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Greater COVID-19 consultation needed to avoid economic losses

The University of Adelaide's SA Centre for Economic Studies (SACES) is urging the State Government to consider a more consultative approach with industry in its response to the COVID-19 pandemic to avoid the disruption and losses by the hospitality sector.

The impact of the short, sharp lockdown in November 2020 due to a community outbreak of COVID-19 on the hotel sector and the broader economy is revealed in a research report produced by SACES for the state's Australian Hotels Association (AHA SA) which was released today.

"Our survey of SA's hospitality sector revealed that the initial three-day lockdown caused a drop of 20,000 jobs a day with respondents reporting that 80 per cent of permanent employees and more than half of casual employees were stood down," says SACES Executive Director and author of the report, Associate Professor Michael O'Neil.

"Between \$7 million and \$10 million worth of food and alcohol was wasted as businesses had to dispose of it quickly.

"Forty percent of survey respondents reported that with more notice they could have reduced this waste by between 76 and 100 per cent."

"Despite the 'hard' lockdown being shortened to only three days, ongoing restrictions on the hospitality industry through to the end of December resulted in lost turnover of \$100 million; 12,500 fewer jobs, up to \$30 million of lost sales for food and produce suppliers, and a reduction in payments to tradespeople of up to \$15 million."

The survey by SACES received 121 responses from businesses in the hospitality industry - one of the hardest hit since the pandemic unfolded in January 2020. Respondents reported that the mental health of people within the hotel sector deteriorated during the lockdown and subsequent ongoing restrictions on functions and dining and drinking.

"In future cases of COVID-19 or other pandemic outbreaks, consultation with the South Australian hotel industry can help meet the SA Government's desired suppression outcomes while likely reducing the risks of adverse mental health, societal, employment, business and economic outcomes that have resulted from the lockdown in November 2020," says Associate Professor O'Neil.

"A more nuanced approach to sector and geographical measures, coverage and timing is feasible to minimise the adverse impacts while ensuring that the proposed health benefits are still met.

"There would appear to have been no justification in closing country pubs and venues and banning weddings and funerals on 19 November last year, when there were no indications of country community infections and no country medi-hotels."

The report points to how other states have been able to handle a more regional approach to outbreaks.

"It would be helpful to host discussions with the AHA (SA) to investigate and agree what state-wide measures can be adopted that would prepare the sector to operate in the event of another outbreak while meeting the health objectives," says Associate Professor O'Neil.

"Measures could include the deployment and monitoring of attendance utilising the QR app now and the potential for hoteliers in future to restrict entry by unvaccinated clients and not to have to employ unvaccinated staff.

"Hotels would then have a 'quarantined' set of staff which might assist the smaller bars and hotels to operate compared with a blanket restriction via space per person."

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