



**Accommodation  
Association  
of Australia**

**Review of the (NSW) Liquor Act 2007 and  
(NSW) Gaming and Liquor Administration Act 2007**

**Submission of the  
Accommodation Association of Australia**

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## EXECUTIVE SUMMARY

- Excessive consumption of alcohol by persons resulting in drunkenness and violent behaviour in public places is having a major negative impact on Sydney (and NSW) as one of the world's leading tourism destinations.
- Specifically, the accommodation industry supports complete separation of the NSW liquor licensing regime into two distinct segments:
  - Businesses where the principal source of revenue is the sale of alcoholic (and other) beverages on-premise; and
  - Businesses where the principal source of revenue is the sale of tourism accommodation rooms.
- As is the case in the majority of overseas countries, the label "hotel" should only be able to be used by a business with a liquor licence which derives the majority of its revenue from the provision of short-term tourism accommodation and the NSW liquor licensing regime should be updated to reflect this.
- Sale and supply of liquor in defined tourism accommodation businesses should be for the purposes of restaurant/bar service or mini-bar service. Restaurant service should include provision of alcohol during functions and events held within the establishment.
- Sale and supply of liquor in tourism accommodation businesses should be permitted at any time to registered guests and registered persons visiting registered guests.
- Sale and supply of liquor in tourism accommodation businesses should be permitted during the ordinary day trading hours for "pubs" or "bars" to any person without the need for a hotelier to determine whether they are registered guests, attending a function or meeting intending to consume substantial food on premise.
- Given the outstanding safety record of tourism accommodation businesses, there should be no restriction on hours when alcohol can be sold or supplied to guests and registered persons visiting registered guests.
- The accommodation industry supports a regime where all "pubs", "bars" and "taverns" must not permit persons to enter their premises between the hours of 12 midnight and 8am. Special licence provisions with strict enforcement should apply to hours later than midnight in such premises.
- For "nightclubs", the accommodation industry supports a regime for these businesses which is broadly similar to our policy position on "pubs", "bars" and "taverns", except that lock-ins at nightclubs should apply no later than 1am.
- The accommodation industry does not support additional liquor licensing restrictions being applied in specific geographic zones.
- Special tourism facility licences should be created to allow the sale of alcohol in a controlled manner with hours similar to "pubs" and "bars" in locations where "tourism needs", "international traveller expectations" and other specific conditions apply but where an ordinary licence category does not apply.
- The accommodation industry is supportive of "small bar" licensing to create vibrancy and activity in inner city and suburban shopping and restaurant areas.
- The recognition of prior learning exemptions for RSA qualifications issued by other states must be upheld. The rapid migration of hospitality staff around the country, large numbers

of student and part-time workers mitigates strongly against having to repeat RSA qualifications in each state. With the exception of precise penalties in dollar form for the average service or bar person, the main issue is the establishment of a person's age or level of intoxication.

A free online portal with registration of interstate RSAs would be ideal at which time the NSW penalties could be acknowledged.

- RSA qualified individuals are frequently under the supervision of a qualified manager. We therefore advocate a policy that permits transitional employment for three months under the carriage of any other state or territory RSA qualification (filed and available on-site for inspection) and a simple online desk audit at a lower fee to convert to a full NSW RSA within 90 days.
- Following the original development approval of a site for an accommodation hotel the process should be such that the requisite consideration of the ultimate issue of a liquor licence is approved simultaneously. At present the process of approving a liquor licence for a new build is forced to occur after almost all capital expenditure has occurred.
- State government must accept that the approval to develop and build accommodation hotels is an automatic approval of a licence for the finished premises albeit subject to the appropriate checks only on suitability of the licensee operator and the completion of the premises in an appropriate form consistent with plans.
- It is recommended that a policy be implemented to expedite the application process by companies or individuals that already hold one or multiple liquor licences in NSW to avoid a replication of information required by the authority. The approval process for multiple licence applications should also be given priority as the holder of the licence has already been assessed to be a suitable holder of the licence. This measure would save time, costs and administration efforts by both the applicant and the authority.

## **INTRODUCTION**

- The Accommodation Association of Australia welcomes the opportunity to provide this submission to be considered by the NSW Government as part of its Review of the Liquor Act 2007 and the Gaming and Liquor Administration Act 2007.

