of the Committee secretariat.

Thank you for joining us today. We invite you to make a brief opening statement of no more than 5 minutes—and as you have seen, we cut you off at the 5-minute mark. We ask that you state your name, your position and the organisation you represent for broadcasting purposes, and this will be followed by questions from the Committee Members relative to the representation here today. Thank you for joining us.

**Ms MARIANI:** Thank you, Madam Chair, and thank you to the Committee Members for the opportunity to appear at this Inquiry. My name is Felicia Mariani. I am the Chief Executive of the Victoria Tourism Industry Council. As Victoria's leading tourism organisation and one that has been at the forefront of policymakers at all levels to support the visitor economy businesses throughout the COVID-19 pandemic, VTIC has a strong interest in the Inquiry and in making a meaningful contribution to it today. At the outset of the crisis the tourism industry has acknowledged the Government's significant response to the pandemic has been necessary to save lives and protect livelihoods. We have appreciated that this has been first and foremost a health crisis that has now evolved into an economic crisis, from which the tourism and hospitality sector is among the industries hardest hit by these impacts.

Just a bit about VTIC: with 1500 members across the state, we are the peak industry body and leading advocate for our state's \$32 billion tourism and events industry—an industry that up to this point employed over 230 000 Victorians, of which 92 000 were in our regional areas. Unlike many sector-specific industry associations VTIC represents the breadth of the industries that make up the visitor economy in our state, encompassing attractions, accommodation, touring transport, events, hospitality services and destinations. Our membership ranges from SMEs and microbusinesses across regional Victoria through to multinational corporate operations with international affiliations. The breadth of our connections allows us to have a real helicopter view of the issues and priorities that are front and centre with the industry at any given time. There are three main functions we undertake on behalf of the industry, which include advocacy and representation, industry development and capability building and business support services for our members.

The impact of the current COVID-19 crisis has been deep and sustained for our sector, and while we appreciate that businesses all across Australia have been suffering under the weight of the crisis since mid-March, we must remember that our industry started to feel the impacts and began systematically shutting down when the Chinese Government banned group travel out of their country from 27 January, which was followed by the subsequent closure of our borders on 1 February. Over the past four months VTIC has engaged deeply with its members and the broader industry to be across the pain points to understand what the industry needed from governments at both state and federal levels to have any chance of staying alive.

We have surveyed our members on several occasions over this period to have some quantifiable understanding, the most recent of which just closed this week, so our content is highly contemporary. The latest survey had the best response to date, with 364 of our 1500 members responding, which gives us a statistically significant result upon which to draw conclusions. Some key highlights were that two-thirds or 66 per cent of our industry have completely ceased operating. Twenty-five per cent are only in partial operation. The median financial impact of

lost revenue due to stage 3 restrictions sits—again I stress at a median—at \$90 000, but 14 per cent of our operators indicated their losses to be in excess of \$1 million. The variations are quite broad. They reach anywhere from \$11.5 million that people have noted as being lost up to \$100 million. That is largely due to the scale of the different ranges of business that exist within our membership, but it does give you some idea of the devastation that the industry has suffered.

Business confidence measures are bleak, with nearly 70 per cent of industry saying that they are not confident or they are unsure that they will be able to open their businesses in the next three months. That does improve somewhat if you move out to six months, where just over half—52 per cent—are saying that they are confident they will be able to open. But still a third—33 per cent—are saying that they are unsure. I do have further statistics, which I will not go into right now, but I can answer in question time.

Being at the coalface of industry, VTIC has worked closely with State and Federal Governments, their agencies and our interstate counterparts throughout the country, sharing information and influencing design and delivery of support measures, from the Federal Government's initial \$17 billion response package to the subsequent relief packages outlined by State Government. We have provided critical feedback on what is working and where the gaps still exist. In particular I would like to acknowledge our State Government's \$500 million Business Support Fund with the \$10 000 grants, which has been a lifeline to a lot of small businesses in our sector. I know from conversations many of them have used that money to fund their first JobKeeper payments because, as you know, they had to pay first and be reimbursed later.

