

COVID-19 Forum – TAG Commercial Development 11.00, 24/06/20

Clint Wooler **(CW)** – University of Queensland Union

Adam Joy **(AJ)** – UOW Pulse

Brett Russell **(BR)** – Charles Sturt University

Shaun Edie **(SE)** – Griffith University Gold Coast Student Guild

Stacey Kirkpatrick **(SK)** – ActivateUTS

Judy Lumby **(JL)** – ITSA

Adam Joy **(AJ)** – UOW Pulse

Scott Meehan **(SM)** - University of Sydney Union

General

Return to Campus

AJ Expecting 5,000 students to return between August and Decembers, compared to a usual 28,000, but never at one time.

Has become a cost issue for the university, i.e. where one lecturer would previously been able to present to 200-300 students, now it may take three or four lecturers to achieve the same.

Will most likely not see full student return until the beginning of 2021.

JL Illawarra TAFE is fully operational but experiencing difficult times in understanding which trades sections are on campus or off.

ITSA operates 15 shops across Illawarra and other institute campuses, but currently many open only one or two days/week. Have been advised that from July 20th, they will have to have them all operating fully.

BR July 13th S2 start. All staff can work from campus with management approval and physical distancing in place. Majority of students have commenced online, with the return of targeted cohorts for key face-to-face learning in 17 additional subjects. Approved HDR and research activities on campus. Minimal on campus services.

Students were sent home in March. Those that want to return may do so in mid-July.

CSU is moving to a predominantly online service, which will likely see a reduction for service requirements on campuses. Returning students may discover that there is no lecturer available on that campus.

Reduced support for clubs will see clubs being advised to affiliate with local clubs in the community. This will have a knock-on effect on bar trade on campus.

- CW** S2 August 3rd return to operations to service a projected 17% of regular student numbers. Plans for some outside events.
- SM** University moving to stage 2 restrictions, with staff returning towards the end of July. S2 has been delayed by three weeks to August 24th. 50%-60% of campus population expected to return, but staff have been given the option of working from home, which will reduce customer numbers.
- SK** Campus reactivating from July 27th. Hoping for a return of 20% of students.
- SE** Staff are planned to return to campus next week, with gradual return of students to campus from July 13th. No lectures on campus until next year.
- TAG** Will the current increase in domestic student enrollments offset the loss of international students?

Operational

- AJ** Cafes turning \$500/day, the bar turning \$1,000 is a cause for excitement.
- Creating hybrid retail offers to reduce staff requirements: The currently only operating café will be moved into the bar from late July. IGA will close in July for the remainder of the year and moving its convenience top sellers into the UniShop. Also helps to centralise the offer for students that are on campus, and helps Pulse remain liquid.
- The IGA issue was exacerbated by stockholding and stock dates. Having to mark down prices to move short-dated stock reduced margins from the usual 25% to 11-12%. Refining it and moving it to a smaller footprint within the UniShop as a 7 Eleven-type offer will make it much more profitable.
- JL** Bookshops are trading well, as students must buy all their gear, whereas in the past they were given out.
- Canteens are delivering to the trades sections so that students don't have to come to the canteens. This has been well-received by the sections, as it reduces student times in queues, so this may become the usual method of operations moving forward.
- BR** Currently experiencing 90% downturn in trade. Operating only one counter on each campus presently, with workplace uniforms and clothing via their emerging online shop effectively keeping them afloat commercially.
- COVID response has been to roll out extensive signage, requiring dine-in students to sign in and each space allocated a number of seats allowed with chairs removed to support this. University has been slow to install Perspex sneeze guards.
- Declining enrolments for CSU student accommodation have been a challenge for a few years. This has impacted on viability of commercial operations on their campuses.

Smaller campuses such as Dubbo are in danger of being closed permanently. Larger campuses may reduce to a primary offer only, based out of the larger building on campus, rather than numerous outlets spread across campus

CW First outlet (lolly shop) reopened today. Two cafes scheduled to reopen July 6th. Bar 13th July, and main eateries the week before student return.

Table service requirements in the bars are problematic, particularly at the small Gatton campus.

Under COVID restrictions, campus can carry approx. 40% of usual student numbers, so that represents a significant reduction in earning potential.

Challenge in budgeting within these unknowns, and then with the loss of JobKeeper. May have to shut a few outlets until February 2021. Some may not reopen at all depending on circumstances.

SM Sponsorships and advertising have reduced significantly by up to 50%.

Only two commercial outlets currently operating out of a usual 20. This has seen commercial revenues fall by 90%

SK Restrictions on functions lifting July 1st, which will mean that they can commence taking bookings again for functions, under the new COVID format; food service in pre-packaged portions, physical distancing in rooms, mixed delivery that also includes live streaming.

Have lost 90% of previously booked events. Some are wanting to move to a fully online event model, which is a significant loss of revenue. Fortunately, some bookings are simply cutting this year's event and moving into next year, maintaining some forward bookings. Many of those are smaller groups which helps them test the new COVID formats.

Café is now allowing seated patrons. Bars are scheduled to reopen next, then the Aerial Function Centre.

SE Sales are currently 10% of usual levels.

Believes that 30% reduction on business in 2021 due to the loss of many international students, eg Griffith Language Institute student numbers for this August are 25 compared to the usual 500.

TAG Will operational changes currently being made on campuses be permanently retained or adapted for ongoing application?

Restrictions on live music venues will pose a significant hurdle in putting on events.

New 5-year contract with Lion Beer has been finalised, with improved rebates and promotional support accruals. These have been backdated to 1st January 2020.

JobKeeper and Staff

- AJ** Will be a much leaner operation in 2021. Projecting a 30% reduction on 2019 figures, also taking into consideration the university's projection of a 15% downturn in student numbers.
- JL** No staff have been let go. All staff are on JobKeeper. Without it, they would not survive. Have been keeping staff informed through a weekly newsletter
- BR** As a department of the university, they are not eligible for JobKeeper. VC was leading negotiations with the NTEU but has dropped out of that and is now on a six-month sabbatical.
- Keeping staff actively engaged with up to 90% business downturn is a challenge. Also, the Change Proposals are challenging morale as staff consider the impact of proposed changes.
- University is projecting an \$80M shortfall which they want to repair by the end of 2021. Seven Change Proposals are being released today. This will reduction of professional staff. Probable there will be job losses.
- SK** Many of their staff were student casuals ineligible for JobKeeper. Seven or eight casual staff were eligible have been deployed as required across any operational outlets.
- TAG** With JobKeeper finishing in September, and full student return not anticipated until early next year, how will members cope in the months in between?

Tenants

- AJ** Tenants have been told that from August, they will have to expect to share some of the financial pain with the university.
- Has a long list of operators wanting to get onto campus, so there is the potential to sell the Pulse cafes if necessary
- CW** Potential tenants who were considering leases on campus have since dropped off the radar. Boost has only just reopened; Guzman Y Gomez has no intention to reopen under current circumstances.
- Anecdotal evidence is that tenants have been trading at around 20%.
- SE** Most of the tenants on campus remain open, supported by rent relief from the Guild.

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