## **ABOUT THE ACCOMMODATION ASSOCIATION**

- The Accommodation Association of Australia (the Accommodation Association) is the national industry body for the Australian accommodation industry.
- Members of the Accommodation Association include major hotels, resorts, motels, motor inns, serviced and holiday apartments, bed and breakfasts, guesthouses, backpackers and timeshare establishments in metropolitan, regional and rural Australia across all states and territories.
- The Association's membership base includes almost 2000 properties and more than 110,000 guest rooms.
- The Association's members include major hotel and motel chains, such as Accor Hotels, Hilton Hotels, Toga Hospitality, Rydges Hotels, Amora Hotels, InterContinental Hotels Group, Best Western Australia, Stamford Hotels and Resorts and Quest Serviced Apartments.

## **THE ACCOMMODATION INDUSTRY – AN INTEGRAL PART OF TOURISM**

- Tourism directly contributes \$34.6 billion to Australia's gross domestic product (GDP), a 2.5 per cent share.<sup>1</sup>
- Tourism's total contribution to GDP (direct plus indirect contribution) is \$73.3 billion, a 5.2 per cent share of Australia's economy.<sup>2</sup>
- There are 513,700 persons directly employed in the Australian tourism industry – 4.5 per cent of total employment.<sup>3</sup>
- There are a further 393,400 persons indirectly employed in the Australian tourism industry.<sup>4</sup>
- Along with education, tourism is Australia's leading services export.<sup>5</sup>
- Tourism contributes \$23.7 billion or 8 per cent of Australia's total export earnings for all goods and services.<sup>6</sup>
- Accommodation/food services provide 33.3 per cent of tourism's gross value added to the Australian economy, worth \$10.454 billion.<sup>7</sup>
- There are 232,400 persons directly employed in the accommodation/food services sector of the Australian tourism industry and a further 12,000 are indirectly employed, meaning total employment in the Australian accommodation/food services sector is 244,400.<sup>8</sup>

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<sup>1</sup> Tourism Industry Facts & Figures (at a glance), Department of Resources, Energy and Tourism/Tourism Research Australia, September 2012, Page 12

<sup>2</sup> Ibid, Page 15

<sup>3</sup> Ibid, Page 13

<sup>4</sup> Ibid, Page 19

<sup>5</sup> Ibid, Page 14

<sup>6</sup> Ibid,

<sup>7</sup> Ibid, Page 18

- There are 4241 tourism accommodation establishments in Australia.<sup>9</sup>
- There are 1401 tourism accommodation establishments in NSW.<sup>10</sup>
- There are 226,555 tourism accommodation rooms in Australia and 636,001 bed spaces.<sup>11</sup>
- There are 70,678 tourism accommodation rooms and 194,454 bed spaces in NSW.<sup>12</sup>
- Tourism’s share of the Australian economy has been declining.
- The number of domestic overnight trips since 2001 is down by 3.6 per cent.<sup>13</sup>
- The total number of domestic visitor nights since 2001 has fallen by 6.6 per cent.<sup>14</sup>
- Tourism has a number of unique characteristics in comparison to other industries. These include:
  - It is highly labour intensive;
  - It requires the input of many service providers to contribute to the experience of the consumer;
  - It is dominated by a significant number of small businesses and has a high proportion of businesses which are located in regional and remote parts of Australia;
  - Tourism competes for the discretionary expenditure of consumers; and
  - Tourism businesses are facing rising taxation, employment and compliance costs.

## **SITUATION ANALYSIS**

- The NSW Government is conducting a five-year statutory review of liquor licensing legislation in NSW, the Liquor Act 2007 and the Gaming and Liquor Administration Act 2007.
- The principal purpose of the review is to determine whether or not the policy objectives of these acts remain valid and whether or not the terms for achieving these objectives remain appropriate.

## **ACCOMMODATION INDUSTRY – LIQUOR LICENSING**

- NSW members of the Accommodation Association have a strong commercial interest in the regulatory and legislative arrangements which are currently set out by these acts and in the event that changes are made to these acts.
- Consistent with this, the comments provided by the Accommodation Association in this submission relate entirely to the sale of liquor for consumption on licensed premises in NSW, i.e. solely on-premises consumption.

