



Australian Hotels Association (AHA) & Tourism Accommodation Australia (TAA)

Proposal for Recovery and Stimulus from COVID-19

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Contact:

Stephen Ferguson
AHA National CEO
ceo@aha.org.au

Michael Johnson
TAA National CEO
michael@tourismaccommodation.com.au

PO Box 4286
MANUKA ACT 2603
02 6273 4007

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1 EXECUTIVE SUMMARY

The AHA and TAA represent more than 5,000 businesses that employ more than 250,000 people. On 23 March 2020, Australia's pubs, and accommodation hotels were amongst the first to act when the COVID-19 crisis hit, effectively shutting down to help save lives. Unfortunately, the "bridge to recovery" for hotels and their staff will be slower and take longer than many other sectors. A range of proposals are summarised below, aimed to stimulate the hotel sector and assist in its recovery.

Propose a co-ordinated regulatory approach between government, the banks and business to protect against adverse and unnecessary lending practices, forced sales or evictions from otherwise viable businesses.

Hotels are concerned at the underlying problems of their premises falling below Loan to Value Ratios (LVR) and Interest Coverage Rate (ICR) Covenants. We acknowledge the willingness of the Australian Bankers Association to work with the AHA on these matters already, but request government input moving forward.

Propose a three month extension for hotels of the Boosting Cash Flow for Employers scheme in Q2 of FY21.

The Cash Boost scheme was available to all businesses with aggregated turnover under \$50 million, whether they were affected by the COVID-19 crisis or not. The impact so far on the hotel sector has been far greater than on many other areas. Hotels were "first in and last out" and still face continued hotel patron capacity restrictions, likely downturn in consumer discretionary spend, deferrals of lease and interest payments and significant re-opening costs.

Propose that JobKeeper be extended for all hotel businesses until at least 31 December.

Extending JobKeeper for the more harshly affected sectors such as hotels has the following benefits:

- Low marginal or real cost (\$208 per fortnight per employee)
- Maintaining the employer and employee relationship
- Ensuring better mental health outcomes by keeping people out of Centrelink queues
- Avoiding increased variable costs of Centrelink in handling additional load
- Providing financial relief to businesses with ongoing needs as a result of forced shut down

Propose that business taxpayers be allowed to claim a tax deduction and GST inputs together with the suspension of fringe benefits tax (FBT) on entertainment expenses for all businesses and employees for three years.

Suspending FBT would benefit businesses and employees, e.g. tradies, builders, hairdressers. For example, it would allow an employer to shout a good staff member a steak or a weekend away. This is about creating jobs in the hospitality and accommodation sector, and stopping yet more businesses going to the wall.

Propose that so as to ease the cost of living financial pressures on consumers, the twice yearly CPI excise increase on beer and bottled spirits be frozen for at least three years.

Every February and August, Australian consumers are hit with a CPI tax increase on the price of a beer or spirit. Liquor excise has been going up every six months for the last 35 years – in fact, February 2020 marked the 71st consecutive increase. By way of example we note 42% of the retail price on a carton of beer is tax, and 57% of the retail price on a bottle of whisky or gin is tax.

2 INTRODUCTION

This submission sets out some options for consideration in stimulating the hotel sector to assist in its recovery. The AHA and TAA propose these initiatives in good faith. We understand the modelling is simple, but believe our logic is sound. We appreciate each of these issues will have to be worked through by Treasury and the ATO. We look forward to engaging with the Government on the initiatives above as a means of aiding the recovery and stimulus of Australia's hotel industry.

2.1 Schemes appreciated

The AHA and TAA wish to thank the Federal Government for the numerous schemes put in place to protect Australian jobs and businesses during this crisis; JobKeeper, Cash Boost, SME Guarantee Scheme, RBA \$90 billion fund etc. These schemes have gone a long way to helping employers, employees and the broader community navigate through this crisis. We applaud the early and speedy initiative of the Federal Government, working with the Opposition, states and territories.

2.2 Where are we at?

The situation is dire. Some anecdotal observations are set out below:

- In the accommodation sector, there are no events, conferences or international visitors to underpin room bookings. Accommodation hotels are relying on domestic visitors, but are concerned that now business has found new ways of operating, overnight business travel will decline. There is nationally a forecast decline to only 30%-40% occupancy by year end.
- The Northern Territory (NT) opened hotels for dining with a two hour time limit last Friday, 15 May. The Friday trade was full, but Saturday and Sunday were down by about 75% on last year. Due to border closures, there are no domestic or international tourists, in this peak "dry" time of the year. Many venues advise they will stay closed during the week and only open on weekends.
- In Queensland on 16 May, restrictions were eased to allow ten people to dine in a hotel, only 25 of the 325 hotels in South East Queensland opened. Border closures remain a significant impediment especially in the accommodation sector.
- The inconsistent treatment of hotels compared to other sectors such as cafés, restaurants, shopping centres and airlines is illogical and no scientific evidence based has been tabled to prove why hotels should be treated differently.

2.3 Some numbers

Est. amount of JobKeeper being funded by AHA Members	\$2,925,000,000
Est. amount of interest paid or foregone by AHA members to fund JobKeeper	\$6,750,000
Est. "Debt cliff" sunk costs per month during shut down for a "typical" pub	\$35,150
Est. Debt of annual leave obligations by AHA members whilst shut down	\$41,225,000
Est. lost sales revenue from opened beer kegs due to compulsory shutdown	\$66,000,000

2.4 Methodology

Australian hotels vary in size from a one person-operated bush pub in the Simpson Desert, to a five-star accommodation hotel in a major CBD providing 300 jobs. So as to simplify discussion, modelling of scenarios has been based on relatively typical hotels. Obviously, the inputs and scale will change dependent on individual circumstances and changing restriction levels. The AHA and TAA are satisfied the issues it raises are real, but understand different numerical inputs, points of the recovery trajectory, trading restrictions, or other assumptions may result in different conclusions.

3 THE AHA AND TAA

Hoteliers were proud to put the health of staff, patrons and the community first and accept being shut down to help save lives. However, this closure has caused significant financial distress to the industry – with the vast majority of staff stood town. In many areas, a slow recovery is expected.

3.1 Who we are

The Australian Hotels Association (AHA) is an association of employers registered under the Fair Work (Registered Organisations) Act. The AHA is the peak body for the pub, bar, tavern and accommodation hotel and resorts sector. Tourism Accommodation Australia (TAA) is a division of the AHA and is the peak body representing the interests of the accommodation hotel industry.

AHA and TAA members are serviced by branches in each state and territory. The AHA and TAA play a key role in areas such as workplace relations, tourism, hospitality, health, and safety. Australian hotels provide safe, regulated and responsible places where people can meet, socialise, eat, drink, play and sleep. Hotels are the hearts of their communities - Australia can't afford for its hotel sector to be left behind.

3.2 Size and scope

The size and scope of the AHA and TAA includes:

- 5,000 businesses ranging from country pubs to five-star accommodation hotels and resorts
- 250,000 direct jobs
- 138,000 hotel accommodation rooms
- \$12 billion in economic benefit
- 65% of pubs are family-owned
- 50,000 community groups
- 4.1 million meals served per week
- 6,330 live entertainment performances (either music, DJ performances or comedy)
- 5,700 apprenticeships

3.3 The AHA and TAA supply chain

Pubs and accommodation hotels support a massive supply chain:

- A key sector in the one million jobs underpinning the broader hospitality and tourism supply chain (see **attached** ABS figures re hospitality and tourism jobs per electorate)
- Brewers, distillers, and food services such as butchers, bakers, fruiterers, small goods, coffee
- The live music and recorded music industries
- Trades people and skilled services such as plumbers, refrigeration mechanics, electricians, carpenters, builders, architects, engineers
- Community support, e.g. schools, sporting teams, cultural events, charities
- Technology companies, logistics providers
- Electricity, water and utility companies
- Services such as accounting, legal and business advice
- A major funding source for sport, e.g. NRL, AFL and horse racing
- Furniture, manchester, whitegoods and kitchen suppliers
- Contribute to GST, company tax, income tax, payroll tax, land tax, council rates

4 PLANS FOR A SAFE RE-OPENING

4.1 COVID tracing App

The AHA and TAA and their corporate partners have under taken meaningful actions to encourage take up of the COVID tracing app, e.g.

- AHA and TAA – media interviews, member and staff advice
- Tabcorp - running promotions on Sky Racing
- Coca Cola Amatil – running promotions with their clients
- Lion Beer Australia – promoting the app via their iconic beer brands
- Carlton and United Breweries – promoting the app via their corporate brands
- Foxtel – promoting the app on footy shows, etc
- OneMusic – promoting the app via musicians and popular culture

For example, Tabcorp has been encouraging its customers to download the CovidSAFE App via prominent banner advertising in its TAB App. They have signage ready for display in hotels once venues re-open. Tabcorp has also supported crucial government messaging via their television and radio platforms (i.e. SKY Racing and SKY Sports Radio) with more than \$500,000 worth of free advertising.