While there is always more that is needed, and we have got a whole list of that, I think also the payroll tax reimbursement but most importantly the recent exemption of payroll tax on JobKeeper has been a lifesaver as well. Many folk have not been able to even bother to access the JobKeeper because they cannot afford the on-cost, so our state's exemption of payroll tax has been very welcome.

In recognition of the stress that the industry is under VTIC actually introduced a free membership level in March, and we have also waived fees to the end of December on the accreditation programs that we offer. I think you might want to stop me there.

**The CHAIR:** Thank you, Ms Mariani. Yes, I will stop you there, and I will hand over to Ms Richards, MP, for the first questions. Thank you.

**Ms RICHARDS:** Thank you, Chair. I hope to give you the opportunity to unpack some of that with a little bit more freedom and a little bit more time. Firstly, Ms Mariani, I would like to thank you for appearing here today and, with the Chair's indulgence, ask you to pass on our best wishes to your members—your 1500 members. After that heartbreaking evidence I would really appreciate you passing all of our best wishes on, and our thoughts. So while the health of Victorians is paramount during the pandemic, tourism, hospitality and major events businesses are being significantly impacted by closures and shutdowns. And that evidence you gave us was really extraordinary and compelling and, as I said, heartbreaking. What are these businesses telling you about what is needed from Government to support reopening the Victorian tourism industry and the economy more generally?

**Ms MARIANI:** Yes, it has been very challenging. I think Brendan spoke about, and we cannot forget, the fact that this is an industry that has been in crisis since New Year's Eve. It started with the bushfires, and while we had two regions that were dramatically affected by the bushfires, the whole of the state was affected. As we know, the mood of the nation saw people just stop travelling, so an industry that normally would accrue 50 to 60 per cent their annual turnover in that summer season lost that summer season. Many lost 100 per cent, some lost 20, 30 or as high as 50 to 60 per cent even if they were not in the bushfire affected areas. So I think the thing we have to remember is that this is an industry that would have built up those reserves in that early part of the year that would have lasted them through the year. So the shockwave of what they are going through right now is happening at a time when they have very little reserves because they suffered in December and January as well. So it is has been very challenging for the industry. We do have remarkable resilience in our sector, and I think the industry should be applauded for pivoting—I hate that word. We are using reimagining now—how they are reimagining their businesses.

**Ms RICHARDS:** Reimagining, right. Got it.

**Ms MARIANI:** Yes, pivot has become a bit too old and tired. But I think that the key thing is, as I noted, there are some relief packages that have been incredibly welcomed already. I have noted those in my opening remarks, but I think still what we need right now and as we move to this next phase of eased restrictions—and this is the thing that I am hearing a lot about—is we need to help the industry to prepare. What actually does constitute best practice as we look to welcome visitors back to our businesses? We are watching overseas, particularly Canada and Singapore—two examples that I know members have brought to my attention—about what is happening in terms of helping the industry understand how to regain the confidence of consumers. I do not think any of us underestimate that it is going to be a big challenge to convince consumers that it is safe to come back to our businesses. But we also recognise that we have an obligation to staff and we have an obligation to the communities in which we operate to ensure that we are performing best-practice standards when it comes to protecting health and safety. So the conversation I am having with our members right now is: how can we start to implement programs that will help to train them and help them understand what is best practice?

In my opening remarks I did not get to speak about it, but we have actually worked with our national body. So the Australian Tourism Industry Council is my counterparts all across the country. We have an accreditation program that I noted we have waived our fees on. We are also in the throes of developing a COVID claim initiative, which will give a real base understanding for a lot of operators on what they need to do to prepare to bring visitors back. But there is a lot more that is needed, and I think everyone is overwhelmed. I think we have heard that a little bit this morning already.

There is so much for small operators to take on. These are, to a large degree, a lot of mom-and-pop operations. Small-to-medium and micro businesses are the cornerstone of our sector. But this is a challenge that is insurmountable for many, and I feel personally that this is where we will start to see businesses fall off the radar now. I think Brendan's comments were about, 'Everyone's in hibernation at the moment', but these next six months will determine how many of these businesses we help to get to the other side, and the key way to start is to help them to feel supported in understanding what they need to do to comply, what they need to do to be seen as best practice and how we can support them in what they need to do to regain the confidence of their customer.

