



# HOTELIER REMAINS POSITIVE

Dr Jerry Schwartz, owner of 15 Australian hotels, is remaining as positive as he can about the impacts COVID-19 is having.

As many hoteliers are remaining coy about the impact COVID-19 is having on business, Dr Jerry Schwartz is happy to tell it like it is.

Like many of us he is nervous about the safety of everyone, and particularly the elderly who appear to be most vulnerable to the virus.

With one foot in the medical world and the other in hotel management he has a unique perspective on the situation.

He expected there to be a viral pandemic – “there are pandemics every 13 years or so” – but “I didn’t expect there to be one right now”.

“As a doctor I can be fairly clinical about it

and compare it to other pandemics; whether it be the short-lived SARS or the Spanish Flu in 1918 that wiped out more people than died in the First World War.

“It isn’t, thankfully, as virulent as the Spanish Flu. What we do know is that it affects older people. My concern obviously is for my father-in-law who is 90 next month.

“From a business point of view we can see how it’s affected everything. The hospitality industry is such that we do suffer from unforeseen circumstances. We bounce back fairly quickly but every insult we get or natural disaster we have, does have an effect.

“The question of course is how quickly will we bounce back and how are we going to sustain the time until things get better? In other words, how bad are things going to get?”

That is, naturally, a major concern, however, Dr Schwartz is remaining positive.

“There is positivity, you’ve got to look at the positivity. You first have to look at how you’re addressing the problem. [Hotel] management companies are looking at ways to maximise our profit and minimise cost without losing staff. It’s very important to consider that we have to look after our own employees. If there is less demand for work then can you deploy them in other



Dr Jerry Schwartz (and family) is remaining positive.

jobs? We can also ask people if they can decrease their hours but we can't go putting people off. We've all got to live.

"So how do you deal with the immediate problems from firstly our employees' view and secondly from a financial point of view? If you're going to have less business then you have to have less costs.

Then you can look at the upsides. One upside is the ability to utilise the fact that there are going to be more empty rooms and to speed up refurbishing works. One of my hotels, Mercure Sydney, with 517 rooms, was planned to undergo a major refurbishment.

"We were going to do that over a year-and-a-half so as not to upset guests staying there. Now that the occupancy is down we may be able to speed up that refurb so that when things do get back to normal it's not going to affect the hotel as much."

### Could this be a wake-up call to Government?

In the midst of COVID-19 we asked Dr Schwartz whether this could be a wake-up call to the Australian Government about the value and importance of the business event sector?

"This is a reemphasis [of the importance of the hospitality and business event sector]," he said.

"They noticed with the fires at the end of last year how that affected the hospitality sector so much. There was a stimulus to kick-start the hospitality industry which has obviously now been postponed because there's no point in kick-starting tourism when people are more concerned about wanting to stay at home."

### Are we now in the new normal?

"There is going to be a new normal," Dr Schwartz said.

"It has already had such a major effect on tourism and the economy, and we don't know how long it's going to go on for, and the time it's going to take to get over it. Whether it be China as a superpower, the whole financial situation, certainly there's going to be a new normal. I think more focus on hygiene will be the new normal."

"It... really shows how small the world is. Something happens in Wuhan in China and it affects the whole world." **m**

## JUST INCASE WE NEEDED REMINDING...

As reported, \$2.5 billion is being lost per month in business event shutdowns – the value of the entire cruise sector every two months.

The Business Events Council of Australia wants to remind the industry that business events is the highest yielding component of the visitor economy. The business events sector brings in more than \$30 billion to the Australian economy, employs more than 193,000 people and runs over 430,000 events every year.

The sector is a major contributor to the nation, not only financially, but for its powerful enabling ability. Across many disciplines and sectors, business events act as knowledge translators, a bridge between research and ideas and to deliver real world practical business outcomes.

Even before Australian Governments took decisions to limit gatherings of people, many companies had begun cancelling travel and postponing face-to-face events. The business events sector had seen a massive reduction in revenue across the entirety of quarter one 2020 and now, pretty much zero revenue.

Chair of the Business Events Council of Australia, Dr Vanessa Findlay, said: "The business events sector is reliant on the tourism supply chain including venues, accommodation, transport, event organiser, exhibition, catering, audio-visual, decorator, and entertainment businesses and more – most of which are small and medium enterprises. "We know that these businesses are at immediate risk of closing their doors, some already have, and most have had to let go casual staff and are processing redundancies for the majority of their full and part-time staff now. It is a dire situation for the sector, for the nation, for the world.

"Our immediate focus is on working with the governments of Australia to ensure we can retain as many businesses and jobs as possible including through a package of wages support, loan repayment relief, low or no interest loans and tax deferrals."