

# Focus.

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Supporting  
business success in  
South Australia

June 2022

## Close contact

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How SA tourism  
has successfully  
navigated the  
pandemic





# Welcome.

Welcome to the June 2022 edition of BankSA's *Focus* magazine.

The recovery in South Australia's tourism and hospitality sector is in full swing and tracking well ahead of expectations, with our regional markets leading the way.

Latest data from the South Australian Tourism Commission shows hotel room occupancy in Adelaide in April was near record levels, and many of our regional operators have done extremely well once COVID lockdowns were lifted.

The State Government's Great State Vouchers and Federal Government's SME Recovery Loan Scheme have played an important role in kick-starting the recovery.

However, it has been South Australians who, starved of the opportunity to travel interstate or overseas, have discovered their own back yard. If they could drive there, they've stayed there - from Streaky Bay through to the Far North and across to Renmark, and down to Mt Gambier and the Limestone Coast.

There is also a prevailing view that this COVID 'reset' has provided our state with the potential to grab a bigger slice of the Australian market through more experiential travel experiences.

In this issue, we talk with some of our state's tourism operators about their experiences over the past couple of years, as well as the industry leaders who are helping to shape the sector as we recover from the pandemic.

Their stories reveal an incredible level of resilience, innovation and belief in the future. And despite the challenges, they have seized the opportunity to build stronger businesses and once again show off our state's world class food, wine and stunning landscapes.

Businesses have also adopted innovative approaches to keep their customers engaged, from wineries offering virtual wine tastings to premium restaurants offering take-away dinners.

Infrastructure upgrades also continued through the pandemic, such as Mt Lofty Estate's award-winning Sequoia Lodge and Berri Riverside Holiday Park's 30 new apartments, demonstrating extraordinary faith that the industry will recover.

Despite the slow recovery of international-based tourism, the overall medium term is positive, with expectations South Australia will soon surpass the \$8.1 billion tourism expenditure of 2019.

I hope you enjoy these fascinating insights from some of our state's tourism operators and their plans for the future.

Best regards,

**David Firth**  
BankSA State General Manager  
Business

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# SA tourism's close contact.

## It's been a rollercoaster ride for South Australia's tourism industry through the past two years.

From the depths of on-again off-again lockdowns to the highs of extraordinary regional demand, the industry has seen it all.

Some of the state's leading tourism operators talk about resilience and innovation in tackling the pandemic. They've also had to manage having almost their entire staff on JobKeeper one month, to appealing for more staff to meet a surge in demand the next.

There have been casualties along the way, but remarkably, many in the industry are experiencing record numbers in 2021/22 and are confident about the future.

The one phenomenon that stood out was how quickly South Australians switched from traditional interstate and overseas holiday plans to instead fill hotels, caravan parks, camping grounds, and bed & breakfasts, with operators putting up 'no vacancy' signs soon after taking down the 'closed-for-COVID' signs.

Tourism Industry Council of SA (TiCSA) CEO, Shaun de Bruyn, said the industry had seen things never thought possible.

"The areas that have most struggled have been businesses whose services rely on international and interstate visitors, including tour operators, festivals and events organisers, and Adelaide CBD businesses," Mr de Bruyn said.

"On the other side, at times over the past two years, we've seen record levels of activity in those businesses that look after self-drive South Australians.

"We've also seen all sorts of innovations. People have looked at the products and services they have and how they could be re-purposed to suit South Australians getting out into their own state. We've seen fantastic thinking and new ideas, and new ways of

doing things. Many of those businesses have reaped the benefits."

Mr de Bruyn said unprecedented levels of State Government investment and support for public and private infrastructure helped those still looking to invest despite the pandemic.

"During times of recession, infrastructure investment is a good way to get the economy moving again. Tourism businesses have certainly capitalised on some of the Government programs out there," Mr de Bruyn said.

"The latest Federal Government numbers we have show the industry was worth \$8.1 billion across the state for expenditure in 2019. Most recently this fell to \$5.9 billion - a 27 per cent reduction in expenditure across the state, so there's no doubt we are in recovery mode.