**Ms RICHARDS:** Thank you. I am adding 'reimagining' to my vernacular.

**Ms MARIANI:** Reimagine, yes. I cannot take credit for that; I think that was Virgin that first used that, but anyway.

**Ms RICHARDS:** I will give you credit anyway.

**Mr D O'BRIEN:** Not the greatest example!

**Mr RIORDAN:** Reimagining an aeroplane?

**Ms MARIANI:** No, this was the prior CEO. That was his terminology about reimagining the airline.

**Ms RICHARDS:** Thanks, Ms Mariani. You mentioned in your initial evidence something I would like to unpack a little bit more. The Victorian Government response to the calls for tourism businesses, such as the Business Support Fund and the commercial tenancy relief scheme—how has that been viewed by your members and how does it compare to other jurisdictions, including the Commonwealth?

**Ms MARIANI:** Can I say I think it was interesting—we were just talking the other day, and because I am so close to so many people in so many different states as well I know that my colleagues have looked upon some of the things that are happening here with great admiration. I think we have made some very, very significant investments in helping the industry to weather this hibernation period, as I said, from the \$10 000 grants to the payroll tax relief. You talked about the rent relief as well. We have a lot of operators who actually function on Crown land or are in government-owned buildings across the state. This has really helped them a great deal through this hibernation period. So I think we have done a tremendous job in making a financial investment to put relief measures in place to help the industry to survive.

There are a couple things, probably, that still need to happen, and I talked about some of those with relation to preparing the industry for their obligations as we move through an eased restriction phase. One of the key gaps,

as well, that we are seeing, though, that did not make it into some of the relief packages is around the registration issue. We have a very big proportion of the industry that is in the tour-and-transport sector. Tour and transport will be hurt tremendously through this next period because they rely on international. A lot of them, 97 per cent of their custom is international. When you are a domestic visitor you get in the car and drive; you do not hire a tour-and-transport company. So they are struggling. But many of them have multiple vehicles that they have to register, and those registration costs can be upwards of \$15 000, \$20 000, \$25 000. They cannot afford it. I know many operators are selling vehicles right now because they cannot afford to register the vehicles. So this is an issue that is bubbling up, and one piece of relief would be incredibly welcome to support a part of the sector that actually forms an enormous part of what we do within the visitor economy, but they are going to be incredibly hurt over the coming period with international shut-off for the foreseeable future.

**Ms RICHARDS:** Just taking it to another, slightly more granular level, are you aware of how many of your businesses have experienced significant financial distress? Further, if you have got this data, what number of these businesses have accessed Government support? I am particularly interested in the commercial leasing reforms and any direct financial support.

**Ms MARIANI:** I can give you some information from the survey that we just did, which I note did just close on Tuesday, so this is where it is very contemporary. It does not necessarily get to the exact heart of what you are saying but it does touch on some of the points that you have raised. Just in terms of I guess the impact, first of all, can I say that there is not a side of our industry that is not hurting right now, and the thing that keeps coming to mind is the bigger you are, the harder you fall. It does not mean just because you are a great big organisation of multinational connections that you are not hurting just as badly. Some of that hundred million figure that I quoted came from some of those bigger operators who have lost that level of business as a result of the closure of their operations, and, as I said, two-thirds of our businesses have not been able to reimagine. They have had to shut their operations totally, so there has been no revenue for at least the last eight to 10 weeks.

Just in terms of some of the actual impact on staff, I thought these stats were interesting but I did not go through them in my opening remarks. Prior to the introduction of COVID-19 restrictions the average number of full-time employees across the board was about 15. Following the introduction of restrictions that has reduced to nine, which represents a 40 per cent decrease in full-time employees. Prior to the restrictions the average number of part-time was six; that has now reduced to three, which is a 50 per cent decrease. What is really telling is that casual staff have been the most grossly affected. Prior to COVID-19 there was an average number of 17 casual employees within our businesses. That is now at two. That represents an 88 per cent decrease in the number of casual staff operating in these businesses.

