



AUSTRALIAN HOTELS ASSOCIATION

24 Brisbane Avenue Barton ACT 2600 • PO Box 4286 Manuka ACT 2603 • Australia
email: aha@aha.org.au • Facsimile: (02) 6273 4011 • Telephone: (02) 6273 4007
Web: www.aha.org.au

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Ms Jessica Fruin
Stakeholder Engagement Project
Research, Regulation and Food Branch
Department of Health and Ageing
stakeholder.engagement@health.gov.au

Dear Jessica,

Re: AHA submission on draft Stakeholder Engagement Strategy

The Australian Hotels Association (AHA) welcomes the opportunity to provide feedback on the draft Stakeholder Engagement Strategy for the joint Australia and New Zealand Food Regulation System.

Over recent years, many hotels have expanded and improved their food and meal offerings which are consumed on the premises. Food service has become a much greater focus for Australian hotels as they diversify their revenue streams. In 2005, the income from sale of meals and food in hotels was \$967.3 million, representing about a 10 per cent proportion of total industry income, according to Price Waterhouse Coopers (PWC) *Hotel Industry Report 2009* (See <http://www.aha.org.au/industry-data>).

The AHA and the hospitality industry

The AHA is an organisation of employers in Australia's hotel and hospitality industry registered under the *Fair Work (Registered Organisations) Act 2009*. Its membership of more than 5,000 licensed hotel businesses includes pub-style hotels plus three, four and five-star accommodation hotels located in each state and territory.

The Australian hotel industry is a significant contributor to the national economy, both in terms of supporting local suppliers and by employing some 300,000 Australians. Hotels are also ingrained in the nation's social fabric as meeting places and entertainment venues. The AHA's members are serviced by branches located in every Australian capital city and a Canberra-based national office. Accommodation hotels are represented by Tourism Accommodation Australia, a division of the AHA.

With branches operating in every state and territory, the AHA actively represents hotels by working with all levels of government, government agencies, and relevant law and health enforcement organisations to create a sustainable regulation and enforcement regime for licensed premises. We have a strong capacity to build awareness and provide updates about food regulation and safety issues among our membership.

Although some hotels are large-scale operations with hundreds of employees which form part of national or international chains, the majority of Australian hotels are small, locally-owned businesses serving their surrounding communities. In 2005-06 only 145 of 65,197 businesses in the ABS Accommodation, Cafes & Restaurants sector employed more than 100 people.

Many of these hotels, operating as small businesses, are facing increasing pressures including rising energy, wage and input costs. Another rising cost for the industry is regulation and compliance costs – including government taxes and charges such as licensing fees.

Hotel industry feedback on draft strategy

Industry applauds the Department of Health and Ageing for allowing industry to be considered and to provide important feedback on this draft Stakeholder Engagement Strategy.

The AHA has assessed the strategy and believes it effectively clarifies the roles and responsibilities of regulators, forums and industry groups in the complex food regulation system.

However it remains unclear as to what is the Joint Food Regulatory System (it is noted that the term joint food **regulation** system is used earlier in the strategy). In the section “What is the joint food regulatory system?” it says there are a range of industry-specific controls and best practice systems which tends to imply that industry has a role in the system but this is not explicitly stated. Under the heading “Who plays a role (in) the joint food regulatory system?” there is no mention of industry, implying the system is a government regulatory system only. This raises a further question as to what is the difference, if any, between the joint food regulatory system, the Food Regulatory System referred to by FSANZ, and the food regulation system referred to by the Department of Health and Ageing?

The AHA believes an appropriate definition of the joint food regulation system should definitely include industry.

World-class food safety standards

Australia has an enviable reputation as having one of the safest food industries in the world – this is something industry values and upholds. The AHA acknowledges the recently released National Food Plan *Green Paper* highlighting that Australia adopts a risk-based approach to managing production of safe food and regulates food safety in line with international obligations and best practice, science-based risk analysis without undue burden on industry.

The AHA supports a co-regulatory approach to the management of food safety in the hospitality sector and the development of risk-based legislation to ensure minimum standards of food safety.

Recommendations

As the leading body for Australia’s hospitality, hotel and accommodation sector, the AHA would strongly recommend the opportunity to effectively engage and influence the outcomes of any possible updates or changes to regulations or legislation.

The AHA would also recommend that any proposed food regulation changes are based on solid evidence and follow best practice regulation. The AHA is committed to the concept of evidence-based policy as a method of producing stable, well-considered and effective legislation.

Improving the engagement framework with an industry forum

The engagement framework is based on the concept of a spectrum of engagement levels and as a concept is understood and supported by the AHA. It is acknowledged that it is difficult to specify each and every possible process that could be utilised within the various levels of engagement across a large and complex industry, however, the current draft 'possible processes' rely somewhat on selective processes (e.g. direct approach for advice).

This is a particular challenge in the 'initiate' engagement level which, for example, “might include direct dialogue” and would invariably raise questions as to who is most appropriate to have dialogue with. The AHA questions who decides this?

The engagement strategy and the framework may be strengthened by creating and including an ongoing industry forum (similar to existing committees/groups through FSANZ) which may include the role of initial consultation, and the canvassing and coordination of submissions. Establishing such a forum would be better placed in determining some of the draft indicators of effectiveness, such as, “issues being included on government agendas” and “have influenced a process or decision”.

The key aspect of any engagement strategy – including the Australia and New Zealand Food Regulation System strategy – would be that the AHA is kept fully informed and engaged with any changes to food regulation processes. **By following this “inclusive” process, there is an ideal opportunity for the Government to effectively communicate with the hotel and hospitality industry by engaging directly with the AHA.**

The hotel and hospitality industry looks forward to working with Government and other key industry stakeholders to ensure that hotels and the hospitality sector is kept fully updated and aware of key developments in food regulation and legislation in future.

Yours sincerely,

A handwritten signature in black ink that reads "Des Crowe". The signature is written in a cursive, flowing style with a prominent initial 'D'.

Mr Des Crowe
National Chief Executive Officer
Australian Hotels Association
Email: crowe@aha.org.au