



AUSTRALIAN HOTELS ASSOCIATION

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31 January 2017

Mr Gerry McNally
Committee Secretary
Senate Select Committee on Red Tape
PO Box 6100
Parliament House
Canberra ACT 2600
redtape.sen@aph.gov.au

Dear Mr McNally,

Submission regarding the Effect of restrictions and prohibitions on business (red tape) on the economy and community relating to the sale, supply and taxation of alcohol

Thank you for your letter inviting the Australian Hotels Association (AHA) to make a submission regarding the effect of restrictions and prohibitions on business (red tape) on the economy and community relating to the sale and, supply and taxation of alcohol.

About the AHA

The Australian Hotels Association (AHA) is an organisation of employers in the hotel and hospitality industry registered under the *Fair Work (Registered Organisations) Act 2009*. Its diverse membership of more than 5,000 licensed hotel businesses includes pub-style hotels plus three, four and five-star international accommodation hotels located in each state and territory. The Australian hotel industry is a 24/7 labour intensive service industry and is a key element of Australia's tourism industry. Hotels employ over 270,000 people.

States/Territories versus Commonwealth

The regulation of licensed premises concerned with the sale and supply of alcohol are appropriately managed at the State/Territory level. The capacity or need for the federal government to involve itself in matters of red tape within state and territory jurisdictions is limited. Further, there are matters best left to the state and territory governments to administer, taking into account the particular situations in their jurisdiction. The principal legislation governing hotels are the Liquor Acts of each state and territory, and in general they set out similar objects. Generally, these objects include:

- Promote the responsible sale of liquor to minimise harm from misuse
- Providing adequate controls over the supply and consumption of liquor in a way that is consistent with the expectations, needs and aspirations of the community
- Facilitating the balanced development of the liquor industry and related industries such as the live music, entertainment, tourism and hospitality industries

The AHA is concerned that federal intervention in matters currently being properly overseen by the states and territories may lead to policy inconsistencies, further duplication and red tape. For example, under the guise of “reducing red tape” or “harmonisation”, some entities have been calling for a change to the current supply of packaged liquor arrangements in Queensland, e.g. wishing liquor to be sold through supermarkets. The view of the Queensland Hotels Association is that the supply of alcohol is a mature market and opening up supply would simply splinter the market, destroying value of businesses without improving competition or consumer experience/protections. Federal intervention in such a matter is unnecessary and would create more red tape, not less.

Alcohol Taxation

Since 1983, alcohol excise has increased twice each year. However, it is uncertain that whether in this day and age the continued imposition of this tax meets its original policy intent. The excise seems simply a revenue gathering tool for government. However, the AHA appreciates this issue may not have consideration as a red tape issue.

The current excise taxation of alcohol provides a differential in excise for draught beer. Even with the excise differential, draught beer still contributes more in taxes than the same strength beer sold in a liquor store or for takeaway. This is due to the compounding effect of GST.

Especially as it relates to the consumption of alcohol beverages within hotels, the AHA is concerned that the current excise structure could be leading to a drop in employment and other economic activity.

Given other price increases linked to CPI and utility costs, many hoteliers don't pass on the excise increases, instead absorbing the rise and further reducing any profit. This is particularly the case in regional areas in Australia, placing businesses further at risk.

National Responsible Service of Alcohol training and certification

AHA supports the mandatory training of all staff involved in the sale or supply of liquor and believes the current training has assisted in reducing irresponsible service and consumption of alcohol on premise. Unfortunately, with different laws in each state and territory and different attitudes towards on line accreditation, persons trained in one jurisdiction may be required to sit the course again if they wish to work in another jurisdiction. This causes an additional burden for people wishing to work within the hospitality industry across Australia, particularly backpackers. This is a matter the AHA is seeking to resolve with the state and territory regulators.

Conclusion

AHA thanks the Senate Committee for the opportunity to make a submission.



STEPHEN FERGUSON
NATIONAL CEO