

20 September 2021

The Hon Tim Pallas MP
Treasurer
Minister for Economic Development
Minister for Industrial Relations
Minister for the Coordination of Treasury and Finance: COVID-19
tim.pallas@parliament.vic.gov.au

CC: The Hon. Martin Pakula, Minister for Racing, Minister for Tourism, Sport and Major Events,
Minister for Industry Support and Recovery, Minister for Trade, Minister for Business Precincts

Dear Treasurer

Melbourne's visitor economy support

Committee for Melbourne (the Committee) writes to you following Minister Pakula's presentation at our forum in July and the need for an urgent and strategic support for the visitor economy on Melbourne's road to recovery.

We also write in the context of the release of the final report of 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* (Inquiry).

Background

The Committee is an apolitical, not-for-profit, member-based organisation that brings together over 140 organisations from Greater Melbourne's business, academic and civic sectors whose common purpose is to shape a better future for Melbourne.

As an independent organisation, the Committee represents no single interest group or political position but seeks to challenge conventional thinking and to develop innovative ideas to continue to enhance Melbourne's position as an economically prosperous and highly liveable global city.

The Committee has established its Visitor Economy Reference Group (VERG) to outline the steps and recommendations required for an effective visitor economy, more important than ever in a post pandemic period. The Committee's VERG membership, brings together skills based and representative experts from the Greater Melbourne area (city and suburban) including: Attractions; Accommodation; Hospitality Food & Wine; Major Events; Meetings Incentives; Conferences and Exhibitions (MICE); Education; Creative Industries; Urban Tourism Place making; Office Re-population; and Retail (listed in **Appendix A**). The VERG is well placed to identify the key areas of focus to once again revitalise the state.

The COVID-19 pandemic has created an extremely challenging environment for Melbourne's visitor economy. With continuing lockdowns to deal with the health pandemic, pressure has been imposed across our economy and upon Melbourne's reputation, and particularly in key sectors relating to tourism and events. The impacts upon these sectors have been significant and well documented during the COVID pandemic.

Committee's recommendations

In April 2021, the Committee's VERG made a submission to the Inquiry (attached).

The Committee's key recommendations in the submission are highlighted in **Appendix B** and mapped against the recommendations of the Inquiry.

Whilst the Committee supports the findings of the Inquiry, we consider that they do not go far enough and, in many cases, did not address significant issues in our submission, such as:

- important immediate steps like a major events calendar and legislation for mandatory vaccines; and
- significant steps to support the industry in the long-term such as appropriate formal governance arrangements and management responsibilities for Greater Melbourne.

We outline below some detail about key gaps in the Inquiry recommendations. There are further gaps highlighted in **Appendix B**.

Development of certainty and consistency in safety responses (including across borders and economic sectors) – with lock-downs being reserved for only serious cases

We need a transparent, data driven, consistent plan and approach that will help all our businesses recover and rebuild.

Whilst it is welcome that the Inquiry recommended a plan for vaccination thresholds and opening up, there are additional issues around restrictions and business planning that need to be addressed. This includes that the Government must be prepared to legislate to mandate vaccinations for employees and consumers in specific workplaces, to give business certainty of their operations. Businesses must have certainty about how to engage with customers and staff in relation to vaccinations.

A phased, but more ambitious return to the CBD plan is required, that will allow people to return to safely enjoy and work in the CBD. Our city is the beating heart of our State's economy. Left empty for much longer, it may never recover.

Key additional areas of consideration, are the:

- consistency of rules across Victoria and Australia – in relation to how sectors are treated, as well as the safety rules themselves - to allow for easy domestic travel as well as implementation and compliance;
- reduction in lock-downs ensuring that they are only used in very serious cases;
- the acceleration of the vaccine roll-out with clear consistent stages for opening up;
- planning for dedicated quarantine facilities and quarantine protocols; and
- the opening of international borders in agreed stages to encourage the return of international visitors including students.

Establish industry stakeholder group with direct reporting to the Victorian Treasurer to advise on strategic approaches and to develop a Visitor Economy Destination Masterplan and an Effective Engagement Model for the Future

The Committee has made representations to the Victorian Government's development of a Destination Masterplan and looks forward to continuing to input into its development.

One of the most important mechanisms to develop and implement such a Masterplan, must however involve a formal engagement model for Greater Melbourne. Whilst the Regional Tourism Boards allow a mechanism for consultation and coordination with the regions, Greater Melbourne that includes significant tourism and visitor economy attractions similarly needs a formal engagement body.

Develop an appropriate calendar management response

Major events, attractions and organisations cannot be competing against each other for share of voice, footfall and revenues, without having unintended negative consequences for the industry as a whole. Organisations across the visitor economy are necessarily interdependent – accommodation for example has limited capacity.

A collaborative roadmap that creates shared priorities, must be developed by leaders across Greater Melbourne which can lead to the development of a comprehensive Melbourne Calendar for all aspects of the visitor economy.

Calendar management must ensure that peaks and troughs are managed to ensure maximum visitations over the year.

