

# TRANSCRIPT

## LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

### **Inquiry into the impact of the COVID-19 Pandemic on the tourism and events sectors**

Melbourne—Wednesday, 19 May 2021

#### **MEMBERS**

Mr Enver Erdogan—Chair

Mrs Bev McArthur

Mr Bernie Finn—Deputy Chair

Mr Tim Quilty

Mr Rodney Barton

Mr Lee Tarlamis

Mr Mark Gepp

#### **PARTICIPATING MEMBERS**

Dr Matthew Bach

Mr David Limbrick

Ms Melina Bath

Mr Andy Meddick

Dr Catherine Cumming

Mr Craig Ondarchie

Mr David Davis

Mr Gordon Rich-Phillips

**WITNESS**

Ms Evelyn Richardson, Chief Executive, Live Performance Australia (*via videoconference*).

**The CHAIR:** The Economy and Infrastructure Committee public hearing for the Inquiry into the Impact of the COVID-19 Pandemic on the Tourism and Events Sectors continues. Please ensure that mobile phones are switched off and that any background noise is minimised.

I wish to begin by acknowledging the traditional owners of the land, and I pay my respect to their elders past, present and emerging. I wish to welcome any members of the public that are watching via the live broadcast.

My name is Enver Erdogan and I am Chair of the committee. I would like to introduce my fellow committee members: Mr Gepp, Mr Quilty, Mr Barton, Mr Tarlamis, Ms Lovell, Mrs McArthur and Mr Davis.

To all witnesses appearing before the hearing: evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and is further subject to the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. However, any comments repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website. We welcome your opening comments but ask that they be kept to a maximum of 5 to 10 minutes to allow plenty of time for discussion.

Could you please start by stating your name for the benefit of the Hansard team and then begin your presentation. Over to you, Evelyn.

**Ms RICHARDSON:** Good afternoon and thank you—Evelyn Richardson, Chief Executive, Live Performance Australia. Thank you for the opportunity to meet with you this afternoon. I would like to begin by acknowledging the Wurundjeri people of the Kulin nation as the traditional owners and custodians of the land I am coming to you from today, and I pay my respects to their elders past, present and emerging.

LPA is the national peak body for Australia's \$4 billion live performance industry. LPA represents commercial producers, music promoters, major performing arts companies, small-to-medium companies, independent producers, major performing arts centres, metropolitan and regional venues, commercial theatres, stadiums and arenas, arts festivals, music festivals and service providers such as ticketing companies and technical suppliers.

Our most recent ticket attendance and revenue report shows that Australia's live performance industry generated more than \$2.2 billion in ticket revenue and attracted more than 26 million people to shows in capital cities, regional centres and country towns, which is more than the combined attendance at events for all of our major sporting codes.

In 2018 Victoria generated the second-highest share of national live performance revenue at nearly \$700 million or 32.3 per cent of the national ticket sales revenue and generated the second-highest share of national live performance attendance, with 8 million people or 30.5 per cent of national live performance attendance. Victoria has built a strong reputation as an attractive global cultural destination and Melbourne is renowned for its status as the cultural capital of Australia. However, the impacts of COVID-19 on our industry have been significant, and they are outlined in our submission.

Key areas of concern for our industry due to the impacts of COVID are lost revenue and job losses; poor mental health outcomes; significant restructure and resizing of the industry last year and going into 2021; managing risk in a COVID-normal world; financing and investment issues, particularly as we begin our recovery; and consumer sentiment. The flow-on impact of a decimated live performance industry last year is being felt across many other industries that depend on our content to generate business activity, most obviously the hospitality, tourism, accommodation and transport sectors.

In Victoria the ramifications of an industry shutdown were exacerbated by an extended state lockdown, where live performances only recommenced in a very limited capacity in November of last year. But we are coming

back. Our theatre sector is now at 100 per cent capacity across the country. This is very recent in Victoria, but it is a very welcome development. It is a target that we set in the middle of last year—to get all of our theatre back at 100 per cent capacity—and we have now achieved that. However, we do have some other challenges with other parts of our industry. Right now our challenge is in reactivating. There are still issues around venue density and format restrictions—and I will come back to those; interstate and international border restrictions; and business interruption and lack of insurance in the event of future shutdowns and lockdowns.

In our submission to this committee we outlined eight recommendations. We acknowledge the Victorian government's targeted investment in its creative industries throughout the COVID-19 pandemic. However, Victoria stands to lose its mantle as the cultural leader of Australia, and it will need to take significant steps and have a bold vision for short, medium and longer term recovery from COVID-19. Our submission put forward eight recommendations for targeted strategic focus and investment to support the industry and help it rebuild the tourism and events sectors and restore lost jobs.