"The medium to long term prospect for our industry is extremely positive. We will charge past that \$8.1 billion and move into future growth areas where we've never been before in coming years."

TiCSA's March quarter sentiment survey of its members and broader tourism industry indicated businesses were still significantly impacted by travel restrictions and loss of consumer confidence saw reporting of cancellations of bookings and operating at reduced staff or operations.

However, the survey showed an improvement in business confidence for the next 12 months and outlook for the next three months - with an improvement on those businesses anticipating stronger business activity in the second quarter of 2022.

Mr de Bruyn said there was absolute potential for South Australia to use the COVID-induced 'reset' to grab a bigger slice of the Australian market through more experiential travel.



**"The medium to long-term prospect for our industry is extremely positive."**

**Shaun de Bruyn**  
TiCSA CEO



Image courtesy: SA Tourism Commission

"South Australia receives between 4 and 5 per cent of the national share of the expenditure from overseas visitors. We would very much like to see that grow to a 6 or 7 per cent share," he said.

"South Australia is very well positioned to deliver the experiences that international visitors are looking for. We're safe, we're a very liveable city, wonderful green space, fantastic food and wine, great festivals and events, and obviously our nature-based experiences."

The view that South Australia could use experiential travel to its advantage was also supported by some of the state's leading tourism operators.

David Horbelt, from Mt Lofty House, said there were a lot of tourism opportunities advanced during COVID, such as opening up reservoirs and other initiatives to promote experiential tourism.

"There's already been a focus on wellness tourism. I think that will just get stronger

and stronger, particularly in a region like the Adelaide Hills that's so broad and diverse," Mr Horbelt said.

Phil Hoffmann Travel CEO, Peter Williams, said South Australia was well positioned to take advantage of those seeking great food, premium wine, the outback and experiential travel in general.

"It is fantastic to see investment in major tourism projects such as the rebuild of the iconic Southern Ocean Lodge on Kangaroo Island, the rise of Sequoia at Mt Lofty, along with the Bridgeport Hotel at Murray Bridge, our world-class upgraded Monarto Safari Park, and the soon to be built 5-star hotels in the Barossa Valley and McLaren Vale," Mr Williams said.

It's a point echoed by the South Australian Tourism Commission, with the agency's CEO Rodney Harrex stating that South Australia is on the right path.

"The visitor economy is tracking ahead of its forecast position, market conditions are favourable, and signs show that 2022 will be a bumper year for domestic tourism," Mr Harrex said.

"We've worked hard to keep South Australia top of mind in key global markets (and) we're well-placed to maximise the international opportunity over coming years. Pent-up demand from Europe and North America after long periods of lockdown means people are looking for destinations with lots of open spaces, diverse experiences and plenty of room to move – South Australia has all of this."

Mr Harrex said the tourism industry had faced some of its biggest challenges, but there had been incredible achievements across the sector.

"There's no doubt the impacts of the global pandemic have meant operators and industry have had to rethink the way they do business. It has spurred innovation to 'pivot' the way





# SA's newest hotels and attractions



Even COVID hasn't stopped a long list of premium accommodation and attractions opening over the past two years. They include:

- ✓ Sofitel Adelaide
- ✓ Crowne Plaza Adelaide
- ✓ Hotel Indigo Adelaide
- ✓ Oval Hotel
- ✓ Sequoia Lodge (Mt Lofty Estate)
- ✓ Eos by SkyCity
- ✓ Monarto Safari Park Visitor Centre
- ✓ Beerenberg Café & function space
- ✓ Yarnbala - Coffin Bay

we do things, and it has spurred investment to make our state even more compelling, and our product able to attract more visitors who will stay longer and spend more," Mr Harrex said.

"With the onset of the pandemic, we had to reimagine our marketing strategy. We pumped nearly \$150 million into South Australia's economy through our Great State Voucher program to stimulate intrastate and interstate tourism, generating bookings that may have otherwise not existed, and standing up jobs for locals.

