

Tourism Council WA Policy Paper



Proposed Liquor Licence Exemptions for Accredited Tourism Businesses



Perth Airport



Margaret River



Burswood Entertainment Complex

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1. Background

1.1 Tourism in Western Australia

Tourism in Western Australia contributes \$9.3 billion in annual Gross State Product and generates 94,000 jobs across the state. Tourism earns the State \$2.3 billion per annum in international exports.

Tourism is also regionally dispersed with approximately 50% of tourism occurring in regional areas. Tourism is the second largest employer in regional WA after the resources sector. WA tourism is also a major contributor to government revenue delivering approximately \$1.07 billion in net taxation per annum.

1.2 State Government Tourism Strategy

The State Government has established a tourism strategy to double direct tourism consumption to \$12 billion by 2020. This strategy relies on significant new investment to develop tourism product, events and hotels to attract and accommodate visitors. This strategy is supported by government measures such as the Hotel Investment Policy, Regional Events funding, Taste 2020 food and wine tourism strategy and regulatory reform such as liquor licensing.

1.3 Tourism Council WA

Tourism Council WA (TCWA) is the peak body representing tourism businesses, industries and regions in Western Australia. The Council represents more than 1,200 businesses across the state.

TCWA is primarily focused on Western Australia's competitiveness as a destination in the global tourism market. Liquor control is an important policy area for tourism as regulation has a significant impact on the cost of hospitality services and the quality of the customer experience in WA.

1.4 Liquor Act Review

During the recent Review of the Liquor Control Act, Tourism Council WA (TCWA) made submissions regarding the service of alcohol to the visitors and guests of the tourism industry in WA. Following its review of submissions, the Independent Review Committee made a recommendation to:

“Recommendation 110 - Amend the Regulations to provide for an exemption for the sale and supply of liquor by accredited tour operators in prescribed circumstances”.

This recommendation was subsequently supported in the Government's Response to the Review. The Government Response also categorised this recommendation as a regulatory change to be progressed following the normal regulatory processes.

TCWA is now seeking to progress this recommendation with the Department of Racing, Gaming & Liquor (DRGL). The purpose of this document is to:

1. Explain the relevance of tourism accreditation to liquor licence exemptions; and
2. Propose exemptions for accredited tourism businesses and the prescribed circumstances in which they would operate.

2. Tourism Accreditation

2.1 The Australian Tourism Accreditation Program

The Australian Tourism Accreditation Program (ATAP) is a national industry certification program which has been operating in WA for more than 20 years. ATAP is managed in Western Australia by TCWA. More than 1,000 tourism businesses are accredited in WA. ATAP tests business standards in fourteen sections:

- Business Details
- Licences and Permits
- Insurance details
- Marketing Plan
- Customer Service
- Business Operating Systems
- Human Resource Management
- Risk Management
- Economic Sustainability/Financial Systems
- Environmental Management
- Social/Cultural Sustainability
- Business Plan
- Continuous Improvement
- Code of Practice/Code of Ethics

Businesses complete the program online, including uploading relevant documentation. Once assessed as an Accredited Tourism Business (ATB), the business can use the registered trademark. Within twelve months of accreditation the ATB is subject to an onsite verification visit.

Each year businesses need to renew their accreditation through the online program. Further onsite verifications are conducted at least once every three years. In addition, any complaints or issues raised by customers, distributors, etc are subject to a Quality Improvement Review.

Tourism Council WA operates the accreditation program as a means to improve the quality of tourism services in WA and protect the State's reputation as a tourism destination.

2.2 Tourism Accreditation and Public Policy

Tourism accreditation has proven an effective tool to set business standards without the imposition of excessive regulation. From a public policy perspective, tourism accreditation offers:

- The ability to set and raise business standards with the support of industry.
- Effective compliance checking of standards at no cost to government.
- Reduced regulatory burden on businesses.