I just wanted to touch on four of those recommendations which are still relevant in the context of this committee hearing today. Firstly, we recommended establishment of a live entertainment business interruption fund. This is critical, and it is required now. It is not possible for the industry to get access to business interruption insurance. That is a global issue. It is a significant market failure right now, and there is a very important and real role that governments can play in establishing that kind of fund.

Also in the Victorian context with respect to venue density restrictions, I have mentioned that we have moved to 100 per cent in all of our theatre indoor, which is very welcome. We would like to see a move to 100 per cent capacity for large ticketed and seated gatherings in alignment with the advice adopted by the national cabinet on 9 April. We would like to see removal of the 1000-patron cap, and we would like to see an alignment of audience capacity at live entertainment venues with attendance at sporting events that enables the live performance industry to test and trial its COVID-19 protocols which we have rolled out nationally.

We would also like to see government establish essential worker status with exemptions for touring parties that allow for local and international live entertainment workers to enter and work in Victoria, and we would like government to work with us and our event organisers to develop an acceptable quarantine and travel protocol framework for inbound international talent and travelling partners that enables entry and movement of tours. This is particularly the case for our live music sector, which is gearing up for full reactivation in Q4 of this year, with our summer touring season.

There were some other recommendations outlined in our submission, which the committee has in front of them, and some of them are addressed in the recently announced funding package from the government. We would like to acknowledge the \$167.3 million creative state funding package that has been announced but has yet to be confirmed in the forthcoming budget. This is a welcome investment, but obviously we need to see the detail with respect to full coverage and any of the potential gaps. We look forward to working with government on implementing that package across Victoria but also to working with them to address two critical issues in the short term for us right now, and that is establishment of a business interruption fund and also quarantine and travel protocols, particularly for incoming internationals. Thank you.

**The CHAIR:** Thank you, Ms Richardson, and thank you to Live Performance Australia for the advocacy you have done on behalf of the sector. I did have a look at your submission and it was quite comprehensive, so thank you for that. What I might do is hand over to Ms Lovell, then Mr Gepp, and then we will go around to the other committee members to each ask one question, please.

**Ms LOVELL:** Thank you. You have outlined a number of initiatives that could be implemented to assist the industry, and it is quite an extensive list. I was wondering if you prioritise for me, please, the immediate needs—the first couple of things that could be done by government to assist your industry right now.

**Ms RICHARDSON:** Establishing a business interruption fund would be the first priority.

**Ms LOVELL:** We are hearing that from a lot of people.

**Ms RICHARDSON:** In our industry the investments are very large investments, particularly for music promoters or if you are a large musical theatre show, and right now you cannot underwrite for any sort of business interruption. And you have seen since November last year across Australia every major show, every

arts festival and every theatre show has been shut down across the states since that time. That has come at an enormous financial cost to those producers. As we are looking to fully reactivate and move forward over the next particularly 12–18 months to two years, with the tail of COVID being pretty long, there is a market failure that we think government could address in establishing a fund that would support that.

**Ms LOVELL:** Okay. Victoria has been the hardest hit of all the states, and we had a new minister appointed on 29 September last year. Has he met with you to discuss the impact on the live performance industry, the new Minister for Creative Industries?

**Ms RICHARDSON:** Yes. We have met with the minister several times, and we continue to meet with him on a number of issues and priorities that the industry has.

**The CHAIR:** We will give other people an opportunity. There are eight committee members present today. As you can tell, we are all keen to hear from the sector. I will pass over to Mr Gepp, then we will have Mr Quilty, and then we can quickly go around.

**Mr GEPP:** Thanks, Chair, and thanks, Evelyn, for your attendance today and your submission. You identified one of the challenges as interstate and international travellers. Now, we know until the federal government lifts the international border closure your industry is going to be very reliant on domestic audiences to attend those events. I am just thinking, given that that is the situation, what was the reaction of the industry in Victoria when the federal government announced its half-price flights scheme but the only airport that was a part of that in Victoria was the Avalon Airport—there were no other airports in the state that qualified? Was there any feedback that you got from industry, and did you have any thoughts about what needs to happen with that scheme to assist your industry?

**Ms RICHARDSON:** Well, we are a national touring industry, so we take shows to all our capital cities and also regional areas. But clearly if we have got events of scale, like large-scale musicals or large concerts in Melbourne, for example, and some of that audience is coming from interstate, then you want them to be able to come from other parts of Australia to see those events. Certainly we put in a proposal in terms of ‘See it Live’ vouchers both for local Victorians to see more live entertainment but also to attract people from interstate. Certainly we think there is more room to facilitate that, particularly over the next 12 months, where we are going to be limited in terms of any internationals coming, particularly from the Asian region.

