

Navigating your business through the Coronavirus outbreak

An Australian perspective

March 2020

The global reaction to the initial outbreak of the coronavirus in Wuhan City, China in December 2019 has already had devastating effects in Queensland, particularly on the tourism industry, with the Queensland Premier recently estimating that the Cairns region alone has lost \$200 million in forward bookings, and Gold Coast operators were expecting to lose \$400 million.

Following on from the summer of deadly bushfires, the tourism industry has been hit with a “double whammy” of woes with this viral outbreak.

China is the largest source of tourists to Australia. Tourism Research Australia’s survey shows more than 1.3 million Chinese visited Australia in 2019, with a total spend \$12.3 billion. With these figures in mind, the financial impact of government intervention to prevent travel to and from China could be catastrophic for our local tourism industry.

In addition to the ban on travel, manufacturing plants within and outside China are being effected by restrictions on staff travel within China and shipping is likely to be delayed. Business operators should prepare for business disruptions, particularly to their normal stock and inventory deliveries, where those items are sourced from China or Hong Kong.

With this bleak news, business operators across the tourism sector are asking how to minimise the impact of the outbreak on their businesses on a day-to-day level.

In response to the pleas from the Queensland’s tourism sector, this week the Queensland Premier announced the \$27.25 million Industry Recovery Package to minimise the impact of the coronavirus outbreak on Queensland’s tourism destinations and businesses. These measures include establishing a small business advice hotline, establishing various advice forums for exporters, waiving selected Queensland Government tourism fees and charges and running multi-million dollar Queensland tourism and education marketing campaigns.

In addition to the support offered by the Industry Recovery Package, below are some suggestions as to the types of issues business owners should now consider in order to minimise the impact of the outbreak on their own businesses.

What steps can I take to minimise the coronavirus risk to my business?

Your workforce

- Ensure proper staff training by providing information and education on the virus including how the virus spreads, how to prevent the virus and how to dispel myths, fears and misconceptions.
- Encourage all staff to follow the Australian Government Department of Health recommendations on good hand and sneeze/cough hygiene:
 1. wash hands often with soap and water before and after eating as well as after attending the toilet;
 2. avoid contact with others (including touching, kissing, hugging, and other intimate contact); and
 3. cough and sneeze into elbows, rather than hands.
- Ensure there is continual and ongoing communication with workers, provision of updates on the outbreak and conduct of training refreshers and drills as and when required.
- Make additional hand washing/sanitizing stations available to staff (and guests) throughout your workplace.

Your guests

- Keep yourself and your staff up-to-date with details of the affected areas through the World Health Organisation’s Disease Outbreak News.
- Conduct risk assessments of your premises, considering factors specific to your guests.

Your suppliers

- Investigate the origin of your routine stock and inventory orders.
- Identify alternate suppliers for any goods that originate in China, in case of disruption to normal delivery schedule.

Your insurance

- Investigate the cover that your existing insurance policies provide to see if your business may have a claim for any coronavirus-related disruptions.

Your existing contracts and existing bookings

- Check the terms of your existing contracts and bookings for unexpected delays protection, including “force majeure” clauses. Force majeure events are, in general terms, unexpected circumstances outside of a party’s reasonable control that prevent a party from performing its obligations under the contract.
- If your contract contains a “force majeure” clause and you are concerned that the contract may end as a result (or you wish to end the contract), seek legal advice as to whether the clause can operate to terminate your contract or booking.
- Investigate whether any existing contracts can be amended to include express infection disease/epidemic wording.

New contracts and new bookings

- If you are negotiating new contracts or taking new bookings, insert express infection disease/epidemic clauses into those contracts or booking terms.
- Norton Rose Fulbright’s global teams are actively advising clients in relation to the coronavirus outbreak. Please do not hesitate to get in touch with us if your business has been affected or if you would like us to assist with any of the steps set out above.

Norton Rose Fulbright has recently published an article that examines some of these steps in more detail. [See here.](#)

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