4.2 CovidSAFE plans

The AHA and TAA have prepared their members to open the doors again in the safest possible manner and have developed a CovidSAFE plan to ensure the health and safety of staff, patrons and the community which:

- reinforces and implements achievable public safety measures to reduce the risk of a COVID-19 outbreak in a hospitality setting, and
- will be adopted by each of our member venues, and
- includes mandatory training for all staff.

Importantly, the plan (**attached**) is based on the recommendations of Safe Work Australia. It has also been reviewed by the Australian College for Infection Prevention and Control and all its recommendations have been adopted.

The approximate timeline of COVID-19 restrictions for hotels as per the Commonwealth, states and territories is **attached**.

5 CO-ORDINATED APPROACH WITH THE BANKS

AHA and TAA propose a co-ordinated regulatory approach between government, the banks and business to protect against adverse and unnecessary lending practices, forced sales or evictions from otherwise viable businesses.

The AHA acknowledges the willingness of the Australian Bankers Association, in particular Anna Bligh, to discuss any matters with the AHA and TAA. With the assistance of the National Cabinet, short term measures are in place, but it is the longer term behaviour of the banks that is a concern. Above anything else, it is the behaviour of the banks that will determine how businesses emerge from this crisis.

5.1 LVR and ICR covenants and the banks

The operation of a hotel takes place under many forms, e.g. freehold ownership – often with a mortgage, leasehold – tenant/landlord arrangement with rent being paid.

The AHA and TAA request assistance with the banks to protect against forced sales or evictions from otherwise viable businesses. Despite access of eligible businesses to the “SME Commercial Leasing Principles” below, hotels are concerned by the underlying problems of their premises falling below Loan to Value Ratios (LVR) and Interest Coverage Rate (ICR) Covenants.

There is a concern banks may use this closure period as part of a “12 month sample of business activity and performance” to create, or enforce, certain unreasonable obligations against the business, based on a sample of what is not a true reflection of the trading patterns and underlying value of the business.

5.2 LVR Case study

The table below is of a “typical pub” comparing normal trading conditions to reduced trading at 75% and 50%. We have annualised the figures to come to an operational profit figure.

- Under normal trading conditions the hotel would have a profit of \$526K. Based on a capitalisation rate of 12%, the hotel would be worth \$4.39M and a loan of 55% of the value being \$2.41M, so it ticks all the boxes with the bank.
- Under a 50% operational capacity the business result drops to a loss of \$267K, with a bank loan of \$2.41M, and may trigger breach of covenants, etc. Sustained losses could decimate hotels and in some circumstances a hotel could have no value.

	Fully Operational	75% Operational	50% Operational
Annualised Profit	\$ 526,777	\$ 129,627	-\$ 267,523
Hotel Valuation	\$ 4,389,808	\$ 1,080,225	\$ -
Loan Value	\$ 2,414,395	\$ 2,414,395	\$ 2,414,395
Loan to Value Ratio %	55%	224%	0%

5.3 Loan delays

A number of our members are still frustrated by banks treating applications for the 50% government guaranteed cash flow loan as a traditional loan application and requiring applicants to “jump through hoops”. For example some urgent loan applications were made in late March and have not been processed. We request banks be asked again to streamline their processes in this regard.

6 FINANCIAL RECOVERY AND STIMULUS PACKAGE

AHA and TAA propose hotels be given a three month extension of the Boosting Cash Flow for Employers scheme in Q2 of FY21.

The AHA and TAA acknowledge there has been a major impact to government budgets, and we appreciate the assistance – but equally there has been major impact on the budgets of many small, medium and large businesses, particularly those forced to shut down, such as hotels. Even whilst shut down, the costs and debts for hotels continue to accumulate daily.

The financial pain is far from over and more support is likely to be required. Our members are also struggling with uncertainty as to when and how they can commence trading and the “debt cliff”.

6.1 Boosting Cash Flow for Employers Scheme

The Government established the “Boosting Cash Flow for Employers Scheme” to support businesses to manage cash flow challenges, help businesses retain their employees, and boost business confidence. The key provision is that they are a small-to-medium businesses with aggregated annual turnover under \$50 million.

This means the scheme is available to all businesses whether they were massively impacted (e.g. hotels), somewhat impacted or not impacted at all. In essence, the scheme provides two cash boosts of \$50,000 each – the first in Q4 of FY20, and the second in Q1 of FY21. The impact so far on the hotel sector has been far greater than most other sectors. Hotels were “first in and will be last out” with the National Cabinet and state imposed shut-downs. The road back out for hotels is expected to be far greater than for many other sectors. This includes:

- the likelihood of continued hotel patron capacity restrictions
- likely downturn in consumer discretionary spend
- less availability of JobKeeper as a wage subsidy
- significant re-opening costs
- continuing domestic and international border closures

Therefore, the AHA and TAA request consideration be given to a three month extension of the Cash Flow Boost scheme for hotels in Q2 of FY21.

6.2 Uncertainty

Hoteliers desperately need certainty. There is great uncertainty as to when they can commence trading again and under what conditions. This uncertainty principally relates to the timing and duration of capacity restrictions. The various state and territory roadmaps provide differing degrees of uncertainty as to when hoteliers and their staff can expect to return to work. Under the Commonwealth roadmap pubs are only to be “considered” in step three - and then with severely limited capacity.

Many hoteliers have mortgaged their home to buy their business. They are walking towards a debt cliff with their home on the line. They are accruing average minimum costs of \$35,150 per month, e.g. rent/interest, insurance, electricity network charges, land tax, council rates etc. After four months that will be potentially \$140,000. Then they re-open with a range of restricted capacity and social distancing rules, causing decreased revenue, for who knows how long.

6.3 This is not hibernation – it’s a “debt cliff”

Overwhelmingly, the vast majority of hotels are shut down and have zero revenue; perhaps an owner might be on JobKeeper running the JobKeeper payroll. Some hotels are providing take-away meals, but this is primarily to keep kitchen staff engaged and they are fortunate if they break even. Sunk costs continue to accumulate each month the venue stays shut down. Many operators are facing uncertainty and the prospect of a “debt cliff”.

This “debt cliff” is obviously required to be repaid. Loans and losses won’t disappear once the doors re-open. The longer the closure or capacity limits remain in place, the more the “debt cliff” escalates. There is a real fear as to how long the banks will hold out before calling in loans, forcing sales and evictions.

The “debt cliff” for a typical hotel

Hoteliers are starting to ask; “How long can we hang in for?” Some won’t make it through. This “debt cliff” varies in size and for a typical pub is accruing at an estimated average rate of \$35,150 per month per business.

Item	Sunk costs per month whilst shut down	"Debt cliff" after 6 months
Insurance	\$7,000	\$42,000
Accountancy/Legal	\$1,500	\$9,000
Bank Charges	\$250	\$1,500
Phone and Internet	\$1,000	\$6,000
Motor Vehicle Repayments	\$1,000	\$6,000
Electricity Network Charges	\$3,000	\$18,000
Council Rates	\$2,500	\$15,000
Land Tax	\$2,400	\$14,400
Building Security	\$1,000	\$6,000
Interest on borrowings for JobKeeper/sunk costs	\$500	\$3,000
Rent/Interest on hotel borrowings	\$10,000	\$60,000
Repairs and Maintenance	\$1,000	\$6,000
Management Expenses	\$2,000	\$12,000
Hire of Equipment	\$1,000	\$6,000
Sundry	\$1,000	\$6,000
Total	\$35,150	\$210,900

Further to the above, even though the majority of businesses are shut down, some members are also incurring continuing wage costs and superannuation which are not fully subsidised by the JobKeeper scheme. Needless to say, the sunk costs for accommodation hotels or large scale entertainment facilities will far exceed the sunk costs for a typical pub above.

Additional fixed costs when re-opening

As mentioned briefly above, as well as the sunk costs, once re-opened another range of relatively fixed costs will accumulate. These fixed costs are unrelated to patronage or sales and include:

Item (per month)	Additional Fixed Costs when re-open
Electricity usage	\$2,500
Gas usage	\$1,250
Workers Compensation	\$1,000
Sports broadcast fees	\$3,750
Music Licencing & subscription	\$1,000
Advertising & Promotions	\$2,000
Cleaning	\$3,500
Total per month	\$15,000

The variable costs include the cost of goods (food and beverage), casual labour and payroll tax. Variable costs are easier to control as they are based on patronage and sales. But overwhelmingly, the sunk or fixed costs are the key factor.