**The CHAIR:** Thank you. Mrs McArthur, would you like to go next?

**Mrs McARTHUR:** Go to the others.

**The CHAIR:** Okay. Mr Tarlamis.

**Mr TARLAMIS:** Thank you for your presentation today. I was just wanting to follow up: in your submission you mentioned that you had written to the federal Office for the Arts and Creative Victoria with regard to your proposal for a live entertainment business interruption fund. Have you had a response with regard to that or any follow-up or word back from them?

**Ms RICHARDSON:** We have had discussions with the federal government. In fact it is a subject that we discussed when we met with the Prime Minister and the Treasurer recently. Obviously this is something we put up as a proposal that could be a federal-state partnership, because obviously the risks are across the country. We have raised that and had discussions with the Victorian state government, and we are still looking to them to provide support and to establish a fund of the kind that we have proposed.

**Mr TARLAMIS:** And what was the feedback? Was it positive?

**Ms RICHARDSON:** I think the government certainly understands the challenges that we face, and I think those discussions have been positive. But, I mean, clearly until the ink is dry on the paper and we see an announcement, we are still advocating that this be established and announced sooner rather than later, I would say now. The reason I say that is that even with something as recent as the cancellation of Bluesfest in New South Wales, which was a global story—which really impacts on all the other states, where Australia is increasingly being seen as a risky place to do business—anything that provides a framework that mitigates that risk is going to make it easier, particularly for incoming investment.

**Mr TARLAMIS:** Thank you.

**The CHAIR:** I have got Mr Quilty, then Mr Davis.

**Mr QUILTY:** I have not got a question.

**The CHAIR:** Mr Davis, over to you.

**Mr DAVIS:** I have got a couple of questions. The first one relates to the idea of a business interruption fund. I understand in a sense what you are talking about is some sort of semi-insurance-type arrangement so that the risk of booking ahead can be defrayed. I think that is what you are in effect saying, isn't it?

**Ms RICHARDSON:** Yes. If you are putting an event or a major event on in Victoria, but at any given point in time your event could be interrupted or shut down, you cannot insure for that. So we have seen all around the country, as I said before, festivals, fair events and so on that have been shut down in that way at significant cost. The industry, as it is coming back, has responded and managed those closures, but it cannot keep doing that in the long term. I mean, it has been important for us to get our events back on stage and touring, particularly to build consumer confidence and to test our COVID protocols, but you cannot be operating in a situation financially—

**Mr DAVIS:** So one way forward would be for the state government to use the Victorian Managed Insurance Authority, the state's own insurer, to underwrite, perhaps with a budget allocation, some of those risks so that in effect insurance could be taken out with state government underwriting that. Would you support that approach if the state government came forward with that approach?

**Ms RICHARDSON:** We would need to look at the detail, but yes, anything that provided access to underwriting for events would be welcome.

**Mr DAVIS:** The second thing I wanted to ask you is just about the different arrangements—

**Mr GEPP:** On a point of order, Chair—

**The CHAIR:** Mr Davis, that is a third question, but we will come back to it. We should have time hopefully.

**Mr DAVIS:** Okay.

**The CHAIR:** Mr Barton.

**Mr BARTON:** Thank you, Chair. You mentioned before some e-tickets to support the industry. How would you like to see it operate, and how would it affect obviously metropolitan Melbourne and rural and regional Victoria? How would you like to see that if that could happen?

**Ms RICHARDSON:** Other states have implemented these kinds of schemes, which seem to have been very successful in Tasmania and New South Wales and so on. I think there are various ways government could set it up. I mean, performance companies could register for that kind of scheme and then consumers could get access to it, whether it is a voucher or some kind of discounting, so that it encourages them to see theatre shows and to engage with live entertainment events that might be being put on here but also across the state. I mean, there are a lot of regional areas that have got live entertainment events.

**Mr BARTON:** Thank you, Evelyn.

**The CHAIR:** Mrs McArthur.

**Mrs McARTHUR:** Thank you, Chair. Surely we just need to learn to live with this virus. Surely we just need to end this country being divided into a series of fiefdoms run by premiers who often appear drunk with power. And surely, if we have got an expert quarantine system and good contact tracing and other protocols that may be necessary to put in place, like distancing or whatever, we have just got to get on with life so that you can run your enterprises and every other business can get up and going and we can have people moving about more freely and even people coming in from overseas. Isn't that the solution?