In Western Australia, tourism accreditation is recognised by four State Government agencies for policy and regulatory purposes:

- Western Australian Tourism Commission (Tourism WA).
- Department of Parks and Wildlife (DPAW).
- Rottnest Island Authority (RIA).
- Department of Fisheries (Fisheries).

State Government agencies use tourism accreditation to achieve a range of public policy outcomes with the tourism industry. Common outcomes include:

- Truth-in-advertising.

- Health and safety of visitors and guests.
- High standards of environmental protection.
- State, city, destination, precinct and park brand reputation.

TCWA works with these State Government agencies to develop agreed standards and testing to achieve these outcomes.

2.3 Tourism Accreditation Recognised by the Productivity Commission

The Productivity Commission examined the Australian Tourism Accreditation Program in its 2013 research report *Regulator Engagement with Small Business* - to improve the delivery of regulatory outcomes and reduce unnecessary compliance costs on small business. The report found:

“Recognition by regulators, where appropriate, of industry and other third party certification, accreditation and audit processes would substantially reduce duplication in compliance efforts for some businesses. For example, some regulators in Victoria, Western Australia and South Australia recognise accreditation under the Australian Tourism Accreditation Program, when granting access licences to National Parks.” (2013: p15)

“In the Commission’s view, regulators should systematically consider the recognition of existing industry and other third party certification processes when determining compliance requirements for business. They should also consider the scope for outsourcing inspections and other compliance monitoring (but generally not enforcement) activities to industry.” (2013: p121)

The report recommended the following principle for all government engagement: *“Establish cooperative and collaborative arrangements with business/business groups to build trust and improve efficiency, including: recognition of industry accreditation schemes.” (2013: p15)*

2.4 Tourism Accreditation and Liquor Regulation

Tourism Accreditation can provide a useful mechanism to set standards for tourism businesses seeking particular liquor licences and/or exemptions from liquor licence.

While not all elements of the accreditation program are relevant to liquor regulation, key elements of the existing program are immediately relevant. Most importantly, DRGL can be confident that an Accredited Tourism Business is a genuine tourism operator providing a bookable tourism service - meaning the service of liquor will be ancillary to the business.

An Accredited Tourism Business also has:

- All necessary government permits e.g. correct vehicle/vessel/aircraft licence, DPAW licence, Fisheries licence, health, food and tobacco regulations, etc – meaning the business complies with the appropriate legal standards for a genuine tourism business.
- Public liability insurance of at least \$10 million, workers compensation insurance and other relevant insurances for the business, property and vehicles – meaning the business meets insurer’s standards and has adequate cover to protect visitors and guests.
- Complies with truth-in-advertising codes – meaning the business cannot advertise or promote a liquor service which they are not licenced to deliver.
- Documented operational policies, procedures, job descriptions – meaning the business can implement consistent food and beverage service standards.

- A risk management plan – meaning the business knows what it will do in the event of an identified risk to visitors, guest or the business.
- Signed a code of conduct – meaning the business will not undertake practices that could damage the dignity and integrity of the tourism industry.

2.5 Proposed Accreditation Module – Service of Alcohol

TCWA often develops additional standards to achieve public policy objectives. For example, TCWA has developed the *Eco Plus* accreditation module for tourism operators with long-term licences from DPAW. More recently, TCWA developed a *Marine Tourism* accreditation module for Fisheries.

In addition to the current ATAP standards, TCWA proposes the development of the *Australian Tourism Accreditation Program (Service of Alcohol)* accreditation module with the following simple additional standards for the service of liquor:

Accreditation Standard	Accreditation Testing
The described use of the exemption enhances the tourism experience (i.e. is ancillary). The advertised tourism experience is consistent with ancillary use.	Annual online On-site verification Quality Improvement Review
All staff serving alcohol have a valid RSA certificate.	Annual online verification On-site verification Quality Improvement Review
Zero tolerance policy for any driver, pilot or tour guide consuming alcohol while responsible for guests.	Annual online On-site verification Quality Improvement Review
The business has an operational policy/procedure on the storage and service of alcohol.	Annual online On-site verification Quality Improvement Review

TCWA proposes these standards would be developed with DRGL for an appropriate standard for tourism businesses to be exempt from needing liquor licence in prescribed circumstances.