"Feedback from industry is that the vouchers were a lifeline to business and there is strong travel demand driving bookings.

"We also saw bumper investment in tourism infrastructure. With our \$20 million Tourism Industry Development Fund we supported 114 projects across the state, unlocking \$82.7 million worth of new and improved tourism infrastructure."

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# A view from above.

**Australia's latest and most opulent 6-star accommodation, Sequoia Lodge, is the new star of the already impressive Mt Lofty House Estate, perched above the picturesque Piccadilly Valley in the Adelaide Hills.**

There's no doubt Sequoia will be a beacon for international visitors, but what happens when you open such a facility in the middle of a pandemic when state and international borders are slammed shut?

It hasn't been easy for the current custodian of the Estate, David Horbelt, yet he admits they were one of the fortunate ones to ride out the past couple of years and come out the other side in good shape.

There are five key components to the business: the 5-star Manor House & outbuildings, 3-Hatted Hardy's Verandah Restaurant, the Piccadilly Restaurant & Events Venue, the 6-Star Sequoia Lodge and the charming Gatekeepers Day Spa. Together they form the most awarded Hotel in Australia for the past three years and the number one high end position on the popular review site, TripAdvisor.

For the flagship Sequoia Lodge, there were periods of concern with construction held up and no way of knowing if guests would be able to book once open.

"We started construction in mid 2018. By the time COVID hit we had finished the suites, but had to pause completing the public areas for about six months. With delays in re-setting the build program, it ended up costing about a year to get the final product finished," Mr Horbelt said.

As lockdowns lifted, there was still a big question mark about whether South Australians holidaying in their own state would seek out premium accommodation, such as Sequoia Lodge. The answer was an emphatic "yes".

"COVID was a disaster for so many businesses in South Australia especially in hospitality and we were one of the fortunate few, in part due to being regional but very close to the city. This proximity really played in our favour. As tough as it was, we were blessed and really appreciated the local support that got us through the whole period," he said.

"We had times where everyone was in lockdown and everything stopped, and we tried to keep that period as brief as possible and were successful in doing this.

"As soon as trading was possible, we re-opened, and where we couldn't open a restaurant, we were still able to open the hotel for accommodation and effectively offer an in-room silver service dining experience."

Mr Horbelt described the response from customers as "amazing" with locals taking up the premium Sequoia Lodge accommodation.

"Through the entire journey of COVID we've had an amazing connection with the local market. Nearly everyone in South Australia has awareness of Mt Lofty House and that history allowed us to connect and let locals know we had completely upgraded and refurbished the entire 30 acre estate. The Manor House had a full upgrade, Hardy's Verandah restaurant with its amazing views, wine cellar and cocktail bar had only been trading a few years and Sequoia Lodge was brand new," he said.

"We released that information to the South Australian market, and then word of mouth took off. We couldn't have been happier with the connection with the local market seeing people coming up from the city to stay, and in many cases, repeatedly."

With international borders now opening up, the first trickle of overseas visitors have started arriving at Mt Lofty Estate. Currently, there appears a small slice of fortune. Mt Lofty Estate's market is predominantly European and North American, where borders have re-opened, as opposed to Asian markets such as China, where borders are still firmly closed.

So what's next for Mt Lofty Estate?

"The forecast for the future is looking good – we're very positive about the future," Mr Horbelt said.

"It's new territory for us and it's been a convoluted journey getting there, but we are now confident that there's an ongoing market for a 6-star lodge in the Adelaide Hills."

"I'm very interested to see how far we can go with wellness. We have recently moved from the smaller stables building which had previously been converted into a lovely little spa to the larger, boutique and beautiful Gatekeepers Day Spa as demand had exceeded capacity."

## Star attraction

**Sequoia Lodge is currently the only 6-star lodge in South Australia.**





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**“We’ve had an amazing connection with the local market.”**

David Horbelt  
Mt Lofty House





# Building better relationships.

**Hentley Farm Founder, Keith Hentschke, didn't need the media or health authorities to tell him the pandemic had arrived in Australia in early 2020 – it was sitting in his restaurant in the form of a highly infectious tour group.**

"I was one of the very first people to go into quarantine," Mr Hentschke explained.