**Mr D O'BRIEN:** Sorry, that was 17 to two?

**Ms MARIANI:** It has gone from 17 to two; that is correct. On average our respondents have stood down 13 staff members over the last eight to 10 weeks. Average respondents have terminated or made redundant three staff, and 10 staff members are currently receiving the JobKeeper payment. I do know though, and I mentioned this in my remarks, that JobKeeper has been a challenge for a lot of people because you have to pay initially and be reimbursed. There are also significant on-costs in payroll tax and superannuation tax, which is one of the reasons—I think I heard the other day—only 60 per cent of people have actually accessed JobKeeper at the federal level, and I am sure that that has a lot to do with it because some businesses simply cannot afford the additional cost, which is very sad.

**Ms RICHARDS:** Just on a slightly different tack for a minute, on 7 May Tourism Australia announced its domestic marketing activity Live From Aus. What do you think of the campaign, and how do you think it will support the Victorian tourism industry?

**Ms MARIANI:** I think it is really important. Brendan in his opening remarks before talked about, 'We have to keep people dreaming'. While we are in isolation it is very important that people do continue to dream and that they do continue to think about their next holiday, whatever that might look like. We know that any recovery from a tourism point of view is going to be a domestic-led recovery. All projections are that for the next 12 to 18 months there will be no international travel, which dramatically affects our sector, but that means reawakening Australians to the beauty of travelling in their own backyard. So I think the campaign that Tourism Australia has launched will do two things: number one, I think it will first of all make a lot of

Australians aware of what is in their own backyard, because I think sometimes we tend to overlook that to the calling of travelling overseas and now we are all going to have to look at what we do domestically. But it will continue to keep Australia as a brand in front of other residents of other nations, because eventually we will open our borders again. It will be a cautious time, I am quite sure, and who knows when that will be, but ensuring that we remain front of mind—and I think we will do that, there is no doubt in my mind that we will do that—is an important role for Tourism Australia to play in keeping that dreaming phase happening both here and domestically as well as overseas.

**Ms RICHARDS:** That is an optimistic note.

**Ms MARIANI:** You have to be in our sector.

**Ms RICHARDS:** What marketing support do you think is needed to help the Victorian tourism industry through the pandemic?

**Ms MARIANI:** Again, I think you will hear this as you go through talking with people in our sector today but there are three key areas. I might refer back to last year: the Government undertook a review into regional tourism and VTIC made a quite lengthy submission to that review, which we actually compiled our recommendations based on our work directly with the industry, so it was a terrific process. We made a few key recommendations that really now, in a post-COVID world, whatever that looks like, become I believe even more critical.

The first of those is around the development of a destination master plan for Victoria. We have a lot of regional destination plans, destination management plans, but what we do not have is a master plan for the state that really clearly articulates what we want to be famous for. We have real challenges in front of us, and again Brendan spoke about the fact that with international tourism off the agenda our major events and business events, which are key hallmarks of what we promote for Melbourne and Victoria around the world, are not going to happen for quite some time to come. So this reimagining of the destination itself in terms of, again, what we want to be famous for is really crucial right now.

All the consumer sentiment surveys that are happening at the moment are focusing on the fact that consumers are going to be looking for wide open spaces. Nature-based is looming incredibly large in what they are seeking in their next holiday now at that domestic level, but also health and wellness, and because it is a domestic-led recovery most people are going to be driving. It is quite interesting looking at the increased demand for caravans. I was watching something on the news the other night; caravans and camping will become huge, but also I was talking to a colleague and even—is it BMW?—has seen a huge increase in the number of SUVs that people want to buy, because they realise that they are going to get out on the road and start travelling. So driving holidays are going to come back into fashion again.

As a state we actually need to define what is our drive strategy. We kind of have not really focused enough on that. Touring route stuff that many other states have done, nature-based becomes quite critical, and health and wellness again, as I said, is looming quite large. So what is our strategic imperative in each of those key areas? The marketing will roll off that, but I think there needs to be a very clear strategic direction around how Victoria wants to own each of those categories.