6.4 Cash flow issues

JobKeeper

Whilst a hotel is shut down, there is a massive cash flow issue relating to JobKeeper as reimbursement of the scheme does not occur until two to six weeks of wages have been paid. For a business with 30 staff on JobKeeper, that requires borrowings (or cash if they have it) of \$90,000 per month before reimbursement in the next month (N.B. August has three pay runs so requires \$135,000).

JobKeeper payment per fortnight per employee	\$1,500
Number of staff on JobKeeper	\$30
Amount of JobKeeper per 1 st fortnight in the month	\$45,000
Amount of JobKeeper per 2 nd fortnight in the month	\$45,000
Total JobKeeper paid per month	\$90,000

Cash

On re-opening, venues will also need to have cash or liquidity ranging from \$50,000 to \$250,000. That cash has now been spent on the costs associated with being shut down. This cash will have to be found – meaning more borrowings for many.

Where members have not had the opportunity of trading in any capacity (i.e. no takeaway food or bottleshop sales during the closure) a re-stocking of supplies will be required as a significant component of stock on hand at the time of closure has been returned to suppliers or gone out of date. The cost of re-stocking could incur a further cost ranging to from \$50,000 to \$150,000. We estimate that most venues could require in total \$300,000 to \$500,000, just to open their doors.

Deferment not waiver

AHA and TAA members have been very fortunate that the vast majority of their corporate partners and suppliers have shown great understanding and empathy with the position hotels are in. This includes, brewers, distillers, broadcasters, entertainment, and music businesses. All of them have waived fees in their entirety while the venues are forced to shut down.

The AHA and TAA thank those governments, councils banks and landlords that have waived charges, instead of just deferring them. Unfortunately, this is not the case with all charges in this these trying times for business. Whilst deferrals are better than nothing, these deferred costs ultimately have to be paid at some later date.

The resulting reduced cash flow will in most cases not be sufficient to meet the above range of costs, expenses and deferred expenditure. There has been plenty of talk about “we are all in this together”, but it seems that some organisations are only “somewhat all in this together.”

6.5 Case studies

Typical suburban or country pub with a 4 month shutdown - then 4 months at 50% capacity

Month	April	May	June	July	Aug	Sep	Oct	Nov	Total
Operational %	0%	0%	0%	0%	50%	50%	50%	50%	
Trading revenue	-	-	-	-	\$97,500	\$97,500	\$97,500	\$97,500	\$390,000
Jobkeeper Supplement	-	\$45,000	\$45,000	\$45,000	\$67,500	\$45,000	\$45,000	-	\$292,500
Less: purchases	-	-	-	-	(\$25,892)	(\$25,892)	(\$25,892)	(\$25,892)	(\$103,567)
Gross Profit	\$0	\$45,000	\$45,000	\$45,000	\$139,108	\$116,608	\$116,608	\$71,608	\$578,933
Less: Expenses									
Sunk Costs	\$35,150	\$35,150	\$35,150	\$35,150	\$35,150	\$35,150	\$35,150	\$35,150	\$281,200
<u>Fixed/Variable Costs</u>									
Electricity	-	-	-	-	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
Gas	-	-	-	-	\$1,250	\$1,250	\$1,250	\$1,250	\$5,000
Workers Comp	-	-	-	-	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Sports Broadcast	-	-	-	-	\$3,000	\$3,000	\$3,000	\$3,000	\$12,000
Licencing	-	-	-	-	\$500	\$500	\$500	\$500	\$2,000
Advert & Promo	-	-	-	-	\$2,000	\$2,000	\$2,000	\$2,000	\$8,000
Cleaning	-	-	-	-	\$3,500	\$3,500	\$3,500	\$3,500	\$14,000
Gaming Tax	-	-	-	-	\$5,417	\$5,417	\$5,417	\$5,417	\$21,667
Superannuation	-	-	-	-	\$4,302	\$4,302	\$4,302	\$4,302	\$17,208
Wages	\$45,000	\$45,000	\$45,000	\$45,000	\$45,283	\$45,283	\$45,283	\$45,283	\$361,133
Total Expenses	\$80,150	\$80,150	\$80,150	\$80,150	\$103,902	\$103,902	\$103,902	\$103,902	\$736,208
Profit per Month	(\$80,150)	(\$35,150)	(\$35,150)	(\$35,150)	\$35,206	\$12,706	\$12,706	(\$32,294)	(\$157,274)
Cash Flow Boost 2	-	-	-	\$12,500	\$12,500	\$12,500	\$12,500	-	\$50,000
GST Payable	-	-	-	-	-	-	-	(\$7,872)	(\$7,872)
Loan - Principal Repayments	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$48,000)
Net Cashflow	(\$86,150)	(\$41,150)	(\$41,150)	(\$28,650)	\$41,706	\$19,206	\$19,206	(\$46,165)	(\$163,146)

Typical 600 room accommodation hotel with a 4 month shutdown - then 4 months varied capacity

Month	April	May	June	July	Aug	Sep	Oct	Nov	Total
Occupancy %	0%	0%	0%	0%	21%	28%	30%	37%	
Accommodation					\$1,163,400	\$1,551,200	\$1,661,335	\$2,047,584	\$6,423,519
Restaurant & Bar					\$195,454	\$260,605	\$279,108	\$343,999	\$1,079,167
Events/Functions					\$83,334	\$111,111	\$119,000	\$146,667	\$460,112
Other					\$16,250	\$21,667	\$23,205	\$28,600	\$89,722
Jobkeeper Supplement	\$0	\$1,800,000	\$900,000	\$900,000	\$1,350,000	\$900,000			\$5,850,000
Gross Revenue	\$0	\$1,800,000	\$900,000	\$900,000	\$2,808,438	\$2,844,583	\$2,082,649	\$2,566,850	\$13,902,520
Less Expenses									
Rooms Cost					\$372,288	\$496,384	\$531,627	\$655,227	\$2,055,526
F&B Costs					\$87,954	\$117,272	\$125,599	\$154,800	\$485,625
<u>Fixed/Variable Costs</u>									
Electricity	0	0	0	0	\$45,802	\$45,802	\$45,802	\$45,802	\$183,208
Gas	0	0	0	0	\$22,000	\$22,000	\$22,000	\$22,000	\$88,000
Workers Comp	0	0	0	0	\$3,817	\$3,817	\$3,817	\$3,817	\$15,268
Fox Sports	0	0	0	0	\$16,200	\$16,200	\$16,200	\$16,200	\$64,800
Licencing	0	0	0	0	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000
Advert & Promo	0	0	0	0	\$112,675	\$117,675	\$122,675	\$152,675	\$505,700
Cleaning	0	0	0	0	\$48,000	\$48,000	\$48,000	\$48,000	\$192,000
Maintenance	0	0	0	0	\$72,922	\$87,506	\$93,719	\$102,674	\$356,821
Superannuation	0	0	0	0	\$69,276	\$92,368	\$98,926	\$121,925	\$382,495
Wages	\$900,000	\$900,000	\$900,000	\$900,000	\$729,219	\$972,292	\$1,041,324	\$1,283,425	\$7,626,260
Total Expenses	\$900,000	\$900,000	\$900,000	\$900,000	\$1,581,653	\$2,020,816	\$2,151,189	\$2,608,045	\$11,961,703
Profit/(Loss) per month	-\$900,000	\$900,000	\$0	\$0	\$1,226,785	\$823,767	-\$68,541	-\$41,195	\$1,940,817
Loan Repayment to Bank	-\$721,875	-\$721,875	-\$721,875	-\$721,875	-\$721,875	-\$721,875	-\$721,875	-\$721,875	-\$5,775,000
Net Cash (Outflow) Inflow	-\$1,621,875	\$178,125	-\$721,875	-\$721,875	\$504,910	\$101,892	-\$790,416	-\$763,070	-\$3,834,183

7 JOBKEEPER

AHA and TAA propose that JobKeeper be extended for all hotel businesses until at least 31 December.

The Government introduced JobKeeper as a “wage subsidy scheme to support employees and businesses”. The measure was expected to cost \$130 billion across 2019-20 and 2020-21.

However, only 4.7 million of the estimated 6.0 million employees have taken up the scheme, meaning the JobKeeper program will have a surplus of about \$30 billion.

7.1 Benefits of extending JobKeeper

Extending JobKeeper for the more harshly affected sectors such as hotels has the following benefits:

- Relatively low marginal or real cost (\$208 per person per fortnight)
- Maintaining the employer and employee relationship
- Ensuring better mental health outcomes by keeping people out of Centrelink queues
- Avoiding increased variable costs of Centrelink in handling additional load
- Providing financial relief to businesses with ongoing needs as a result of forced shut down

7.2 The marginal or real cost of extending JobKeeper

There is discussion within government as to whether JobKeeper should be extended, or even cut short. In making such determinations, it is important to examine the real financial cost of keeping people in JobKeeper versus sending them to JobSeeker.