"We hosted an American group, and we even kept them outside, but they all caught COVID. We shut the restaurant down as soon as we found out and landed up in quarantine."

Like most hospitality venues, Hentley Farm grappled with what to do when the first lockdowns hit.

For the first part, Mr Hentschke welcomed the Federal Government's JobKeeper program, but still hoped to find some way to keep trading and for staff to stay involved in the business.

"Initially we investigated doing take-away, and we really weren't the right environment to do that. So then we looked at doing Zoom food preparation masterclasses, but decided that wasn't as important to us as creating new menus for when COVID subsided," Mr Hentschke said.

"So we ended up rostering most of our team to work in the vineyards, substantially pruning. We were very fortunate that everyone on our books, and eligible for JobKeeper, was actually working - whether it was maintenance in the restaurant, designing and trialling new menus, keeping things clean and tidy, or in the vineyards.

"They learned other parts of the business, and I think looking back that was really important in keeping the team engaged. When we came out the other side we had maintained most of the team and they were more knowledgeable about the business."

Hentley Farm tried different approaches to create revenue and keep in touch with their customers, such as down-sizing the restaurant, introducing casual dining and using the space for wine tastings before lunch.

"The most successful was when we launched our luxury range. We prepared about 1,000 tasting packs virtually, and they went out to our community as well as for corporate clients," he said.

"So we were able to launch without travelling across the country. We were able to do virtual tastings overseas as well."

When interstate borders did re-open for a short period in early 2021, the appetite for travel and premium experiences was immediately obvious.

"The period from around March 2021 where borders were substantially open, we had record trading of visitors through our cellar door. Then of course in June/July it again came to a very quick halt," he said.

"Our restaurant pre-COVID was probably about 15-20 per cent South Australians, 10-15 per cent internationals and the rest predominantly eastern seaboard, but the locals have been very supportive (during the pandemic)."

Mr Hentschke highlighted the strength of the direct consumer market, and even ex-pats

returning to Australia, as key markers for success in such challenging times.

"We've continued to invest in supporting our direct consumer market. We saw ex-pats all returning home, and they were a significant part of our market.

"Pre-COVID, instead of buying wine, people were indulging in overseas travel. Now we've been able to spend more time with our customers, build better relationships and plan more events."

Hentley Farm already has infrastructure in place for future growth. It had just completed a winemakers tasting facility before the pandemic, but that hasn't been put to use for its customers as yet.

"We're expecting continued growth in most parts of our business and that the restaurant will be full. We're back to taking bookings for our restaurant many weeks in advance. We expect the cellar door to be bursting at the seams due to pent-up demand.

"There's also been a focus on finding international markets outside of China and therefore, continued growth internationally. The future has never been as strong as we're seeing in our forecasts right now."

## Barossa gem

**Hentley Farm was established in 1997 and extended in 2004 with the purchase of a neighbouring vineyard.**





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**"We've been able to spend more time with our customers, build better relationships and plan more events."**

Keith Hentschke  
Hentley Farms





# Rediscovering SA's backyard.

**If your childhood memories of caravan parks consist of onsite vans, swing sets and a communal kitchen, it might be time for another look.**

Today's caravan parks boast resort pools, camp ovens, movie nights, and even mini golf courses.

Mark and Merle Venter moved from Sydney corporate life to operating caravan parks seven years ago, and for the past five years have been in charge of the Berri Riverside Holiday Park in South Australia's Riverland.

They are aware that modern parks are more than a place to park the van. They're no longer just a base, but a destination.

Berri Riverside Holiday Park currently has 120 sites and 70 cabins, but has also just opened 10 on-site apartments and is building an additional 20 double-storey, three-bedroom apartments due to open in December 2022. All up the infrastructure upgrades will total \$10 million – a large chunk of it spent during the pandemic.

Mr Venter explained the new facilities fit what he calls a gourmet-type customer.

