

Regulatory Burdens: Business & Consumer
Productivity Commission
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27 July 2010

Dear Sir/Madam

Submission re: the Annual Review of Regulatory Burdens on Business

The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to provide feedback on the Productivity Commission's (the Commission) 'Annual Review of Regulatory Burdens on Business: Business and Consumer Services' (the Review). The information provided in this submission reflects the views of Queensland's highly diverse tourism sector bodies and can be considered as a united industry view on this issue.

As an outcome of this review, QTIC looks forward to the creation of a more streamlined regulatory environment where future and existing government regulations are reviewed through a rigorous and transparent process which takes into account the views of all stakeholders.

The Queensland Tourism Industry Council

The Queensland Tourism Industry Council (QTIC) is a private sector, membership-based tourism industry organisation. QTIC represents the interests of the tourism industry, including business operators, Regional Tourism Organisations (RTOs) and sector associations.

All of Queensland's RTOs are members of QTIC, as are 17 of the industry's sector associations and in excess of 3,000 regional members, operating in all sectors of the tourism industry.

QTIC is owned and governed by its members through member based councils, boards and committees and truly reflects the views of the industry at all levels throughout Queensland.

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Feedback

A complex set of business regulations (at all levels of government) affects tourism operators across all sectors of the industry and regions in Queensland. These regulations are being implemented at a time when, given the recent difficult economic conditions and the rising Australian dollar, the resilience and competitiveness of the tourism and hospitality industry is being severely tested.

Any inhibitors to future growth in such a labour intensive industry as tourism, will impact on the industry's ability to retain workers. Many tourism and hospitality operators run on significantly small margins and staff cutbacks are one of very few means of reducing costs and remaining competitive

In addition to this feedback, QTIC wishes to make the following comments:

3.1 Travel Agents: Consumer Protection Arrangements

- While the current consumer protection system has appropriately served both consumers and the travel industry well, QTIC acknowledges that recent changes to both the structure of the travel industry and to consumer purchasing patterns mean that this system is no longer consistent with today's travel services environment. With this in mind, QTIC recognises the need for a review of this system to reflect the modern realities of the travel service market.
- Travel service providers play an important role in servicing the travelling public and make a valuable contribution to the Australian economy. In order to continue in this important role, a supportive regulatory or self regulatory environment must be put in place to ensure that this industry sector operates as efficiently as possible and provides consumers with high standard services.
- QTIC acknowledges the flaws in the current Travel Compensation Fund (TCF) model, which was designed to deal with a situation where travel agents were more prevailing participants in the travel services industry. The current market place – where an increasing number of consumers are dealing directly with suppliers and paying for travel electronically – has made some aspects of the TCF model obsolete.
- QTIC supports, in principle, the development of an industry accreditation scheme for the travel services market to compliment a licensing regime. Such a scheme would assist in raising industry standards and could be established under the auspices of the Federal Government's 'National Tourism Accreditation Framework' (NTAF).
- Industry standards are also being raised organically as travel agents are now operating in a more open and competitive market, which has required operators to adapt their business practices to meet changes in consumer expectations.

3.3 Trade Practices Act – clarity in pricing amendments

- QTIC agrees with the Australian Hotel's Association's assessment of section 53C of the *Trade Practices Act 1974* (which requires businesses to provide a single total price in any representation to consumers).
- As surcharges on restaurant meals on Sundays and public holidays were not the original focus of this legislation, these amendments have been developed without consideration being given to the additional extra costs for the provision of separate menus on these days.
- QTIC agrees with the Commission's suggestion that government amend the *Trade Practices Act 1974* to have restaurant and cafe menu surcharges for specific days placed outside the scope of the component pricing provisions of the legislation.

3.4 Responsible service of alcohol training

- QTIC agrees with the concerns raised by the Australian Hotels Association regarding the lack of mutual recognition of RSA training across jurisdictions. This replication of training across state jurisdictions disincentivises labour mobility and results in significant additional costs to employers. While some knowledge of existing local licensing laws is important, this information can be obtained through education away from RSA training.
- QTIC agrees with the Commission's findings that mutual recognition arrangements in respect to RSA training be implemented.

3.7 Passenger Movement Charge (PMC)

- With regard to the PMC, QTIC recognises this charge as an instrument to cover the costs associated with immigration, customs and quarantine services. QTIC agrees with the need, however, for a transparent mechanism outlining the costs involved in providing these services. Such an assessment would ensure that the charges being imposed on visitors through the PMC are appropriate.

3.7 Tourist Refund Scheme (TRS)

- QTIC agrees with the suggestion for the Tourist Refund Scheme (TRS) to be extended to enable international visitors to claim tax refunds on all goods and services purchased in Australia for which they can present a receipt. While QTIC understands that such amendments sit outside the scope of this review, this extension would create a clearer tax refund service and provide benefits for international visitors.

5.3 Differences in standards applying to similar use buildings

Through its 2008 'draft guideline for the meaning of class 2 classification under the Building Code of Australia', the Queensland Government has sought to address the issue of residential (class 2) apartments being used for short term letting. The Government

proposes that this type of accommodation should be considered as class 3 and must comply with the same fire and disability guidelines administered to class 3 buildings. If implemented, these guidelines would place at risk the economic viability of operators offering self contained apartments for short term letting and would have the potential to eliminate overnight some 80% of the short term, self-contained, holiday accommodation in Queensland's key tourist areas.

- The Environment Resources and Development Court of South Australia (the Court) has recently handed down its decision in the case of 'The Oaks Hotel and Resorts Pty Ltd v City of Holdfast Bay and another' (SAEDRC16). When delivering this ruling in favour of the Oaks Group, the Court stated that 'there is no warrant for reading into the Building Code distinction between Class 2 and Class 3 buildings based upon the length of stay'.
- In our interpretation, the ruling delivered in this case effectively confirms short term letting as an allowable activity for Class 2 apartment buildings.
- As this legislation relates back to fire safety and disability issues, QTIC proposes that clear and concise data be provided by government – particularly with regard to fire safety concerns - which identifies and quantifies the issues that have triggered this review. Such a quantitative analysis would ensure that any future policy developments – such as the proposed adoption of a class 2B building classification in Queensland – are based on informed decisions.

5.4 Disability access standards

- With regard to the draft Disability (Access to Premises – Buildings) Standards Guidelines 2009 (the Standards), QTIC proposes that greater research needs to be undertaken to ensure that the ratio of disabled accommodation units required as part of the disability guidelines is reflective of the actual demand for short term disability accessible units. QTIC proposes the need for further research based on the potential adverse impacts on the accommodation industry of the higher accessible room requirements if demand for such forms of accommodation is not met. Of major concern would be the loss of revenue from the floor space given over to cater for an increased ratio of accessible rooms.
- To remain competitive and to provide a quality product, tourism accommodation providers must frequently upgrade their facilities for visitors. However, if the cost of adhering to the Standards is not reasonable in relation to the costs of a renovation project, tourism accommodation providers will be deterred from upgrading their facilities. In addition, as tourism accommodation providers upgrade and refurbish more frequently than other businesses (and as the 'Premises Standards' apply to renovations or extensions to an existing building) they will have to adhere to the Standards more frequently and at a significant cost.

The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to provide feedback on the 'Annual Review of Regulatory Burdens on Business: Business and Consumer Services'. While QTIC and its members appreciate the importance of government regulations as a means of maintaining industry standards, a complex set of

business regulations (at all levels of government) affects tourism operators across all sectors of the industry and regions in Queensland

If you have any questions, please contact David Liddell, QTIC's Senior Policy Officer, on (07) 3236 1445.

Kind regards,

Daniel Gschwind
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