That is not to mention the mental and dignity welfare problems of forcing people to Centrelink, or the variable cost to government, or in fact the capacity of Centrelink to handle the additional load.

It is unlikely hotel businesses will be back to their usual trade by the end of September, thus placing immense pressure on hotels to retain staff. A three month extension of JobKeeper would assist retaining as many jobs as possible.

If JobKeeper is not extended, many workers will be diverted from JobKeeper to JobSeeker as it will be impossible for employers to afford to retain them. The real cost of extending JobKeeper is set out below.

	JobKeeper	JobSeeker	Marginal or real cost
Gross payment	\$1,500	\$1,100	\$400
Income Tax	\$192	-	
Net Amount	\$1,308	\$1,100	\$208

So, the real cost for a person being able to keep their job in JobKeeper, versus losing their job and being forced to Centrelink and JobSeeker, is \$208 per fortnight.

If the Government grants a three month extension of JobKeeper till December, that equates to an additional cost to government of \$1,456 per person (7 pay periods x \$208).

7.3 Two speed scheme

JobKeeper is a “two speed” scheme with two types of employer participating:

- A. A business open and trading that has the direct financial benefit of the wage subsidy, or
- B. A business shut down (e.g. a hotel) that has been operating with no wage subsidy benefit, i.e. a “virtual Centrelink”.

Most AHA and TAA members are in the second category “B”. Hotels are either fully shut down or trading at a severely limited capacity, they are acting as a “virtual Centrelink” on behalf of the Government. They do not receive any substantial benefit from the scheme in comparison to sectors where trading restrictions are less onerous.

Period 30 Mar - 27 Sep	Business A (e.g. wholesaler)	Business B (e.g. hotel)
Trading period	6 Months (Apr-Sep)	2 months (Aug-Sep)
Fall in turnover during whole period*	30%	67%
Number of employees	30	30
Total JobKeeper payments paid to employees	\$ 585,000	\$ 585,000
Total JobKeeper payments retained as wage subsidy	\$ 585,000	\$ 195,000
% of JobKeeper retained as a wage subsidy	100%	33%
% of JobKeeper paid as "virtual Centrelink"	0%	67%
*Business B shut down 4 months, then 2 months trading		

In the example above:

- “Business A” retained 100% of JobKeeper as a wage subsidy to support its business, yet
- “Business B” retained only 33% of JobKeeper to support its business, paying out the other 77% as “virtual Centrelink”.

7.4 AHA member financial support for JobKeeper

The AHA and TAA estimate their members will have paid out \$2.9 billion in JobKeeper payments in the JobKeeper period of 30 March to 27 September.

Est. 60% of AHA Member employees engaged in JobKeeper	150,000
Amount of JobKeeper payment per fortnight	1,500
Number of JobKeeper payment fortnights	13
Est. Total JobKeeper payments by AHA members	2,925,000,000

7.5 Cost of paying (or forgoing) interest to pay JobKeeper

The rules of JobKeeper provide the JobKeeper payment is paid to employers in arrears, in the month after the payment was made. The Government intended this as an integrity measure to ensure the JobKeeper payment is passed onto employees. Due to the reimbursement of JobKeeper being monthly in arrears, businesses either have to:

- borrow from a bank or lender (and pay interest on the borrowings)
- use their own cash (and forgo interest earned)

For example, a hotel with 30 employees has had to pay \$45,000 per fortnight in JobKeeper, a total of \$90,000 for the month. The business then has to wait for reimbursement sometime in the next month, to repay their borrowings or replenish their cash, then do it all over again.

Hotels have had to either forgo interest on their own cash or pay bank interest if they borrowed (most borrowed as not many had \$90,000 in liquid assets). The cost of interest paid or interest foregone to service JobKeeper by AHA members is estimated at \$6,750,000.

Item	Amount
Estimated total AHA Member employees	250,000
Estimated take up rate	60%
Estimated total take up of JobKeeper by AHA employees	150,000
JobKeeper payment per fortnight	\$ 1,500
Number of payruns per month	2
JobKeeper payments per fortnight by AHA members	\$ 450,000,000
Annual interest rate	3.0%
Interest paid per month	1,125,000
Interest paid/foregone by AHA members for 6 months to fund JobKeeper	\$ 6,750,000

7.6 Accrual of annual leave

The accrual of annual leave entitlements is a further example of this crisis not being “hibernation”. An ongoing sunk cost during the shutdown for those employers passing on JobKeeper as a virtual Centrelink and not retaining JobKeeper as a wage subsidy. For a hotel which has been shut down for four months with no work performed, that employer will accrue a liability for annual leave per staff member of 6.66 days, whilst no work has been done.

When back in business, and after adding in a leave loading of 17.5% and Superannuation Guarantee Levy (SGL) of 9.5%, this is a total obligation of \$1,649 per employee stood down. This obligation will be all incurred whilst no work was done and zero revenue was earned by the business to provide for the obligation.

The scale of this issue is set out below. The AHA estimates a total AHA and TAA member accrual of annual leave liability during four months of no work done is \$41,225,000 as set out below.

Annual leave obligation for employer including Leave Loading (17.5%) & SGL (9.5%)	\$ 1,649
Est. number of FTE AHA member employees accruing annual leave whilst not working with a leave balance below ten days and thus not obligated to take leave if requested	25,000
Est. Total Annual Leave obligation for all AHA members engaged in JobKeeper	\$ 41,225,000

For those businesses which have been able to “keep their doors open” and use JobKeeper as a wage subsidy not to stand down staff, they are in a far better position to meet their annual leave obligations than other hotels.

The AHA and TAA recognise recent amendments to the Fair Work Act allow an employer to request an employee to take annual leave. However the rules regarding an employee’s right to maintain a residual balance of ten days leave, makes it difficult to use JobKeeper as a means of offsetting the accrued liability.

8 BUSINESS ENTERTAINMENT EXPENSES

With businesses experiencing substantial downturn in sales, venues closing, unemployment modelled above six percent for years to come and consumers' ability and/or willingness to spend curtailed, everything possible must be done to enable recovery through consumer activity. If this proposal is accepted it would:

- Stimulate the hospitality, accommodation and tourism sector and assist in its recovery
- Protect existing jobs and create new jobs
- Increase profits and taxable incomes thereby increasing tax revenue

We accept these proposals could potentially be subject to misuse by taxpayers and we fully support any anti-avoidance measures to protect the integrity of any amendment.

8.1 Entertainment expenditure tax deduction

The AHA and TAA request business taxpayers be allowed to claim a tax deduction and GST inputs on meal and beverage entertainment for three years.

The AHA and TAA propose the Federal Government consider for a period of three years that all entertainment expenses be permitted as an allowable deduction to taxpayers who carry on business, together with allowing a credit for the related GST and not requiring any FBT for the business owner or their employees.

8.2 Fringe Benefits Tax (FBT)

The AHA and TAA request the suspension of fringe benefits tax (FBT) on meal and beverage entertainment and accommodation expenses for three years.

The AHA and TAA propose the Fringe Benefits Tax (FBT) on entertainment expenses (e.g. meal, beverages, accommodation) for all businesses and employees be suspended for the next three years. This initiative would benefit businesses and employees, e.g. tradies, builders, hairdressers. For example, it would allow an employer to shout a good staff member a meal or a weekend away. This is about jobs and stopping more businesses going to the wall.

This initiative will encourage businesses to reward their staff in the hospitality, accommodation and tourism sector, which needs it most. At the same time they would be supporting the retention of over 1,000,000 local jobs. This would be a win for employers and employees - at relatively little cost to the Government.

Arguments against the removal of FBT, have often been based on the "equity principle". Unfortunately, the equity principle of FBT has been circumvented largely by those who it was intended to capture. Many large scale firms provide in house benefits that would otherwise attract FBT, e.g. childcare, gymnasiums, and board room lunches. This circumvention gives those firms with the scale to avoid FBT an unfair advantage over smaller to medium enterprises. This proposal would put small to medium businesses on the same FBT footing that these larger businesses have successfully enjoyed.

9 LIQUOR EXCISE

So as to ease the cost of living financial pressures on consumers, AHA and TAA propose the twice yearly CPI excise increase on beer and bottled spirits be frozen for at least three years.

9.1 71st consecutive excise increase and 4th highest excise in the world

Excise is a hidden tax. Most Australians would not know that:

- Every February and August, consumers are imposed with a CPI tax increase on the price of a beer or spirit, and
- Liquor excise has been going up every six months for the last 35 years – in fact, February 2020 marked the 71st consecutive increase, and
- Australians are now paying the fourth highest liquor taxes in the world.