"These customers want the extra comforts, so in our case that's three bedrooms, two separate bathrooms, dishwasher, washing machine, two parking spaces and room for the boat," Mr Venter said.

"That will extend to our higher corporate level when we have events on the river as well. That's a new niche market that we're moving into.

"We started the project last November but it has been in the planning stages for two years."

Mr Venter said traditional holiday makers now demanded more than the basic facilities of previous generations.

"We looked at what our competitors are doing, and we thought, how would we differentiate ourselves and become relevant to customers that are coming here," Mr Venter said.

"We have a mini golf course, which I would say is one of the best in Australia. We've purchased a restaurant boat that provides customers an opportunity to experience the great Murray River, a great meal and beautiful sunsets, a different experience for our customers.

"We also have events within the park for customers to get together. They spend most of their time within the park so we have other facilities – a pool, jumping pillows, and pizza nights where they make their own pizzas and sit around the campfire."

Mr Venter said the park shut down in early 2020 like the rest of the world, but he maintained a positive outlook.

"It was much different in 2020 when we had all those cancellations and had to return something like \$500,000 in credits, which really affects your cash flow. But I must say the BankSA team gave us the assistance we needed. They knew our track record. I made a phone call and the next day I had that assurance we could trade through that period, which was really great," he said.

"After the first few months (of COVID) we could see the light. I'd done the planning and our occupancy levels demanded that we actually improve and add a different clientele as well. We got out there and said we're not going to die and shrivel up – but get out there and show people success.

"We ended up having a record year to June 2021 and now we're having another record year. The past financial year we grew by 70 per cent on income, which is great, and this year's done the same. Most of our staff were initially on JobKeeper for three months, but now we've surpassed our employment from where we were (pre-COVID)."

Mr Venter said the whole dynamic of the business model had changed.

"In the past you'd have your quieter months like August and February where you'd struggle to turn a profit. Now the scale of economy has turned with additional customers, so all year round we're making a reasonable profit.

"We had a long waiting list for school holidays. We had quite a few cancellations with the high level of COVID, but we'd have someone else ready to fill that spot. The demand is there."

## Caravan & cruise

**Berri Riverside Holiday Park has its own cruise boat, which is also a floating restaurant.**





**“We ended up having a record year to June 2021 and now we’re having another record year.”**

**Mark Venter**  
Berri Riverside Holiday Park





# Re-inventing the travel experience.

**The expression 'innovate or die' could not have been more accurate for countless businesses throughout the pandemic.**

It certainly applied to Adelaide tourism business, Phil Hoffmann Travel, with a customer base comprised 95 per cent international travellers pre-COVID.

Two years on, the business model has been flipped on its head, now grabbing a large slice of the intrastate and interstate travel market.

Phil Hoffmann Travel was established in 1990 and quickly became a market leader in bespoke leisure travel, cruise, escorted and hosted groups, and MICE (meetings, incentives, conferences and exhibitions). It is Australia's largest privately owned travel agency with 10 branches across South Australia, and head office in Glenelg.

CEO and Director, Peter Williams, said a combination of innovation and a strong brand had been pivotal in navigating the pandemic.

Mr Williams said Phil Hoffmann Travel's success had been challenged by the travel industry's supply chain effectively being completely cut.

"COVID obviously had a dramatic impact on revenue, triggering a company response to limit cash burn through a strategic cut in in fixed and variable costs," Mr Williams said.

"To be totally honest, it has been an emotional roller-coaster with plenty of tears. Our senior management team has been outstanding in all aspects, having worked around the clock. We could not be prouder of our whole team who have stuck together and supported each other during some really tough times."

Phil Hoffmann Travel has always been known for its industry leadership, and its response to the pandemic was no different.

"With international travel banned, we needed to look initially at intrastate, then as state borders opened up, interstate travel packages, to keep us connected to our valued clients. The SA Tourism Commission was and remains very supportive assisting us with many state-based campaigns, along with Journey Beyond who helped us promote the ever popular domestic rail journeys," he said.