And these plans need to be developed with a minimum five year timeframe – given the lead-times required for these major attractions. Consideration of new major events that might reinvigorate Melbourne may also be required.

Other specific issues

Whilst the Inquiry made many recommendations in support of events, some key sectors that would underpin the success of the visitor economy were not sufficiently addressed including in relation to aviation, accommodation and international students. In addition, sufficient focus on skills gaps will be required.

The Committee's submission to the Inquiry made fulsome recommendations in relation to these sectors, including the need for insurance to underpin certainty of events and planning.

Conclusion

Greater Melbourne is, and will continue to be, the most attractive city in Australia to live, work, visit and do business.


As we emerge from the crisis, we must act swiftly to ensure Greater Melbourne and regional Victoria's recovery is as strong as it should be, by ensuring clear, consistent and connected plans and supports across the visitor economy are provided.

We look forward to working with you to further support Victoria's recovery.

Yours sincerely



Clive Scott
Chair, VERG



Martine Letts
CEO, Committee for Melbourne

Appendix A: The Committee for Melbourne, Visitor Economy Reference Group members

Many of these groups and organisations are already working on recovery plans around the various timelines set by the Government. The intention of VERG is not to 'reinvent the wheel' where these groups have already made sound and valuable recommendations to government on recovery, but to amplify and consolidate those recommendations.

Sectoral interests

Clive Scott, CEO, Sofitel Melbourne on Collins | Chair VERG

David Mansfield, COO, Quest Apartments | Accommodation, South

Peter Abbott, CEO, Puffing Billy | Attractions, East

Richard Ponsford, Executive Officer, Western Melbourne Tourism | West

Chris James, CEO, Northlink | North

Padmini Sebastian, Director, University of Melbourne | International Students

Anthea Loucas Boshia, CEO, Food and Wine Festival | Hospitality & Festivals

Natalie O'Brien, CEO, Natalie O'Brien and Associates | Precincts & Hospitality

Suzana Bishop, CXO, Federation Square | Events

Louise Scott, Director Tourism and Events, City of Melbourne | Melbourne City

Industry

Felicia Mariani, CEO, VTIC

Michelle King, AAOA

Committee for Melbourne

Martine Letts, CEO

Clive Dwyer, Director of Engagement

Leanne Edwards, Director of Policy and Research

Disclaimer

Please note, the views in this publication reflect the synthesis of the Committee's diverse and cross-sectorial membership and Greater Melbourne's stakeholders. All material expresses a merging of these differing perspectives. The concepts presented in this paper should not be attributed to any individual member or stakeholder organisation.

Appendix B: Committee for Melbourne recommendations compared to the Inquiry recommendations

Committee’s Submission	Tourism Inquiry: Final Report
<p>A. Development of certainty and consistency in safety responses (including across borders and economic sectors) – with lock-downs being reserved for only serious cases</p>	<p>Recommendation 15: That the Victorian Government work with National Cabinet to revise the National Plan to transition Australia’s National COVID Response to include dates and vaccination rates that will trigger changes to Australia’s national COVID-19 response to provide certainty for the tourism and events sectors.</p> <p>Recommendation 16: That the Victorian Government provide public guidance on how public health mechanisms and policies will change in conjunction with the vaccination thresholds established under the National Plan to transition Australia’s National COVID Response.</p> <p style="color: red;">See also Recommendations 11 & 13 in events below.</p>
<p>B. Establish industry stakeholder group with direct reporting to the Victorian Treasurer to advise on strategic approaches and to develop a Visitor Economy Destination Masterplan and an Effective Engagement Model for the Future</p>	<p style="color: red;">[Note Recommendation 19 in events below that recommends a govt/industry taskforce – only for events]</p> <p>Recommendation 6: That Visit Victoria undertake consultation with Regional Tourism Boards and local government, including greater Melbourne, to develop individual support packages, including funding and future marketing campaigns, specific to each tourism region’s strengths and needs.</p> <p>Recommendation 17: That the Victorian Government provide adequate financial and strategic support to Regional Tourism Boards to ensure that Destination Management Plans are in place in each region and that they reflect regional needs in terms of recovery and rebuilding in the wake of the COVID-19 pandemic.</p> <p style="color: red;">[Note 6 & 17 are examples of where Greater Melbourne is missing out because it doesn’t have a Tourism Board.]</p>
<p>C. Expand and promote the Greater Melbourne travel voucher scheme - supported with a significant marketing campaign to drive visitation from regional areas</p>	<p>Recommendation 4: That the Victorian Government extend the Regional and Melbourne Travel Voucher Schemes. In extending these schemes, it should:</p> <ul style="list-style-type: none"> • consider ensuring the vouchers are redeemable during off-peak periods for each tourism region • consider adapting the schemes to encourage mid-week visitation • have regard to adopting a more nuanced approach to targeting the schemes towards the specific needs of each tourism region • consider expanding the schemes to encourage interstate visitation to Victoria. <p>Recommendation 21: That the Victorian Government consider implementing a voucher scheme for events that are organised and take place within the state as a consumer incentive measure. This should be aimed at improving public confidence and promoting support for the events sector’s recovery.</p>