Most Australians would also not know that:

- 42% of the retail price on a carton of beer is tax
- 57% of the retail price on a bottle of whisky or gin is tax

9.2 Freeze the six monthly increase for the first time in 37 years

Freezing the six monthly increase could be given immediate effect by way of the *Excise Tariff Proposal* process. This proposal is consistent with the Government's fiscal stimulus aims to reboot economic recovery in Australia and ease cost of living pressures. Consumers would benefit by not paying more tax. The freeze would also provide support to local craft brewers and distillers, many of whom are providing jobs in regional and remote locations. At a time when consumers are returning to pubs, clubs, restaurants and cafes, they should not face new hidden tax increases.

10 MATTERS FOR NATIONAL CABINET

It is understood the issues below may be outside the control of the Commonwealth, but they are raised as matters that might be addressed within the National Cabinet so a uniform and beneficial treatment might be achieved. The AHA and TAA believe as hotels were forced to shut down for reasons not of their doing and outside their control, that the charging of commercial fees, rates and taxes is inequitable in the circumstances.

10.1 Land Tax

For those states and territories which have not already done so, that the National Cabinet endorse a 25% reduction of land tax for all hotel freehold properties in FY20.

Land tax is charged by the states and charged on the value of the freehold land owned. The revenue raised is used to provide services and infrastructure. Land tax is assessed annually on the taxable value of the freehold land. It is more than arguable the value of freehold land decreased for the period of shutdown and also that services were not utilised.

10.2 Council Rates

For those councils which have not already done so, the National Cabinet endorse a 25% reduction of council fees for FY20.

Councils collect rates to provide services and infrastructure. The AHA and TAA seek relief on the basis that in the period that hotels have been forced to shut down, they have significantly reduced the volume of council services they use.

10.3 Network and demand charges of electricity bills

Where energy companies have not already done so, “electricity infrastructure charges” be waived for the period April to June 2020.

Approximately 50% of hotels’ electricity costs relate to “infrastructure” or “network” charges, i.e. “the poles and wires”. Whilst some energy companies have offered relief during the COVID shut down period, other energy companies have not. The AHA and TAA seek relief on the basis that they have “switched off” nearly all electricity and have far less capacity to pay than other businesses that remained trading.

10.4 Transparency of assumptions and evidence base relied on by Health Officers

The AHA and TAA strongly request the National Cabinet to endorse that the assumptions and evidence base relied upon the Commonwealth, State and Territory Chief Medical Officers be made public in so far as it relates to the infringement of civil liberties such as restriction of freedoms, continued lockdowns in Covid free areas, public movement restrictions, business restrictions, social distancing, border closures, etc.

The greater the infringement or taking away of the publics and business rights to go about their usual affairs, and the longer it goes on, the greater the obligation of governments to provide transparency as to the evidence base on which those decisions are being made.

The AHA and TAA agree emphatically that health and safety of all Australians is the paramount consideration for government in this crisis. But at the same time, appropriate balance must be given to daily life and the recovery of the economy.

Some health officers and governments are refusing to release the evidence base on which they are making their decisions. This is made more ridiculous given that different jurisdictions are reaching different conclusions on relatively similar parameters. Clear cases of inconsistency are not being explained. In many instances the public is denied the right to test their assumptions and conclusions. The livelihoods, homes, jobs and mental health of literally millions of Australians depend on these decisions – but they can’t see the evidence why.

It is unsatisfactory that some elected officials have abrogated their responsibility to make balanced decisions and instead simply say “I will act on the advice of my Chief Medical Officer” without clear and transparent evidence as to the reasons why. As well as health decisions, all governments should be explaining the daily economic costs of continuing restrictions.

10.5 Inconsistency of decision making

The AHA and TAA would appreciate clear scientific evidence based answers from the National Medical Expert Panel (comprising the Chief Medical Officers) using the following examples as to why hotels cannot operate under the Safe Work Australia social distancing rules, when other venues can, (e.g. shopping centres) or in fact are operating under less (e.g. airlines).

The AHA is immensely concerned at the inconsistent treatment of hotels under the national framework for a CovidSAFE Australia (as compared to e.g. cafes, restaurants, airlines and shopping centres). As we head into Step 2 of the national framework, the AHA would appreciate clear scientific evidence based answers using the following examples as to why hotels cannot operate under the Safe Work Australia rules, when other venues can, or in fact are operating under less. In “Step 2 of the Three Step Framework for a Covid Free Australia”:

1. Why can a hotel with six separated dining areas (including outdoor areas) only seat up to 20 persons in the whole premises - while six cafes and restaurants side by side in the same street can seat up to 20 persons each?
2. Why can an airline fly 128 passengers in 45cm wide seats sitting next to each other and only 78cm from the person in front and behind - yet an accommodation hotel restaurant abiding by Safe Work Australia social distancing has its capacity limited to 20 persons?
3. Why can a large shopping centre in a Covid affected area operate with no capacity limit - yet a hotel outdoor dining space in a Covid free area is limited to only 20 persons?

The AHA has two simple requests:

- That AHA members be able to operate under the framework of its AHA CovidSAFE plan (as based on the Safe Work Australia recommendations), and
- In the event the request above is not approved, that the Chief Medical Officers provide scientific evidence based answers as to why hotels are treated inconsistently?

10.6 ACTU proposal to list Covid-19 as an occupational disease

The AHA and TAA are concerned that COVID-19 consideration is being given to have Covid-19 listed as an ‘occupational disease’ and will be presumed to be contracted in the course of employment, unless the contrary is established.

The AHA and TAA understand that the Australian Council of Trade Union is seeking to have COVID-19 listed as an occupational disease. COVID-19 is a pandemic. The nature of a pandemic is that it is not endemic to workplaces, to specific occupations or industries. It is everywhere, equally affecting all facets of our lives.

The effect of listing COVID-19 as an occupational disease would, for the purposes of workers compensation insurance, reverse the onus of proof such that an employee would be presumed to have contracted COVID-19 at the workplace unless the employer could prove otherwise. All governments should refuse to shift blame to employers by accepting this reversal of the onus of proof.

11 CONCLUSION

11.1 It's not over yet

AHA and TAA members employ people in nearly every community across Australia, providing 250,000 direct jobs, with currently about 240,000 stood down. AHA and TAA members generate at least \$12 billion in economic benefit each year. Since March, this has been reduced to close to zero. AHA and TAA members were first into and will be last out of this crisis, which has a long economic tail.

This submission proposes stimulus and recovery measures that are reasonable under these unique and challenging circumstances. The AHA and TAA look forward to engaging in further consultation.

12 ATTACHMENTS

- 12.1 Indicative guide for COVID-19 Restrictions timelines for hotels
- 12.2 AHA CovidSAFE plan
- 12.3 ABS statistics re hospitality and tourism employment by federal electorate

3 STEP FRAMEWORK FOR A COVIDSAFE AUSTRALIA

MAINTAIN 1.5M DISTANCING AND GOOD HYGIENE • STAY HOME IF UNWELL • FREQUENTLY CLEAN AND DISINFECT COMMUNAL AREAS • COVIDSAFE PLAN FOR WORKPLACES AND PREMISES

ALL STEPS ARE SUBJECT TO EXPERT HEALTH ADVICE • States and territories can implement changes based on their COVID-19 conditions