"We've also been blessed to have strong media and supplier partner relationships and although marketing costs were reduced to zero, the company was able to maintain a regular presence in all media channels."

Mr Williams explained the company had used the initial downtime of COVID to set itself up for the future through innovation, including:

- Improving technology through automation of manual processes to increase productivity and digitisation to provide an online presence and booking capability;
- Focussing on sustainability – a significant issue especially for the younger generation – concentrating on reducing its carbon footprint and minimising waste;
- Implementing a dedicated in-house training facility, along with enrolling 90 per cent of all employees in personal development, skills and leadership courses to be complete over the next 12 months.

The company has also completed the build of its Sky Deck conference and event facility which includes a 200-seat theatre, commercial kitchen and sky bar.

With borders opening and travellers returning, Mr Williams is confident the supply chain will return to reasonable levels quickly.

"The pent-up demand should see the business recover quickly and hopefully return to similar levels within two years," Mr Williams said.

"There's a whole new level of excitement with the team as the world finally opens up and we get back to promoting travel, curating holidays, selling dreams to the holiday-seeker and looking after our corporate travellers.

Mr Williams believes there has been significant change to the travel industry through COVID.


"Simply and sadly there has been a substantial demise in travel agencies, (however) clients have been badly burnt by the on-line experience and they are now looking for a trusted, visible and experienced brand to invest their travel spend," he said.

"We are very fortunate that we have very loyal clients, however 30 per cent of new bookings are new clients to our brand. We are seeing a broader demographic, including a substantial increase in youth customers seeking professional advice given the increased complexity of travel in the post-COVID world."

## Travel icon

**Phil Hoffmann Travel started in 1990 with Phil and just two staff. It now employs more than 200 people.**



A man with grey hair, wearing a light blue blazer and a striped shirt, stands on a pier with a metal railing. He is smiling and looking towards the camera. The background is a sunset over the ocean, with a bright sun low on the horizon and a small bird flying in the sky. The water is dark with golden reflections from the sunset.

**“There’s a whole new level of excitement with the team as the world finally opens up.”**

**Peter Williams**  
Phil Hoffmann Travel





# Regions drive local recovery.

**On the edge of the historic Mintaro township, Justin and Julie Ardill have been steadily growing their patch of paradise known as Reillys Wines.**

With a background in pharmacy and medicine, owner and winemaker, Justin, purchased a small parcel of vineyards in Watervale in 1993. Along with these vineyards, he and his wife, Julie, purchased Reilly's Cottage to be their cellar door and winery on the main street of Mintaro.

The name Reillys stems from its rich history dating back to 1856 when Irish shoemaker Hugh Reilly settled in the township of Mintaro, building Reilly's Cottage from the local slate.

Over the years, Justin and Julie have purchased and planted more vineyards and sourced premium fruit from local growers in the Watervale and Leasingham areas.

The business has also expanded to purchase four adjacent Bed & Breakfast cottages for up to six couples, offering rustic yet luxurious country-style accommodation.

Like most tourism and hospitality businesses, Reillys Wines has been knocked about by COVID with lockdowns and the 'on again, off again' restrictions and density limits.

However, they are hopeful that as visitors return, there will be a 'flight to quality' as travellers seek more experiential tourism options, which Reillys Wines and the wider Clare Valley offer in spades.

"When COVID hit it was really quite sad. It was almost like Pompeii – you had food in the fridge, wine bottles opened and then bang,

it was closed. It had an eerie sense about it," Mr Ardill said.

"But what we then saw over time was the South Australian market really opened up. People who had never been to Clare came to the Valley and realised how great this state is. Many of them have now become really good repeat customers for us as well.

"Clare is close to Adelaide but is far enough away to provide that country experience, and there are now some really high-quality offerings in Clare. Kind of fortuitously, we upgraded our accommodation just before COVID hit, so it helped a bit.

"What we've found is people want to have a quality experience, which is what we offer with our hosted food and wine-paired Long Lunches and Long Table Dinners. This was partly driven by COVID, because we had capacity limits and so we wanted to keep people in their seats longer."