**Ms RICHARDSON:** Well, we would certainly like to see continued lifting of restrictions, both in Victoria and across the country. I mean, obviously with respect to international borders we are already bringing in internationals. We have been doing that since June last year. We have brought a lot of creatives in for musical theatre and so on. But we would like to see some of the protocols and the framework for that changed. We are now in a situation where we have got international artists wanting to come in, whether it is for a festival or a concert or whatever, and they are vaccinated, so they are asking the question, 'We're vaccinated. Why is there a 14-day quarantine period? Can we look at a lesser quarantine period?'. So we think there are some areas around there that we want to work with the Victorian government, obviously the other state governments and the federal government on.

I guess, from an industry point a view, we are an industry that has been disproportionately impacted by COVID. We are not fully operational, so all of the levers that government can use to expedite the opening up of the economy and those borders are really important to us. So we would say: the vaccine program, we would like to see that obviously expedited, quickly, both within Victoria but right across the country, given that we are a national touring industry. So to your question: I think the kinds of things we have outlined in our submission are the things that we believe we can present our events in a safe way and keep the public safe with respect to transmission of COVID, but we do think that there are areas where government could expedite that.

**Mrs McARTHUR:** Thank you.

**The CHAIR:** Thank you. I notice that Mr Barton and Mr Davis have an additional question—one each, strictly. Mr Barton.

**Mr BARTON:** Thank you, Chair. Evelyn, are you finding any pushback from the public about going to the events because they are concerned about COVID? I say this in the context that I went to a big event last Sunday, and I was a little surprised by the amount of people wearing masks and people behaving really well—cleaning their hands and all those sorts of things. Are people a little bit scared to go to a theatre? Are you getting any feedback along those lines?

**Ms RICHARDSON:** It is changing and evolving as restrictions lift and as people feel more comfortable in those settings. I think across the country nationally consumers are coming back to live entertainment. I mean, they have been really, really keen, and we have been really gratified to see just how quickly consumers have come back. Obviously, though, every time there is a snap lockdown or a reimposition of restrictions, that does knock consumer confidence, and you see that in ticket sales, which stop for two or three weeks, and then people slowly become more confident. Obviously in Victoria we had a much longer extended lockdown and we had restrictions in place for much longer, but we are seeing in terms of consumer behaviour people more relaxed and much more confident in terms of coming back to shows.

**The CHAIR:** Thank you. Mr Davis.

**Mr DAVIS:** Evelyn, I thank you for your presentation; it has been very informative. I am just interested in the issue that, as you have alluded to, we have had a much longer lockdown in Victoria but also the actual rules through that period were more restrictive—the access to venues, the numbers and so forth. Did you ever get an explanation as to why in Victoria we had these more sharp restrictions than in New South Wales or Queensland?

**Ms RICHARDSON:** Well, do you mean after the lockdown?

**Mr DAVIS:** Well, even now we still have more sharp restrictions in terms of venue numbers and so forth than in the other states.

**Ms RICHARDSON:** I think there has just been a hesitancy within government because of that extended lockdown, so obviously a concern about having a stepped reactivation, if you like. And I guess the explanation has been a concern to ensure and mitigate that there would be no further outbreak or a third wave.

**Mr DAVIS:** But it is the same bug; it is the same thing.

**Mr GEPP:** So we are now up to question 3 of one question, Chair.

**The CHAIR:** I think, Mr Davis, you have had a fair amount of questions, and there are eight committee members—all eager—present. On that point, I might just ask the final question, if that is okay. You mentioned the importance of the vaccine rollout, and that is what we heard from some of the previous witnesses earlier today. Would you say that for the live performance sector the key really from this point forward is the vaccine rollout and safe quarantine hubs being provided so that your acts can travel across jurisdictions and internationally if needed? Would you say that they are probably the two key factors for the sector going forward?

**Ms RICHARDSON:** In the short to medium term they are certainly the top two, yes.

**The CHAIR:** Okay. Thank you for that. On that point, I realise that we are on time. I will allow Mr Davis a final question if it is a very short one. Mr Davis.

**Mr DAVIS:** So with respect to those tougher rules in Victoria, were you ever provided access to any medical or health justification as to why we have had those tougher rules here than in New South Wales or Queensland, the equivalent states in a sense?

**Ms RICHARDSON:** We have not been provided with any direct medical advice, no.

**Mr DAVIS:** Thank you.

**The CHAIR:** Thank you. On that point, on behalf of the committee I wish to thank you and your organisation, Live Performance Australia, for the submission and your contribution today. It has been very helpful to the committee, and in our deliberations they will be considered carefully. On that point the committee will now go to a lunch break for 1 hour. Thank you.

**Ms RICHARDSON:** Thank you.

**Witness withdrew.**