**Ms RICHARDS:** Thanks for your generosity today.

**Mr LIMBRICK:** Thank you, Ms Mariani, for your evidence. Just on one of the points that you brought up earlier with the registration, you will be pleased to know that I was actually made aware of that issue last week and have already brought it to the Minister's attention. It is my understanding that Queensland already has a suspension scheme so that registration can be suspended until such time as the vehicles are commercially able to be used again. So hopefully Minister Pulford will do something about that, because I realise that is a big cash flow issue for campervan businesses and things like this.

**Ms MARIANI:** Yes.

**Mr LIMBRICK:** We heard a bit earlier today, and also from you, about nature-based tourism. There is a sequencing issue here with opening up tourism again. So presumably we are going to start first with intrastate tourism and later on interstate and then hopefully, eventually, we will get back to international tourism. There

are limitations at the moment, right? So some nature-based activities have opened up now—people can go fishing and hiking and hunting and stuff, but they cannot go camping, they cannot stay overnight at a location and things like that. What do you see as the first business type that would open up with the next level of restriction easing?

**Ms MARIANI:** Yes, that is a very good question, and that is actually something we have been talking a lot about with the Government at the moment around the sequencing—I think that is a really good way of describing it—because different parts of the industry will be able to open at different times and will be able to easily accommodate different requirements as they are put into play. Caravan and camping is a natural. I think that is a—

**Mr LIMBRICK:** Yes, it seems like you can socially isolate pretty easily when you are camping.

**Ms MARIANI:** Yes, and I think, too, let us not forget that a lot of our caravan and camping sector now is holiday parks as well, so they have fixed accommodation that is perfect for people as families to go away and be together.

So there are a variety of options that exist in that caravan and camping sector, and that does need to be considered quite differently, I think, than maybe the way we have looked at it in the past. The accommodation sector obviously would be the next one to, hopefully, come online at the time when our next easing of restrictions are announced in June. Overnight accommodation would be the next thing that we would hope to see as part of the intrastate strategy.

I would like to point out, though, in this issue of the restriction of 10 or 20, whatever that next figure might be—or 50, for that matter, as the Premier noted we might be able to go to a larger number given that we are waiting for three more weeks—that it is really not one size fits all, and different establishments across the tourism sector have the ability to contend differently with those regulations. So by way of example, our outdoor attractions—like our zoos and wildlife parks and sanctuaries, for instance—they can much better accommodate restrictions for physical distancing than a lot of indoor establishments, and we would hate to see that the same number of patron limitations that are applied to an indoor facility that might only be able to hold 40 or 50 people are applied to an outdoor attraction like a zoo or a sanctuary, because they have the ability to really keep people spaced.

They can stop gatherings of more than 10 or 20, but they have wide open spaces, and many could be considered within the context of our parks that we are opening up gradually now as well. So I think there does have to be a recognition that it is not a one-size-fits-all. I like your terminology of sequencing—I think that is a really good way to look at this—because there is the ability for different parts of our sector to accommodate regulations but still begin to reanimate their operations in a way that is more viable. That is the other thing that is coming up—the viability of some of these restrictions, with people recognising by and large their revenue stream is going to be cut in half because they are going to have to limit the numbers of people, but their operating costs are probably going to double because they are going to need more staff on hand to manage all of their obligations.

**Mr LIMBRICK:** Yes, I have heard some commentary that an absolute number is not as sensible as maybe customer density or something like that.

**Ms MARIANI:** Yes, exactly.

**Mr LIMBRICK:** Just briefly in the time that we have left: what are your feelings on pent-up demand? You mentioned that people are going out and looking at SUVs and things like that. I know, like a lot of Australians, I usually go camping at Easter, and I did not go and I am hanging out to go, and I think lots of other people would be as well. I did not go over summer either because of the bushfires. Petrol is really cheap at the moment. As you say, you can go for a drive cheaper. Are you optimistic that there is this pent-up demand and when the restrictions come off people are going to just get out there and do it?