In addition to the accommodation upgrades, Reillys Wines has invested in its cellar door offering, and recently hired another chef to substantially lift its food offering.

"We have two chefs now and really pitching for a unique dining and wine-paired experience. That's been a big reinvestment in our infrastructure back-of-house to make that work.

"We're lucky because we have a great outdoor venue, so people were very happy to be out in the open air rather than inside."

Mr Ardill said there were still significant challenges with the international market now very quiet. They previously relied on

international tourism, including Chinese and Indian visitors, and they are yet to return.

However, travellers from Victoria, New South Wales, Queensland and Western Australia were now streaming across the border.

"The accommodation side has been quite busy other than last minute cancellations due to COVID," he said.

"People are now living with COVID and accepting that it's around, so they are travelling. I think we're in a sweet spot where people don't yet want to travel overseas, but they have a stable income and are liking the experience of travelling around Australia.

Mr Ardill expects things to get a lot busier, particularly as more travellers return.

"I think there's going to be a change in why people come to the Clare Valley," he said.

"We're working out how we restructure to market our experience packages, wine food lunches, accommodation and winery tours.

"It's had a very yin and yang feel about it, with the success of wine, food and winery experiences, but still with the risks of last-minute cancellations and changes to COVID requirements."

## Rich history

**Mintaro is probably best known as a producer of slate – the highest quality in Australia and of outstanding strength and durability.**





*Reillys*  
CLARE VALLEY

- Cellar Door -  
- Restaurant -  
- B&B Accommodation -  
OPEN 7 DAYS



5 STAR WINERY & DARK HORSE FINALIST  
James Halliday, 2010 Australian Wine Companion

**"People who had never  
been to Clare came to  
the Valley and realised  
how great this state is."**

Justin Ardill  
Reillys Wines





# Resilience creates more skilled staff.

## Managing close to 700 staff across 10 hotels can be complex at the best of times.

For Hurley Hotel Group General Manager, Sam McInnes, discussing the ebbs and flows of managing staff during COVID reveals a rollercoaster of challenges, from JobKeeper to unprecedented labour shortages.

It's an issue experienced across the tourism and hospitality sector. But it's also borne out an extraordinary level of resilience as staff took on unfamiliar roles to keep themselves busy and the venues ticking over.

The Hurley Hotel Group is a family-owned business established more than 40 years ago by Peter and Jenny Hurley. The Group owns nine hotels across South Australia, plus a tavern and marina at Tweed Heads in northern NSW.

Mr McInnes highlighted two of the hotels in the group – the Marion Hotel and Port Lincoln Hotel - that have managed different challenges during the pandemic.

The Marion Hotel in suburban Adelaide underwent a \$20 million redevelopment in 2018 and now features 62 motel rooms, new bottleshop, new bars, function rooms, a beer garden and two dining areas. It was voted South Australia's best overall hotel in 2020 and 2021 at the Hotel Industry Awards for Excellence.

The hotel's accommodation clientele is traditionally regional travellers from all parts of South Australia, and benefits from its close proximity to major facilities such as the Flinders Medical Centre, Flinders University, Tonsley Innovation Park, the State Aquatic Centre and Westfield Marion.

The Port Lincoln Hotel, overlooking the stunning Boston Bay, opened in 2007 and is the largest of the Hurley Hotel Group's properties with 111 rooms. It traditionally caters for business and government travellers, as well as some holiday traffic.

In the early days of the pandemic, both hotels had no on-premise facilities open and catered for essential workers only.

"Port Lincoln Hotel was hit hard by the initial lockdowns, but then benefited from the caged-in intrastate-only travel situation we found ourselves in," Mr McInnes said.

"We were about to do a new al fresco area out the front of the hotel. That's been a few years in the making but we've finalised tenders and work is due to start in May."

Mr McInnes said the most refreshing element of the bad times was the level of resilience shown by staff.

"All of our staff were willing to do anything. It didn't matter what it was – everyone wanted to help. They could see the enormity of the challenge we were facing," he said.