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<sup>8</sup> Ibid, Page 19

<sup>9</sup> Ibid, Page 23

<sup>10</sup> Ibid, Page 22

<sup>11</sup> Ibid, Page 23

<sup>12</sup> Ibid, Page 22

<sup>13</sup> Ibid, Page 38

<sup>14</sup> Ibid, Page 38

- While the accommodation industry acknowledges that stringent liquor licensing regulation is necessary in NSW, the industry would like to formally record that the amount of time and money expended by accommodation businesses on regulatory matters directly relating to liquor licensing has increased in recent years and therefore, the Accommodation Association supports measures which would reduce this burden, i.e. reduce the level of “red tape” for the accommodation industry.

## **NEGATIVE IMPACT OF ALCOHOL-FUELLED VIOLENCE ON TOURISM**

- The Accommodation Association wishes to place on record the increasing concerns which exist within our industry about the escalation of alcohol-fuelled violence in selected parts of Sydney and the state of NSW.
- Excessive consumption of alcohol by persons resulting in drunkenness and violent behaviour in public places is having a major negative impact on Sydney (and NSW) as one of the world’s leading tourism destinations.
- It is unacceptable for visitors to Sydney to be put at risk of injury or death because of the actions of persons who have consumed too much alcohol. If this environment continues to exist, there is the potential – if it hasn’t already – for international (and domestic) consumers to be dissuaded from travelling to NSW.
- While it should be acknowledged that the majority of alcohol consumption takes place away from licensed premises whose predominant business is the sale and service of alcohol on-premise, the reality is a vast number of violent incidents resulting from persons consuming excessive amounts of alcohol take place within or in the vicinity of such premises.

## **DEFINITIONS OF LICENSED PREMISES IN NSW**

- Given the magnitude of the issue of alcohol-fuelled violence which occurs in NSW, the accommodation industry is advocating for more clearly defined definitions of licensed premises.
- The accommodation industry supports a liquor licensing regime in NSW where there is a clearly defined line between different types of businesses which have liquor licences for the purposes of on-premise consumption of alcohol.
- Specifically, the accommodation industry supports complete separation of the NSW liquor licensing regime into two distinct segments:
  - Businesses where the principal source of revenue is the sale of alcoholic (and other) beverages on-premise; and
  - Businesses where the principal source of revenue is the sale of tourism accommodation rooms.
- Businesses which sit within the first segment should be defined as “pubs”, “bars”, “taverns” or “nightclubs”.
- Businesses which sit within the second segment should be defined as “hotels”, “apartment hotels”, “motels”, “serviced apartments” or similar (e.g. “bed-and-breakfast” establishments, “farmstay” establishments).

- “Clubs” should be defined as a subset of the category which includes “pubs”, “bars”, “taverns” and “nightclubs”. Clubs should be defined as businesses where the principal source of revenue is derived from electronic gaming machines. A similar category should exist for casinos.
- While acknowledging the historical significance of the label “hotel” in Australia, our nation is currently out of step with the overwhelming majority of overseas countries where a hotel is a business whose focus is tourism accommodation, not one that specialises in the sale and service of liquor on-premise. This situation has and could continue to create confusion for international visitors and therefore, consideration should be given to putting in place steps to assist with ensuring that such confusion is minimised in future.
- As is the case in the majority of overseas countries, the label “hotel” should only be able to be used by a business with a liquor licence which derives the majority of its revenue from the provision of short-term tourism accommodation.
- A sensible step would be updating the NSW liquor licensing regime to reflect this.

### **POLICY POSITION – HOTELS AND APARTMENT HOTELS**

- International (and domestic) visitors deserve and expect to be able to purchase and consume alcohol in the comfort and safety of their temporary home – their hotel, apartment hotel or other tourism accommodation establishment.
- The future liquor licensing regime in NSW must take this into consideration.
- Liquor licences for “hotels” and “apartment hotels” should only be granted to businesses whose principal source of revenue is the provision of short-term tourism accommodation.
- “Hotels” and “apartment hotels” must have a reception desk which is staffed 24 hours every day.
- Sale and supply of liquor in “hotels” and “apartment hotels” should be for the purposes of restaurant/bar service or mini-bar service. Restaurant service should include provision of alcohol during functions and events held within the establishment.
- Sale and supply of liquor in tourism accommodation businesses should be permitted during the ordinary day trading hours for “pubs” or “bars” to any person without the need for a hotelier to determine whether they are registered guests, attending a function or meeting intending to consume substantial food on premise.
- Sale and supply of liquor in “hotels” and “apartment hotels” should be permitted at any time to registered guests and registered persons visiting registered guests.
- Given the outstanding safety record of liquor licensees who meet this definition and international tourism considerations, there should be no restriction on hours when alcohol can be sold or supplied to guests and registered persons visiting registered guests. For example, it would not be feasible for guests to be prevented from accessing in-room mini-bars during a particular period of time.