	GATHERINGS & WORK	EDUCATION & CHILDCARE	RETAIL & SALES	CAFES & RESTAURANTS	ENTERTAINMENT & AMUSEMENT VENUES	SPORT & RECREATION	ACCOMMODATION	WEDDINGS, FUNERALS & RELIGIOUS SERVICES	HAIR & BEAUTY SERVICES	DOMESTIC TRAVEL
STEP 1	STEP 1: The important first small steps – connect with friends and family - allowing groups of people to be together in homes and in the community. Businesses reopen, and more people return to work									
	<p>Non-work gatherings of up to 10</p> <p>Up to 5 visitors at home in addition to normal residents</p> <p>Work from home if it works for you and your employer</p> <p>Workplaces develop a COVIDSafe plan</p> <p>Avoid public transport in peak hour</p>	<p>Child care centres, primary and secondary schools open as per state and territory plans</p> <p>Universities/technical colleges to increase face-to-face where possible and prioritise hands-on, skills based learning</p>	<p>Retail stores open</p> <p>Retail stores and shopping centre managers must develop COVIDSafe plans</p> <p>Auctions/open homes can have gatherings of up to 10, recording contact details</p>	<p>May open and seat up to 10 patrons at one time</p> <p>Need to maintain an average density of 4m² per person</p> <p>Food courts are to remain closed to seated patrons</p>	<p>To remain closed: Indoor movie theatres, concert venues, stadiums, galleries, museums, zoos, pubs, registered and licensed clubs, nightclubs, gaming venues, strip clubs and brothels</p> <p>Exception: Restaurants or cafes in these venues may seat up to 10 patrons at one time</p>	<p>No indoor physical activity including gyms</p> <p>Community centres, outdoor gyms, playgrounds and skate parks allow up to 10 people</p> <p>Outdoor sport (up to 10 people) consistent with the AIS Framework for Rebooting Sport</p> <p>Pools open with restrictions</p>	<p>Continue current arrangements for caravan parks and camping grounds (closed to tourists in some states and territories)</p> <p>Hostels and hotels are open for accommodation</p>	<p>Weddings may have up to 10 guests in addition to the couple and the celebrant</p> <p>Funerals may have up to 20 mourners indoors and 30 outdoors</p> <p>Religious gatherings may have up to 10 attendees</p> <p>Every gathering must record contact details</p>	<p>Hairdressers and barber shops open and record contact details</p> <p>Beauty therapy and massage therapy venues, saunas and tattoo parlours remain closed</p>	<p>Allow local and regional travel for recreation</p> <p>Refer to state and territory governments for border restrictions and biosecurity conditions</p>
	STEP 2	STEP 2: Building on slightly larger gatherings and more businesses reopening. Higher risk activities may have tighter restrictions								
<p>Non-work gatherings of up to 20</p> <p>States and territories may allow larger numbers in some circumstances</p> <p>Work from home if it works for you and your employer</p> <p>Workplaces develop a COVIDSafe plan</p> <p>Avoid public transport in peak hour</p>		<p>Child care centres, primary and secondary schools open as per state and territory plans</p> <p>Universities/technical colleges to increase face-to-face where possible and prioritise hands-on, skills based learning</p>	<p>Retail stores open</p> <p>Retail stores and shopping centre managers must develop COVIDSafe plans</p> <p>Auctions/open homes can have gatherings of up to 20, recording contact details</p>	<p>Cafes and restaurants can seat up to 20 patrons at one time</p> <p>Need to maintain an average density of 4m² per person</p> <p>Food courts are to remain closed to seated patrons</p>	<p>Indoor movie theatres, concert venues, stadiums, galleries, museums, zoos may have up to 20 patrons</p> <p>To remain closed: pubs, registered and licensed clubs, RSL clubs, casinos, nightclubs, strip clubs and brothels</p> <p>Exception: Restaurants or cafes in these venues may seat up to 20 patrons at one time</p>	<p>Up to 20 people allowed to participate in outdoor sports consistent with the AIS Framework for Rebooting Sport</p> <p>Up to 20 people allowed to participate in all indoor sports, including gyms</p> <p>Need to maintain an average density of 4m² per person</p> <p>Pools open with restrictions</p>	<p>Caravan parks and camping grounds fully open</p> <p>All accommodation areas open and allow gatherings of up to 20 people</p>	<p>Weddings may have up to 20 guests in addition to the couple and the celebrant</p> <p>Funerals may have up to 50 mourners</p> <p>Religious gatherings may have up to 20 attendees</p> <p>Every gathering must record contact details</p>	<p>Hairdressers and barber shops open and record contact details</p> <p>Beauty therapy and massage therapy venues and tattoo parlours can open with up to 20 clients in the premises and record contact details</p> <p>Saunas and bathhouses remain closed</p>	<p>Allow local and regional travel for recreation</p> <p>Consider allowing interstate recreational travel depending on the situation in each state and territory</p> <p>Refer to state and territory governments for biosecurity conditions</p>
STEP 3		STEP 3: A commitment to reopening of business and the community with minimal restrictions, but underpinned by COVIDSafe ways of living								
	<p>Non-work gatherings of up to 100 people</p> <p>Larger gatherings to be considered</p> <p>Return to workplace</p> <p>Workplaces develop a COVIDSafe plan</p> <p>Avoid public transport in peak hour</p>	<p>Child care centres, primary and secondary schools open as per state and territory plans</p> <p>Universities/technical colleges to increase face-to-face where possible and prioritise hands-on, skills based learning</p> <p>Consider reopening residential colleges and international student travel</p>	<p>Retail stores open</p> <p>Retail stores and shopping centre managers must develop COVIDSafe plans</p> <p>Auctions/open homes can have gatherings of up to 100, recording contact details</p>	<p>Cafes, restaurants and food courts can seat up to 100 people</p> <p>Need to maintain an average density of 4m² per person</p>	<p>Venues open in Step 2 may have up to 100 patrons</p> <p>Consideration will be given to opening bar areas and gaming rooms</p> <p>Exception: Restaurants or cafes in these venues may seat up to 100 patrons at one time</p> <p>To remain closed: strip clubs and brothels</p>	<p>All venues allowed to operate with gatherings of up to 100 people</p> <p>Need to maintain an average density of 4m² per person</p> <p>Community sport expansion to be considered consistent with the AIS Framework for Rebooting Sport</p>	<p>All accommodation areas open and allow gatherings of up to 100 people</p>	<p>Allow gatherings of up to 100 people</p> <p>Every gathering must record contact details</p>	<p>All establishments allowed to open with up to 100 people</p> <p>Record contact details</p>	<p>Allow interstate travel</p> <p>Refer to state and territory governments for biosecurity conditions</p>

INDICATIVE GUIDE ONLY

Approximate summary of timelines for shutdown then easing of restrictions for Hotels

(Please see state and territory government websites for more extensive and updated information)

	16th March	23rd March - 10th May	11th May - 30th May	Early June - Mid June	Mid June - Mid July	Mid July Onwards
Three Step National Framework Approximate Timelines	Initial Restriction	Shut Down	Step 1 (Approx)	Step 2 (Approx)	Step 3 (Approx)	Step 4 (Approx)
Commonwealth	Limit of 100 persons indoor, 500 persons outdoor, incl staff + density of 1 person per 4sqm	Pubs restricted from opening. Takeaway food only.	Restaurants within pubs can open (10 pax) however pubs to remain closed.	Restaurants within pubs can open (20 pax) however pubs to remain closed.	Restaurants within pubs can open (20 pax) however pubs to remain closed.	Some restrictions still in place TBC
New South Wales	Limit of 100 persons indoor, 500 persons outdoor, incl staff + density of 1 person per 4sqm	Pubs restricted from opening. Takeaway food only.	Restaurants within pubs can open (10 pax) however pubs to remain closed.	Anticipate further easing of restrictions	Anticipate further easing of restrictions	Some restrictions still in place TBC
Victoria	Limit of 100 persons indoor, 500 persons outdoor, incl staff + density of 1 person per 4sqm	Pubs restricted from opening. Takeaway food only.	Pubs, restaurants and cafes restricted from opening. Takeaway food only.	Restaurants within pubs can open (20 pax) however pubs to remain closed.	Restaurants within pubs can open (50 pax) however pubs to remain closed.	Some restrictions still in place TBC
Queensland	Limit of 100 persons indoor, 500 persons outdoor, incl staff + density of 1 person per 4sqm	Pubs restricted from opening. Takeaway food only.	Restaurants within pubs can open (10 pax indoor, 20 pax outdoor) however pubs to remain closed.	Restaurants within pubs can open (10 pax indoor, 20 pax outdoor) however pubs to remain closed.	Pubs allowed to open for dining. 20pax inside. 50pax outdoors.	Some restrictions still in place TBC
Western Australia	Limit of 100 persons indoor, 500 persons outdoor, incl staff + density of 1 person per 4sqm	Pubs restricted from opening. Takeaway food only.	Restaurants within pubs permitted to re-open with meal service, up to 20 patrons.	Anticipate further easing of restrictions	Anticipate further easing of restrictions	Some restrictions still in place TBC
South Australia	Limit of 100 persons indoor, 500 persons outdoor, incl staff + density of 1 person per 4sqm	Pubs restricted from opening. Takeaway food only.	20 people allowed café/restaurants only. Hotels deliberately excluded & cannot trade until 5 June	Outdoor dining for pubs. 1 person per 4sqm. 10 pax	Restaurants within pubs can open (20 pax) however pubs to remain closed.	Some restrictions still in place TBC
Tasmania	Limit of 100 persons indoor, 500 persons outdoor, incl staff + density of 1 person per 4sqm	Pubs restricted from opening. Takeaway food only.	Restaurants within pubs can open (10 pax) however pubs to remain closed.	Restaurants within pubs can open (20 pax) however pubs to remain closed.	Restaurants within pubs can open (20 pax) however pubs to remain closed.	Some restrictions still in place TBC
Northern Territory	Limit of 100 persons indoor, 500 persons outdoor, incl staff + density of 1 person per 4sqm	Pubs restricted from opening. Takeaway food only.	Restaurants within pubs can open (10 pax), must have meal, only stay 2 hrs. Pubs to remain closed.	Anticipate further easing of restrictions	Anticipate further easing of restrictions	Some restrictions still in place TBC
Australian Capital Territory	Limit of 100 persons indoor, 500 persons outdoor, incl staff + density of 1 person per 4sqm	Pubs restricted from opening. Takeaway food only.	Restaurants within pubs can open (10 pax) however pubs to remain closed.	Anticipate further easing of restrictions. Date TBC	Anticipate further easing of restrictions. Date TBC	Some restrictions still in place TBC