"Some just wanted to do something to stay busy and feel like they were making a contribution. For example, our sales and marketing manager in Port Lincoln went and worked in the bottle shop for several months. Our food and beverage team would be cleaning rooms or doing deliveries.

"Our people, particularly younger staff, wanted to experience a different department, whether it be working at reception or learning how to use the TAB and KENO, or pouring beers."

The Marion and Port Lincoln hotels are now grappling with challenges at the opposite extreme: a significant labour shortage.

"I've been in the industry for 30 years and it's unquestionably the tightest labour market I've seen," Mr McInnes said.

"From spring last year we've been tracking at 80-plus per cent occupancy at both Port Lincoln and Marion due to intrastate travel.

"We have a major supply issue because of the lack of international workers, and in hospitality, those workers play a key role in supplying the workforce."

Mr McInnes was upbeat about the future strength of the tourism market, particularly in relation to domestic travel.

"I think it's definitely changed our landscape. Certainly in Port Lincoln we've seen a lot more Adelaide visitors, and the most common comment is 'I didn't know this was here' or 'I didn't know how nice it is,'" he said.

"We've seen a lot more people 'staycation' at the Marion Hotel and I think that will continue into the future. Our weekends are quite strong.

"I think there will be a degree of 'sticking' in that people will continue to appreciate South Australia for what it is."

## Award winning

**Marion Hotel was named South Australia's best overall hotel in 2020 and 2021 at the Hotel Industry Awards for Excellence.**





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**"All of our staff were just willing to do anything. It didn't matter what it was - everyone wanted to help."**

Sam McInnes  
Hurley Hotel Group





L-R: Peter Panas, Rebecca Dower, Andrew Hicks and Jarrad Quinn

# Local knowledge and proactive support benefits tourism.

**While the South Australian economy has rebounded since the onset of the pandemic, the hospitality sector has proved its resilience time and time again, overcoming extraordinary (and never contemplated) challenges.**

A combination of BankSA's local knowledge, strong industry ties, local decision-making and accessible bankers simply 'picking up the phone' to talk to customers helped give tourism and hospitality providers the confidence to ride out the worst of the pandemic.

BankSA Relationship Director Hospitality, Peter Panas, said his team worked closely with industry leaders including the Australian Hotels Association and the Tourism Industry Council of SA, sourcing live information as it was happening to provide invaluable proactive support to customers as soon as travel restrictions and lockdowns kicked in.

"We wanted to make sure our customers were okay and that they knew BankSA was there to back them through the difficult times," Mr Panas said.

"From the beginning, our assistance was tailored to meet the customer's needs. We had a suite of support measures that we could offer to help them get through the pandemic. For example, we paused principal reductions and merchant fees, we offered temporary overdrafts, and provided term funding.

"We've had customers tell us that they felt the bank 'had their backs' during that period, and that it allowed them to sleep better at night."

Mr Panas said BankSA also helped its customers take advantage of the Commonwealth Government's SME Recovery Loan Scheme, created to enhance a lender's ability to provide credit to otherwise viable SMEs for additional funding to get through the pandemic, recover and invest for the future.

"I'm excited about the industry rebounding and I feel proud that the bank has played an important role in backing these businesses," he said.

"A lot of our accommodation sector clients are now feeling more confident about the future and looking to invest in their operations, by upgrading or adding greater capacity to take advantage of the potential influx of new visitors.

"The pandemic has been one of the greatest challenges faced by the hospitality sector. As South Australia's local bank, we have looked to provide knowledge, confidence and certainty during these difficult times so that our customers can focus on what's most important.

"At the end of the day, we're here to help all of our customers succeed, and we will continue to stand by them through all the ups and downs."



## Contact: BankSA Commercial Banking

Talk to your Relationship Manager, call into your local BankSA branch, or contact our lenders directly:  
**Peter Panas** | Relationship Director, Hospitality - **0412 156 478** or **panasp@banksa.com.au**.



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businesses.

They back  
the State's  
economy.

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