

## **Kia Ora BYATA accommodation members - Welcome to Level 1!**

What does level 1 mean? In simple terms: Wash your hands and border control. However, while there are no further legal requirements, businesses are encouraged to keep contact tracing details with the QR tracer app or another alternative.

The New Zealand Hostels Association, which has become a sub-body of BYATA, has still been working in the background of the Covid-19 crisis. Tourism as we used to know it is no longer and while there are small signs of positivity, we all have a long road ahead for recovery.

All of us at BYATA and NZHA have been working together to keep an eye on the changes in our industry, and engaging with Tourism NZ on their fantastic new domestic tourism campaign.

Those of us in the accommodation industry have been hard at work on our businesses, whether it be taking an opportunity to renovate, plan for the future, or perhaps for most just trying to get through the lockdown.

There have been some encouraging signs. Judging by the Queen's Birthday weekend, Tourism NZ's domestic campaign can probably be regarded a great success. Though we all struggled through with low rates and for the most part, lower occupancy than we would like, it certainly showed Kiwis are keen to explore their own backyard.

The Trans-Tasman working group seemingly has a plan ready for when we can open borders to our cousins across the way, though when that will be is still a guess. July would be nice, but seems unlikely, August looks a possibility, but September for the school holidays seems the best bet.

There is also an active push by ATEED for international students to be allowed to return with a strict 14-day quarantine before being allowed into the community. This is a market that cannot be underestimated. They stay longer term and spend vast amounts of money on several shorter trips across their study years.

The Hostelworld survey results provided a great moral boost:

- 51% of people were actively planning their next trip during lockdown
- 72% of people 'agreed' or 'strongly agreed' with the statement "I'll seize the opportunity to travel as much as I can once this crisis passes"
- 67% of people 'disagreed' or 'strongly disagreed' with the statement "Covid-19 has killed my wanderlust for now"
- 43% of people 'agreed' or 'strongly agreed' with the statement "I'll be more selective on the locations I will travel to after Covid". This is likely to bode well for NZ as we will be seen as a safe place with such an early recovery.
- 48% of people say they plan to travel within two months of travel restrictions being lifted.

BYATA now have a dedicated webpage for the Hostels Association, check it out here:

<https://www.byata.org.nz/NZ-Hostels-Association.html>

In the short time from December to the March lockdown, we have added 16 new accommodation members, which is a great result! Welcome to all of our NZHA members this year... A few weeks into level one, we will continue to build and expand the association and begin to establish the other sector groups around NZ. The more members we have, the stronger our voice will be, especially in the face of an uncertain future.

And speaking of uncertain futures, let's address a few key points:

**Compliance.** As times get tough and we struggle to restrict our losses and struggle to find and retain staff, it will get tempting to cut corners. Ensure that your business is compliant with fire warden requirements, particularly overnight. We're all aware of the difficulties surrounding this, but in the unlikely event of a late night fire, having a staff member responsible for emptying the premises is better than explaining why there wasn't anyone present to the authorities and the subsequent repercussions.

**Work for Accommodation.** Once the wage subsidy is discontinued, there be a temptation to return to the old work-for-accom days where one does not declare the PAYE. It is BYATA and NZHA's position that our members adhere to the law and ensure the PAYE is paid correctly for every employee and holiday loading is paid to all staff.

That said, BYATA and NZHA are putting a proposal together to approach the labour inspectorate to relax the WOOFING rules for the shared accommodation sector. With the lack of working holiday makers, it is going to get more difficult to recruit seasonal staff and certainly we can all use the reduced costs. There is an argument that in allowing WOOFING the government missing out on the PAYE would be less than they are currently paying in wage subsidy. While we don't expect a favourable result, it's certainly worth putting the case forward.

**Domestic market.** Until such time as the borders begin to reopen, we are reliant solely on domestic tourism. We should all be considering how we can adapt to this market in the short and medium term. Consider changing dorms into private rooms, the feedback so far is this is proving successful. Kiwis are more likely to book private rooms.

It's time to think outside the box and trial new things. And we certainly encourage idea sharing between our members. One day the industry will recover, and New Zealand will always be an attractive place for youth travellers to visit. In the meantime, we need to adapt and evolve.

**Beyond the wage subsidy.** As it stands, we have an extension to the wage subsidy for another 8 weeks. New guidelines on this state that we must show a 40% drop in revenue (should be easy enough) and for staff who have been made redundant the subsidy can not be claimed for this person. It is not clear if we can claim for additional employees we may have added into new roles.

At this point in time there is no talk of further extension. Our position is to plan for there not being any further assistance. Therefore, we encourage members to begin planning for a short to medium term future operating with reduced staff. Consider changing reception hours and allowing late self-check-ins.

With the reduction in travellers, we are not so busy, so can the reception staff take on some cleaning responsibilities? Can we close off some rooms or bathrooms? Go With Tourism also offer services to assist their members who have had to make staff redundant. <https://www.gowithtourism.co.nz/>

To quote Dave Grohl, it's times like these we learn to live again. When we come out the other side of the impending recession, we will have pushed ourselves to work smarter and more efficiently. If we carry these adaptations into the future we will find our bottom line healthier than ever.

A last note from BYATA and NZHA, we're still here and we're still advocating for our industry. Please feel free to contact any of our board if you have ideas, need support, or simply have a few questions.

With fingers crossed for a snowy winter with plenty of Aussies coming to play, keep your belief, keep your expectations realistic, and remember the words of King Solomon, "This, too, shall pass."

All the best,

Brett, Chris & Nadine

Your BYATA & NZHA accommodation representatives