## **POLICY POSITION – MOTELS, SERVICED APARTMENTS AND OTHER TOURISM ACCOMMODATION BUSINESSES**

- The Accommodation Association is supportive of definitions existing for “motels”, “serviced apartments” and “other tourism accommodation businesses” which are broadly similar to the definition outlined above for “hotels” and “apartment hotels”.
- The only major difference would be that for “motels”, “serviced apartments” and “other tourism accommodation businesses”, there would not be a requirement for them to maintain a 24-hour reception desk.
- However, such businesses would still:
  - Have the provision of short-term tourism accommodation as their principal source of revenue.
  - Only be able to sell and supply liquor for the purposes of restaurant/bar service (including functions and events) and mini-bar service.
  - Only sell and supply liquor to registered guests and registered persons visiting registered guests.
- For reference, establishments such as bed-and-breakfasts and farmstays should be categorised under the definition of “other tourism accommodation businesses”.

## **POLICY POSITION – PUBS, BARS AND TAVERNS**

- To assist with addressing the concerns that the accommodation industry has about the negative impact on the NSW tourism product that the escalation of alcohol-fuelled violence is having, our industry supports the imposition of stronger measures being imposed on businesses defined as “pubs”, “bars” and “taverns”.
- The accommodation industry supports a regime where all “pubs”, “bars” and “taverns” must not permit persons to enter their premises between the hours of 12 midnight and 8am. Special licence provisions with strict enforcement should apply to hours later than midnight in such premises.
- As has been shown by the introduction of a similar measure in Newcastle, a 12 midnight lock-in is an effective way of curbing alcohol-fuelled violence.
- Special tourism facility licences should be created to allow the sale of alcohol in a controlled manner with hours similar to “pubs” and “bars” in locations where “tourism needs”, “international traveller expectations” and other specific conditions apply but where an ordinary licence category does not apply.
- The accommodation industry is supportive of “small bar” licensing to create vibrancy and activity in inner city and suburban shopping and restaurant areas.

## **POLICY POSITION – NIGHTCLUBS**

- Nightclubs in NSW operate in an environment where there is heightened risk of patrons being subjected to violent acts resulting from excessive consumption of alcohol.
- The economic cost of this to NSW should be reflected in the liquor licensing regime for nightclubs.



- The difference in definition between “nightclubs” and “pubs”/“bars”/“taverns” is that trading hours for “nightclubs” must be between the hours of 6pm and 6am.
- For “nightclubs”, the accommodation industry supports a regime for these businesses which is broadly similar to the one our industry supports for “pubs”, “bars” and “taverns”.
- The major difference is that the time when lock-ins should apply at nightclubs should be no later than 1am.

## **LIQUOR LICENSING IN GEOGRAPHICAL ZONES**

- While there has been a focus on additional liquor licensing restrictions being placed on businesses in a particular geographical zone which has been deemed to be an area where a significant level of alcohol-fuelled violence takes place – such as the Sydney suburb of Kings Cross – the accommodation industry does not support zone restrictions.
- This is because tourism accommodation businesses within an area where zone restrictions apply would be subject to the same regime as nightclubs, pubs, bars and taverns in these zones, yet, invariably, they would be responsible for very few – if any – alcohol-fuelled violent incidents.
- Such a scenario would effectively unfairly penalise a tourism accommodation business.
- In a situation where zone restrictions are applied, businesses which have the provision of short-term tourism accommodation as their principal source of revenue must be able to seamlessly apply for an exemption from the restrictions.

## **CONCLUSION**

- The Association was pleased to provide verbal feedback to the review’s Chairperson last month. If the Chairperson requires further direct engagement from the Accommodation Association, we would be pleased to facilitate this.

Date: 30 August 2013