COVIDSAFE Plan

About this plan

- This is our plan and commitment in a COVID-19 environment to ensure the health and safety of staff, patrons and the Community.
- This plan reinforces and implements achievable public safety measures to reduce the risk of a COVID-19 outbreak in a hospitality setting
- This plan will be adopted by each of our member venues
- This plan will be implemented and managed by the licensee of each venue

Key elements

- Maintain 1.5m social distancing and good hygiene
- Stay home if unwell
- Frequently clean and disinfect communal areas

Check list		Y/N
Environmental Cleaning Schedule template	<ul style="list-style-type: none"> • Create an Environment Cleaning Schedule for venues that breaks down high and low touch points and frequencies of cleaning. • Records must be kept and will include cleaning schedules, staffing allocations and work areas • Please see the attached 	
Venue Pre-Open clean	<ul style="list-style-type: none"> • Prior to re-opening, conduct a deep clean of All contact surfaces and objects, e.g. counters, tables, doors, handles, keyboards, taps, chairs, tables, handrails, tills, phones, vending machines, terminals (e.g. Point of Sale, EFTPOS, EGM, ATM, EBT) • https://www.safeworkaustralia.gov.au/doc/cleaning-prevent-spread-covid-19-fact-sheet 	
Venue Pre-Open Assessment	<ul style="list-style-type: none"> • Assess whether any infrastructure or layout can be changed to optimise COVID-19 strategies such as entry/exit points, flow of staff and patrons, placement of hand sanitiser stations 	
“Covid-19 Contact Tracing App”	<ul style="list-style-type: none"> • Encourage all staff and patrons to download the “Covid-19 Contact Tracing App” • AHA to assist public support of the App via, e.g.: <ul style="list-style-type: none"> ○ venue social media networks ○ posters and coasters in venue ○ via our partners, e.g. Sky racing, Foxtel, Nightlife ○ editorial comment in TV, newspapers and radio • https://apps.apple.com/au/app/coronavirus-australia/id1503846231 	
Management Training (initial)	<ul style="list-style-type: none"> • All management to undergo training and induction in Safe Work Australia policies • https://www.safeworkaustralia.gov.au/doc/5-things-do-your-workplace-covid-19-infographic • https://www.safeworkaustralia.gov.au/doc/workplace-checklist-covid-19 	

Staff Training (initial)	<p>All staff to undergo infection control training (ongoing for all new staff), e.g.</p> <ul style="list-style-type: none"> • https://www.health.gov.au/resources/apps-and-tools/covid-19-infection-control-training • https://www.typsy.com/covid • https://hospitalityhygiene.com/ 	
Management & Staff Training (refresher)	<ul style="list-style-type: none"> • Refresher training conducted in house each three months 	
Staff Hand Washing &	<p>Staff to wash hands with soap and water for at least 20 seconds:</p> <ul style="list-style-type: none"> • At the start and finish of each shift • At commencement and conclusion of breaks • After visiting the toilet <p>Staff to use hand sanitiser:</p> <ul style="list-style-type: none"> • After handling money • After touching items that patrons have handled • https://www.who.int/gpsc/5may/How_To_HandWash_Poster.pdf?ua=1 	
Hand Sanitiser	<ul style="list-style-type: none"> • To be strategically located to increase visibility and ease of staff use, and • Be at least 70% ethanol or isopropyl alcohol 	
Staff Consultation	<p>Venues must consult with staff on health and safety matters, e.g.</p> <ul style="list-style-type: none"> • Ensure staff understand they have a duty to take reasonable care for their own health and safety and to not adversely affect the health and safety of others • Ensure staff understand their point of contact with any questions or observations • Assessing the risk COVID-19 presents to the health and safety of staff and patrons • Deciding on the control measures to put in place to eliminate or minimise the risk of exposure to COVID-19 • Deciding on the adequacy of facilities for the welfare of workers (e.g. hand washing facilities) • Considering other changes to the workplace as a result of COVID-19 which may affect health and safety • Allow staff to express their views and raise work health and safety issues that may arise directly or indirectly because of COVID-19 • Consult with workers and ensure there is a means for them to raise any concerns about the steps you are taking to manage the risks. • Take the views of workers into account when making decisions and advise workers of the venues decision • Bearing in mind that working from home is generally impractical in hospitality, where possible facilitate working from home arrangements for staff where possible (e.g. book keeper) 	
Staff Wellness Check	<ul style="list-style-type: none"> • Direct all workers (whether they are at the workplace or not) to report to you if they have any of the following: <ul style="list-style-type: none"> ○ are experiencing any symptoms ○ have been, or have potentially been, exposed to a person who has been diagnosed with COVID-19 or is suspected to 	

	<ul style="list-style-type: none"> have COVID-19 (even if the person who is suspected to have COVID-19 has not yet been tested) <ul style="list-style-type: none"> ○ have undertaken, or are planning to undertake, any travel • Stop workers working if they are displaying symptoms and advise them to seek medical advice. • Stop workers who have contracted COVID-19 from returning to the workplace until they provide evidence they are clear of the virus. • https://www.safeworkaustralia.gov.au/doc/what-do-if-worker-has-covid-19-infographic 	
Contact Tracing	<ul style="list-style-type: none"> • Adhere to any public health unit advice if contact tracing is required 	
Staff resources	<p>Ensure staff are advised and aware of the various resources and support services available to them, e.g.</p> <ul style="list-style-type: none"> • COVID-19 Information for workplaces • Australia.gov.au • Fair Work Ombudsman – Coronavirus and Australian workplace laws • Beyond Blue Coronavirus Mental Wellbeing Support Service • Heads Up – Healthy workplaces support • Lifeline 	
Social Distancing (stage one)	<ul style="list-style-type: none"> • 1.5m social distancing • 1 person per 4sqm • Groups, functions or tables limited as per state/territory regulations • Limit the time people spend on premises (4 hours) 	
Patron movement	<ul style="list-style-type: none"> • Single entry point with a different exit point where possible • Floor markings and/or bollards to assist in orderly bar service • Where practical, encourage patrons to be seated • Limiting waiter food service to tables • Place distance markers or bollards at all queuing points • Ensure table spacing is in accordance with social distancing requirements 	
Staff Work Space	<ul style="list-style-type: none"> • Arrange staff work space allocations to minimise the number of staff members that come into contact with patrons • Only one staff member to come into contact with each table • Suggest patrons order drinks from their table, not the bar 	
Nominated Hygiene, Capacity and Distancing Supervisor	<p>Nominated staff member with responsibility to ensure:</p> <ul style="list-style-type: none"> • regular cleaning and disinfection of all staff and patron touch points each 30 minutes • capacity limits are enforced • social distancing requirements are enforced 	
Patron health	<ul style="list-style-type: none"> • Hand sanitiser available for patrons • Consider patron temperature checks on entry • Consider ID recording on entry • Implement extensive approved signage throughout the venue • https://www.health.gov.au/resources/publications?f%5B0%5D=field_publication_type%3A2181 	
Review touch points	<ul style="list-style-type: none"> • Review all staff and patron touch points and aim to reduce frequently touched surfaces (touch points) where possible 	

	<ul style="list-style-type: none"> • Encourage the use of electronic payments wherever possible • Where possible, provide stylus-type devices at terminals, point of sale • Single use menus, or plastic covered and cleaned after each use • Venues to promote menus and ordering on mobile devices if feasible 	
Cleaning frequently touched surfaces (touch points)	<ul style="list-style-type: none"> • Quality of cleaning products need to be adequate. A bleach cleaning product should be used • Usual cleaning schedules will need to be increased • To minimise the risk of exposure, staff cleaning and disinfecting should wear disposable gloves and wash their hands with soap and water, or use alcohol-based hand sanitiser • Touch points to be cleaned and disinfected each 30 minutes include, e.g. e.g. doors, handles, keyboards, taps, chairs, tables, handrails, tills, phones, vending machines, terminals (e.g. Point of Sale, EFTPOS, EGM, ATM, EBT) • Touch points such as tables and counters to be cleaned and disinfected before and after use by customers 	
Communal items (stage one)	<ul style="list-style-type: none"> • No food buffets • No communal free food or snacks • No communal cutlery trays • No communal water stations 	
Not permitted (stage one)	<p>Until further advice by Health Departments, the following are not permitted:</p> <ul style="list-style-type: none"> • Children’s playgrounds • Nightclubs 	
Deliveries and contractors	<ul style="list-style-type: none"> • Non-essential visits should be cancelled or postponed • Deliveries and other contractors should be given clear instructions of your requirements while they are on site • Minimise the number of workers attending to deliveries and contractors as much as possible • Make hand washing facilities or alcohol-based hand sanitiser available for workers after physically handling deliveries • Direct visiting truck drivers to remain in vehicles and use contactless methods such as mobile phones to communicate with your workers wherever possible 	
Monitor and Review	<ul style="list-style-type: none"> • Venues should regularly monitor and review measures to ensure they remain current and effective • Licensees should keep their knowledge of the COVID-19 situation up-to-date and follow advice from authoritative sources such as the Australian Government Department of Health and check frequently for any updates to safety advice • This plan will be amended in accordance with variations issued by health authorities 	