Where a tourism operator fails to meet the standard they would not become accredited and could not use the exemption. If a tourism business fails to maintain the standard they would be de-accredited. This means they could no longer use the exemption. The loss of accreditation could also have other impacts including loss of national/marine park commercial licence and loss listing on major consumer websites.

3. Proposed Liquor Exemptions

TCWA contends that the following exemptions would significantly assist the development of the tourism industry by improving customer service and reducing regulatory costs. The proposed exemptions are for low risk circumstances that pass “common sense” test of appropriate industry practices.

The following proposed liquor exemptions would apply to Accredited Tourism Businesses which have passed both *ATAP* and the proposed *Service of Alcohol* accreditation module. The proposed use of tourism accreditation will more effectively minimise harm by raising industry standards and providing a practical level of compliance verification.

There are two proposed exemptions. The first is for the complimentary supply of alcohol. The second is for the sale of alcohol.

3.1 Accredited Tourism Businesses – Complimentary Supply

The proposed exemption is for tourism businesses seeking to add value to the core tourism product. The exemption would not extend to the sale of alcohol, so all alcohol provided must be at the business's cost. This is similar to the current Complimentary Service by Business however it would also apply on tours away from a business premises and is not limited to the two standard drinks on the premises.

The proposed exemption is for a tourism business to supply liquor to customers provided:

- The service is gratuitous (without charge);
- Liquor is consumed while on premises or during the course of the tour; and
- The business maintains *Australian Tourism Accreditation Program (Service of Alcohol)* accreditation.

Disincentive to Supply

Because the supply is complimentary there is a strong disincentive for a tourism business to over supply alcohol. The disincentive occurs in two ways. Firstly, the cost of the supply of alcohol could only be recovered through the upfront price of the overall tourism experience. As discretionary consumer expenditure in a highly competitive market, tourism is highly price sensitive. Including the costs of alcohol in the upfront price would decrease overall bookings for the tourism experience.

Secondly, once the upfront price is set any alcohol served is at the cost to the business and reduces the margin on each booking. There is therefore a disincentive to provide alcohol beyond what was intended or costed in the upfront price of the tourism experience.

TCWA contends that these disincentives mean a tourism business will only include complimentary alcohol to the limited extent that it increases value to the customer at an affordable cost to the business. The combination of the tourism accreditation, and the cost disincentive to supply alcohol, provides a higher hurdle on tourism businesses than existing exemptions.

Examples

Practical examples of this exemption would include:

- Champagne, beer and wine provided at the end of a sunset tour.
- Nip of brandy, wine or port during a night sky star gazing/astronomy walk.
- Drinks with meal around the campfire on a 4WD safari tour.
- Hot air ballooning with champagne breakfast.
- Beer, cider or wine tasting in a national park as part of a tour.
- Bottle of wine with picnic lunch on walking trail.
- Bottle of wine/champagne for romantic weekend stay at cabin or chalet.

3.3 Accredited Tourism Business – Overnight Guests in Remote Areas

This proposed exemption is for tourism experiences at sea or touring in remote areas where the tourism business is the only provider of food and hospitality to guests. The exemption is similar to that for *Transport Services*.

The proposed exemption is for the sale and supply of liquor when:

- Liquor is only supplied to registered overnight guests;
- Liquor is only supplied during the course of a tour or overnight stay;
- The business is the sole provider of food and beverages available to guests; and
- The business maintains *Australian Tourism Accreditation Program (Service of Alcohol)* accreditation.

The practical example of this exemption would be for overnight 4wd camping safaris and overnight marine cruises along the WA coast. For example, in addition to the complimentary supply of beer and wine, the tourism operator would be able to sell a gin and tonic.

4. Further comment

Tourism Council WA would be pleased to provide further input and comment. Please contact TCWA on 9416 0700 or at TCWA@tourismcouncilwa.com.au on behalf of:

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