<p>D. Focus on specific tactical responses in relation to the following specific issues and sectors:</p>	<p>Recommendation 1: That the Victorian Government consider options for support that could be provided to businesses affected by the COVID-19 pandemic and who have been ineligible for support under the Business Support Fund, including sole traders.</p>
<p>1. Develop an appropriate calendar management responses</p>	<p>Not covered</p>
<p>2. Map the key demand driving agencies and ensure they have long-term secure funding</p>	<p>Not covered</p>
<p>3. Support events and business events</p>	<p>[Whilst there are a lot of recommendation about events – they don’t cover all the issues highlighted in our submission to the Inquiry]</p> <p>Recommendation 13: That the Victorian Government publish clear guidance on the types of triggers for the imposition or lifting of density quotients and venue capacity restrictions in order to maintain and support business confidence.</p> <p>Recommendation 12: That the Victorian Government ensure that the Department of Jobs, Precincts and Regions’ Public Events Team:</p> <ul style="list-style-type: none"> • can provide timely support and advice in relation to the COVID-19 Public Events Framework and the safe coordination and management of events • establish additional mechanisms for communicating changes in restrictions and responding to common questions or issues with the events industry. This could include, for example, virtual information sessions and webinars. <p>Recommendation 11: That the Victorian Government ensure approvals timeframes for COVIDSafe Event Plans that require approval are expedited in order to provide necessary assurance to event organisers, with a maximum response time of four weeks for Tier 1 events and a maximum response time of two weeks for Tier 2 events seeking approval under the COVID-19 Public Events Framework.</p> <p>Recommendation 10: That the Victorian Government increase mental health support for the events sector, in recognition of the significant and ongoing mental health impacts experienced as a result of the COVID-19 pandemic. Additional resourcing should ensure equal access to, and effective communication of, these services across the sector.</p> <p>Recommendation 19: That the Victorian Government establish an events industry taskforce to review and revise its consultation processes with the events sector in Victoria, in order to:</p> <ul style="list-style-type: none"> • identify departmental structural changes to facilitate ongoing consultation and inform the long-term recovery of the sector, including revision of the COVID-19 Public Events Framework • recognise its value independently of tourism and other sectors • provide clarity around the scope of the sector and its crossover with other sectors • ensure small- and medium-sized businesses have a greater voice.

	<p>Recommendation 20: That the Victorian Government, as a matter of urgency, consider the issue of the events sector’s inability to insure against the impacts of the COVID-19 pandemic. This should be done in consultation with the Victorian Managed Insurance Authority working in cooperation with the Insurance Council of Australia and representatives from the events sector. This should also consider the merits of establishing a shared risk underwriting scheme.</p>
4. Develop an aviation recovery strategy	<p>Recommendation 9: That the Victorian Government advocate for the Commonwealth Government to implement a second Tourism Aviation Network Support Program that includes Melbourne and regional Victorian airports.</p>
5. Support the accommodation sector	<p>Not covered</p>
6. Immediately support the return of International Students (specifically through a dedicated quarantine program, developing a community education program and working with industry to improve the student experience)	<p>Not covered</p>
7. Significantly invest in supply-side capability to enable greater tactical responses and expanded product offerings	<p>Recommendation 3: That the Victorian Government work with the tourism industry to identify ongoing infrastructure needs that can be addressed by an expansion of the Regional Tourism Infrastructure Fund.</p> <p>Recommendation 5: That the Victorian Government explore options for providing funding for tourism infrastructure projects in greater Melbourne.</p>
8. Map skills requirements and target policies to fill skills gaps (eg wage subsidies and flexible IR arrangements)	<p>[Whilst there are a lot of recommendation about skills – they don’t cover all the issues highlighted in our submission to the Inquiry]</p> <p>Recommendation 22: That the Victorian Government investigate options for supporting skills growth in the events sector through targeted apprenticeship programs or subsidised courses. This could be through inclusion of apprenticeship pathway and other courses for the events sector in the Victorian Government’s Free TAFE for priority courses initiative, and in consultation with the events sector to identify priority needs.</p> <p>Recommendation 18: That the Victorian Government advocate to the Commonwealth Government to prioritise for entry into Australia, when international borders fully reopen, those workers who can fill skills shortages in the tourism sector, including hospitality. Alternatively, this could form part of commercial trials for limited entry of economic visa holders under the National Plan to transition Australia’s National COVID Response.</p>

Recommendation 8: That the Victorian Government advocate to the Commonwealth Government for the resumption of the JobKeeper Payment scheme, or a similar form of wage subsidy, for industries that continue to face significant COVID-19 restrictions on their business and employment activity, such as the tourism sector.

Recommendation 14: That the Victorian Government advocate to the Commonwealth Government for the resumption of the JobKeeper Payment scheme, or a similar form of wage subsidy, for industries that continue to face significant COVID-19 restrictions on their business and employment activity, such as the events sector.