Electorate	State	Hospitality Employment	Tourism Employment	Tourism & Hospitality combined
Adelaide	SA	3,801	4,304	8,105
Aston	Vic	2,492	2,930	5,422
Ballarat	Vic	2,980	3,555	6,535
Banks	NSW	3,358	4,404	7,762
Barker	SA	2,139	3,123	5,262
Barton	NSW	4,748	5,940	10,688
Bass	Tasmania	1,906	2,571	4,477
Batman	Vic	3,648	4,228	7,876
Bendigo	Vic	2,587	3,189	5,776
Bennelong	NSW	3,273	4,193	7,466
Berowra	NSW	2,222	3,122	5,344
Blair	Qld	2,277	2,789	5,066
Blaxland	NSW	2,987	3,668	6,655
Bonner	Qld	2,946	3,782	6,728
Boothby	SA	2,773	3,486	6,259
Bowman	Qld	2,563	3,252	5,815
Braddon	Tasmania	1,547	2,250	3,797
Bradfield	NSW	2,501	3,434	5,935
Brand	WA	2,778	3,146	5,924
Brisbane	Qld	4,948	5,990	10,938
Bruce	Vic	2,825	3,186	6,011
Burt	WA	3,017	3,685	6,702
Calare	NSW	2,710	3,406	6,116
Calwell	Vic	2,821	3,896	6,717
Canberra	ACT	3,635	4,304	7,939
Canning	WA	2,202	2,755	4,957
Capricornia	Qld	2,427	3,327	5,754
Casey	Vic	2,195	2,972	5,167
Chifley	NSW	2,589	3,288	5,877
Chisholm	Vic	3,513	3,892	7,405
Cook	NSW	2,560	4,261	6,821
Corangamite	Vic	2,987	3,929	6,916
Corio	Vic	2,923	3,299	6,222
Cowan	WA	2,650	3,300	5,950
Cowper	NSW	3,088	3,904	6,992
Cunningham	NSW	3,292	3,766	7,058
Curtin	WA	2,717	3,361	6,078
Dawson	Qld	2,962	4,824	7,786
Deakin	Vic	2,572	3,187	5,759
Denison	Tasmania	2,469	3,105	5,574
Dickson	Qld	2,666	3,505	6,171
Dobell	NSW	3,217	3,388	6,605
Dunkley	Vic	2,448	3,052	5,500
Durack	WA	2,287	4,583	6,870
Eden-Monaro	NSW	2,772	3,892	6,664
Fadden	Qld	3,458	5,148	8,606
Fairfax	Qld	3,238	4,235	7,473
Farrer	NSW	2,914	3,501	6,415
Fenner	ACT	4,518	5,034	9,552
Fisher	Qld	2,891	3,690	6,581
Flinders	Vic	2,583	3,444	6,027
Flynn	Qld	2,069	3,179	5,248
Forde	Qld	2,722	3,528	6,250

Electorate	State	Hospitality Employment	Tourism Employment	Tourism & Hospitality combined
Forrest	WA	2,460	3,727	6,187
Fowler	NSW	2,585	2,841	5,426
Franklin	Tasmania	1,569	2,587	4,156
Fremantle	WA	2,771	3,522	6,293
Gellibrand	Vic	3,352	4,301	7,653
Gilmore	NSW	2,962	3,649	6,611
Gippsland	Vic	2,301	2,941	5,242
Goldstein	Vic	2,430	3,403	5,833
Gorton	Vic	3,350	4,369	7,719
Grayndler	NSW	3,323	4,446	7,769
Greenway	NSW	2,800	3,699	6,499
Grey	SA	2,023	3,028	5,051
Griffith	Qld	4,142	4,905	9,047
Groom	Qld	2,557	2,993	5,550
Hasluck	WA	2,350	3,069	5,419
Herbert	Qld	3,409	3,924	7,333
Higgins	Vic	3,340	4,160	7,500
Hindmarsh	SA	3,315	4,207	7,522
Hinkler	Qld	2,251	2,987	5,238
Holt	Vic	3,076	3,797	6,873
Hotham	Vic	2,916	3,407	6,323
Hughes	NSW	2,610	4,060	6,670
Hume	NSW	2,630	3,222	5,852
Hunter	NSW	2,857	3,337	6,194
Indi	Vic	2,450	3,621	6,071
Isaacs	Vic	2,680	3,294	5,974
Jagajaga	Vic	2,134	3,076	5,210
Kennedy	Qld	1,863	3,289	5,152
Kingsford Smith	NSW	3,759	5,519	9,278
Kingston	SA	2,541	3,166	5,707
Kooyong	Vic	2,980	3,525	6,505
La Trobe	Vic	2,767	3,322	6,089
Lalor	Vic	3,909	5,368	9,277
Leichhardt	Qld	3,691	7,850	11,541
Lilley	Qld	3,291	4,649	7,940
Lindsay	NSW	3,166	3,462	6,628
Lingiari	NT	930	2,719	3,649
Longman	Qld	2,729	3,200	5,929
Lyne	NSW	2,354	2,946	5,300
Lyons	Tasmania	1,404	2,475	3,879
Macarthur	NSW	2,918	3,597	6,515
Mackellar	NSW	2,873	3,667	6,540
Macquarie	NSW	2,435	3,472	5,907
Makin	SA	2,526	3,143	5,669
Mallee	Vic	2,075	2,766	4,841
Maranoa	Qld	1,865	2,973	4,838
Maribyrnong	Vic	3,296	4,364	7,660
Mayo	SA	2,332	3,226	5,558
McEwen	Vic	3,440	4,954	8,394
McMahon	NSW	2,546	3,063	5,609
McMillan	Vic	2,556	3,132	5,688
McPherson	Qld	3,558	5,207	8,765
Melbourne	Vic	7,130	7,132	14,262

Electorate	State	Hospitality Employment	Tourism Employment	Tourism & Hospitality combined
Melbourne Ports	Vic	3,711	4,961	8,672
Menzies	Vic	2,758	3,240	5,998
Mitchell	NSW	2,391	3,331	5,722
Moncrieff	Qld	4,722	6,822	11,544
Moore	WA	2,475	3,213	5,688
Moreton	Qld	3,882	4,243	8,125
Murray	Vic	2,173	2,755	4,928
New England	NSW	2,478	3,217	5,695
Newcastle	NSW	4,015	3,932	7,947
North Sydney	NSW	2,786	4,099	6,885
O'Connor	WA	1,920	3,415	5,335
Oxley	Qld	2,810	3,321	6,131
Page	NSW	2,663	3,315	5,978
Parkes	NSW	2,333	3,089	5,422
Parramatta	NSW	3,348	4,214	7,562
Paterson	NSW	3,149	3,573	6,722
Pearce	WA	3,058	3,741	6,799
Perth	WA	4,054	4,616	8,670
Petrie	Qld	2,930	3,974	6,904
Port Adelaide	SA	3,002	3,483	6,485
Rankin	Qld	3,005	3,656	6,661
Reid	NSW	4,365	5,067	9,432
Richmond	NSW	3,371	4,489	7,860
Riverina	NSW	2,571	3,218	5,789
Robertson	NSW	2,918	3,312	6,230
Ryan	Qld	3,062	3,942	7,004
Scullin	Vic	2,948	3,835	6,783
Shortland	NSW	2,895	3,084	5,979
Solomon	NT	2,287	3,486	5,773
Stirling	WA	3,108	3,525	6,633
Sturt	SA	2,916	3,413	6,329
Swan	WA	4,096	4,713	8,809
Sydney	NSW	8,079	8,380	16,459
Tangney	WA	2,640	3,252	5,892
Wakefield	SA	2,425	2,916	5,341
Wannon	Vic	2,167	2,754	4,921
Warringah	NSW	2,822	3,868	6,690
Watson	NSW	3,640	4,742	8,382
Wentworth	NSW	3,033	4,144	7,177
Werriwa	NSW	2,616	3,319	5,935
Whitlam	NSW	3,045	3,428	6,473
Wide Bay	Qld	2,420	3,468	5,888
Wills	Vic	4,047	4,944	8,991
Wright	Qld	2,352	3,246	5,598
		439,474	564,695	1,004,169