**Ms MARIANI:** That is a very good question and one I think everyone is grappling with. Pent-up demand—yes, absolutely. Confidence levels of consumers—that is where I think we will see some questions. Again, if you take a look at the sentiment surveys that are being conducted—and you can also look to some of the international experiences as well, some of the other countries that have eased restrictions and opened some of, for instance, their dining establishments and retail establishment, although if you look at some of the news

reports there are no concerns about going into our shopping centres and malls, so that is quite interesting—but there is a concern emerging, and I think I read something the other day about 40 per cent of Australians are still concerned about the idea of gathering in public spaces, and I think that will be the challenge. That is why that confidence level is so important and making everyone understand that we are doing everything we can to keep them safe.

**Mr D O'BRIEN:** Good morning, Ms Mariani. It is interesting: those consumer sentiment surveys you talked about and what people might be looking for, obviously we can all agree, or my colleagues would agree, that Gippsland provides all those things that people want to see—

**Ms VALLENCE:** And the Yarra Valley.

**Mr D O'BRIEN:** and want to get back out and see.

**Ms MARIANI:** Not parochial at all.

**Mr D O'BRIEN:** For the Hansard record, there was a bit of noise there, but everyone agreed with me so that is good. Parochial jokes aside, the issue of the rego you talked about—certainly, yes, as Mr Limbrick said, that has come up before. What other State Government taxes and charges, and potentially regulation and red tape, could this Committee look at recommending to Government as we come out of the pandemic?

**Ms MARIANI:** I am harking back to some of the conversations that I have had with people in my head. One of the key industries that I have to say we have not seen a lot happening for, and that is one that is coming up consistently, is the business event sector.

**Mr D O'BRIEN:** Sorry?

**Ms MARIANI:** The business event sector—sorry. We are seeing an industry that has been incredibly shut down and, again, no idea of how it will reimagine itself, because those events do tend to be quite large gatherings of people. The challenge for that sector is it is largely a lot of casual and contracted staff, so there are not a whole lot of actually employed people; they are brought in and out as part of the events cycle. It has been one industry that has been kind of left out of the mix at this point. There has been an enormous amount of relief packages, as we have talked about, at both the state and federal levels, but there actually has been very little that has happened to support that sector. I know that they are doing a lot to pull together guidelines and accreditation to give that sense of confidence again that we have been talking about—to show that they are ready to open—but they are an industry that actually does need to almost have a separate engagement with government about how they will go about this.

Business events are not a mass gathering of people; they do not happen by accident—like 5000 people do not lob onto a city square. These are actually quite confined spaces; they can be regulated. They are generally people that register to come to these events, so there are measures that the business events sector can put into place, and I know we are very keen to work with government to establish how they do reanimate their sector, because they are a very, very important part of our industry. To think that they would be out of action until after we have started to see international tourists coming back—it is just not fathomable. It is not so much a tax and charge but probably more a gap that exists with a big part of our visitor economy. As a sector, business events really has not been addressed.

**Mr D O'BRIEN:** So interpreting that, the business visitation sector is one where perhaps the risk could be managed and some not necessarily exemptions but some guidelines put in place to allow 500 people to still meet at Jeff's Shed as opposed to, as you say, 5000 people just rocking up at the tennis centre.

**Ms MARIANI:** Absolutely. And they are all talking about—they are using terminology like biosafe procedures. You know, these are some of the best of the best when it comes to organising events across our city, our state and our country, so making sure that that sector is properly engaged now—again, that reanimation of that sector is crucial. They are a really, really important part of what feeds the visitor economy, but they have actually been a bit silent in most of what we have seen coming out at both the State and Federal level.

**Mr D O'BRIEN:** Just on that, we have all discovered Zoom in the last two months—

**Ms MARIANI:** Yes.

**Mr D O'BRIEN:** Is that sort of technology and the step change in people's thinking also going to be a threat to that?

**Ms MARIANI:** Yes, absolutely. I think one of the fantastic things—if you could find a silver lining in the big cloud that is over us at the moment—is the embracing of technology. These platforms have been around. We have just all kind of had this—whether it was an aversion or whether it was a fear—but we have not used them, and now everyone is much more comfortable. I think what will happen, probably, is that we are going to continue to embrace those. Business events, I think, will see a much greater use of technology, as we go forward, in engaging with audiences beyond those who can afford to come to the events. I know I am talking at the moment with the Melbourne Convention and Exhibition Centre about how we work with them on some of the things that we are doing to look at their technology opportunities, so they are already thinking about that. This is my point: these guys are already preparing, they are already reimagining, they are already wanting to become absolutely clued into whatever the future is going to look like, but they need that platform and channel to connect and engage properly.

**Mr D O'BRIEN:** Following on from the original question, has the VTIC made any representations to the State Government on any particular issues that just have not been addressed or have not been responded to satisfactorily?

**Ms MARIANI:** I think probably I have touched on the key things that need to be addressed, and those do relate to the issue of the registrations. I think that is a key one that I am hearing, because tour and transport is a major part of our membership and it is a really crucial issue for them for. There is the issue of business events being brought to the table and talking about how they can respond and what they can do. I think the other issue is around this preparation for the industry as we move to the next phase of restrictions. We are not in recovery yet; we are still in survival. That has probably been the key focus of what we are doing as VTIC; it is this whole survival measure. The way we have thought about it in our minds is that between now and the end of December is our survival phase, and ideally, if we get things moving over the next six months in a good way, we can then move to what will hopefully be a revival stage post January.

Part of that as well—and I think this has come up from the group here—is around the complexity of navigating all of the information that is out there. I go back to our industry being comprised predominately of small to medium enterprises and microbusinesses—the amount of information that is out there, while it is welcome that everything is being done, the navigation of everything has been overwhelming for many businesses. That is a space that VTIC really wants to step into and help our industry to navigate some of that information—understand eligibility, understand 'How do I go through this process of applying?'. There is a whole piece that needs to happen as well in helping businesses to understand how to restructure. The reality is their business in 2019 is not going to be their business in 2021. So how do we work with them to ensure that they can restructure, refocus—and indeed we keep using that 're-imagine' term, but we are going to need to re-imagine our businesses—because much of the tourism industry is very focused on the international market; the reality is that market is not coming back for awhile.

So how do you—I hate to use that word again—reimagine your business to be able to appeal now to a domestic market? It means you might have to change the offering. It certainly might mean you have to change the price point. Domestic may not be prepared to pay for an experience the way an international visitor was. So there is a lot of complexity wrapped up in how our industry responds, and we see that as a really important role for us to play into the future.

**Mr D O'BRIEN:** And just finally, you mentioned we are a long way from emerging from recovery yet, but obviously the Victorian Government has had tougher lockdowns and is easing more gradually than most other states, particularly with respect to restaurants and cafes. Have you had feedback from your members about the cost of that to Victorian businesses?

**Ms MARIANI:** Yes, it was hard this week. Many of the businesses, particularly in the hospitality sector, were certainly hoping they would see something. Many of them had already put plans in play. Having listened to the PM on Friday, they were starting to think about how we could manage this.

I spoke to one operator, actually, in the Yarra Valley, who mentioned they have a number of different areas within their venue and that they could have set up almost three or four restaurants. They could have accommodated 10 or 20 people, depending on what the number was, and everyone was thinking about how they could cycle through. So they had already kind of started their planning on Friday, which obviously did not happen on the Monday.

That is what it is, and we are now saying, ‘Right, if we’ve got three or four weeks until the next easing of restrictions, how do we use that time most effectively?’. That is what everyone is saying. So this comes back to: how do we help to train the industry to prepare for whatever our eased environment is going to look like by June? How do we make sure that the industry is ready now, so that when that notification is made about what we can and cannot do we are ready to go? Because these businesses—you cannot make a statement on one day that, ‘Okay, you can open in the next 48 hours’, and they can flick a switch and turn everything back on. There is a time that they need to scale back up again, and that is what we want to use this coming period for.

**Mr D O’BRIEN:** Thank you very much.

**The CHAIR:** Thank you, Ms Mariani and your team, for appearing here before our Committee today. And thank you very much on behalf of the Committee and indeed the Parliament for the work you are doing with your members through this very difficult time.

The Committee will follow up on any of the questions taken on notice in writing, and responses will be required within five days of the Committee’s request. We will take a short break before the next witness. Thank you very much.

**Ms MARIANI:** Thank you very much.

**Witnesses withdrew.**