

PPCA Music Licencing

The AHA led the campaign against a proposed increase in PPCA licence fees covering music for dancing in nightclubs. The Copyright Tribunal has reduced the initial claim of \$2.32 to \$1.05. This rate will be phased in over 5 years. The AHA believes this is still an unsustainable increase from the current 7.33 cents and in consultation with other respondents has appealed the decision. This will be held in 2008.

We are also exploring the feasibility of establishing a body to deal directly with record companies in a way that legally minimises the cost of playing recorded music.

Broadcasting of Thoroughbred Racing

Resolution of the split broadcasting of thoroughbred racing was achieved in early 2007 and the ACCC has approved the application by Sky/TVN related to the new arrangement.

The NSW Branch has resolved its legal issues with TVN and Tabcorp with the assistance of the National President.

The National Office facilitated discussions between the ACCC and Branches where Tabcorp does not control wagering to ensure that all issues associated with proposed new arrangements have been considered.

The AHA has renewed its partnership arrangement with Tabcorp/Sky and TVN. We look forward to working with both parties to ensure members benefit from access to high quality wagering services and television coverage.

Alcohol

There continues to be significant interest in the role of Alcohol in the community. The National Director has made a number of media comments and has appeared on the SBS Insight program and the ABC program "Difference of Opinion".

The National Executive has agreed on the following key messages in relation to promoting responsible drinking. These are:

- The National Alcohol Strategy is a sound document which recognizes that alcohol is not the problem but risky drinking and antisocial behavior linked to being drunk is.
- Responsible consumption of Alcohol can have a positive health impact.
- The industry is already heavily regulated and also has co-regulatory systems for advertising.

- A significant level of consumption occurs away from licensed venues. Our venues discourage risky drinking because they must comply with responsible service obligations.

The AHA is represented on the Board of Drinkwise by Brian Kearney. Drinkwise is an independent, industry funded body established to research and promote responsible drinking. Drinkwise has developed a strategic plan and commissioned research in a number of key areas. We remain a member of the National Alcohol Beverage Industry Council (NABIC). This group meets with the Parliamentary Secretary for Health to discuss Alcohol related issues. The National President has been Chair of NABIC for 2007. The National Office has discussed the feasibility of reducing alcohol excise for products consumed on licensed premises with the Assistant Treasurer.

Smoking

The National Office continues to monitor the implementation of smoking bans in enclosed areas to ensure there is a clear understanding of the new requirements and to assess the impact of various law changes across the country.

We are looking at ways to ensure local government does not restrict the development of outdoor areas and react to issues linked to smoking on footpaths.

A section on the AHA website, developed by the WA Branch, assists members across the country better understand their obligations. This will be updated on a regular basis.

Gaming

New obligations for hotels under the Anti-Money Laundering/Counter Terrorism Act came into effect in December, 2007. The AHA was consulted on the development of the legislation. We have produced a compliance kit to ensure all members are aware of their obligations under the new laws and consulting with AUSTRAC on the implementation of the new law.

Environmental Issues

A draft strategy to ensure AHA members operate in an environmentally sustainable and responsible manner was endorsed by the National Executive at its August meeting. The AHA will take an active role in the development of an Emissions Trading System.

The Minister for Small Business and Tourism has invited the AHA to be a member of a working group to consider the impact of Climate Change on the Tourism Industry.

The AHA continues to monitor issues associated with the National Packaging Covenant and the introduction of Container Deposit legislation in some states.

Food Safety

The AHA continues to monitor proposed changes to regulations relating to food safety procedures for functions.

Trade Practices Issues

Amendments to the TPA making it easier for business to Collectively Bargain are now in place. Further amendments to Section 46 TPA that seek to address concerns that the pricing policy of some businesses may be anti competitive were passed in the last session of the Parliament.

The AHA has consulted with the Government in regard to these amendments. It remains a member of the Fair Trading Coalition which is a group of industry bodies with small business members who have an interest in reforms to the TPA.

Changes to the Building Code relating to Disability Access

The National Director has discussed the proposed amendments to the code to enhance disability access with the relevant Minister. The new Code will not be considered until 2008.

GST and Security Deposits

The ATO has produced ruling GSTR 2006/2 providing guidance on the use of security deposits. This ruling creates potential problems for AHA members because it (i) indicates that deposits should normally be around 10% of the final price and (ii) suggests that the practice of requiring escalating payments over time is caught by the rules governing Part Payments. The ruling will force business to pay GST on the full price of a function or conference booking prior to receiving the final payment.

The ATO is considering a joint industry proposal to treat deposits in a similar way to Lay – Bys. This would clarify that any GST payment would occur after the provision of the service.

Maintaining Relationships

The National Office continues to meet with a range of Government and Opposition politicians on a regular basis. We sponsored the ALP Business Forum in April and the Liberal Party Annual Convention in June. We have attended functions with key Ministers and Shadow Ministers.

The AHA supported the TTF Leadership Forum held in Canberra in June and hosted luncheons with the Government and Opposition's Friend of Tourism groups.

The National Office also sponsored the national conference of the Australian Local Government Association to be held in November. The National Office continues to work collaboratively with our corporate partners and other relevant industry bodies to ensure our mutual needs are addressed. We are represented on a number of relevant committees and working groups including;

- β National Tourism Alliance Board
- β Small Business Forum
- β National Tourism and Aviation Advisory Committee
- β ACCI Council Meeting
- β National Alcohol Beverage Industry Council (NABIC)
- β Service Skills Industry Reference Group
- β ITSE Reference Group.
- β Icons and Public Gatherings Infrastructure Assurance Advisory Group
- β Tourism Ministers Advisory Committee (TMAC)
- β ATO Hospitality Reference Group
- β ANZFA Catering Advisory Board
- β ACCI Education, Employment and Training Round Tables.

Hotels – the Communities Home Away from Home

The AHA is concerned about the loss of patronage in hotels resulting from the trend for increased consumption of alcohol "off premise".

The National Office constantly looks at ways of showcasing the important role that hotels play in the Australian Community under the tag line - Our Hotel – Your Home Away from Home !

National Alliance to promote Awareness of Prostate Cancer.

The AHA, the E J Whitten Foundation and The Prostate Cancer Foundation of Australia are working together to use hotels to raise awareness of prostate cancer. This will involve the provision of a poster a frame to every hotel in the country. The posters will be updated on a quarterly basis and distributed through OURHotel.

The campaign will be launched in Melbourne in December.

Information Technology Project

The AHA in conjunction with Restaurant and Catering Australia have received \$150,000 to train and mentor small hotels, café and restaurant operators so they can go "on-line".

This will involve 50 workshops around the country in the first half of 2008.

OURHotel

The national magazine "OURHotel" produced in partnership with Identity Publishing is circulated to all members, Federal politicians, partners and other industry leaders five times a year.

This provides a valuable vehicle to update key stakeholders across the country on industry issues.

Annual Conference

A highly successful Annual Convention and Awards for Excellence were held in Adelaide from 1-4th October. The theme was Always Look on the Bright Side of Life. A separate Accommodation program was developed for the Thursday. Nearly 700 people attended events during the week.

Tourism

The AHA continues to play an important role in supporting the Australian Tourism Industry. Hamish Arthur has been appointed as the full time Manager of the National Accommodation Division. The Director, National Affairs is a Board member of the National Tourism Alliance and the Tourism Minister Advisory Council.

Significant Tourism Issues being addressed include:

Promoting Business Tourism

The AHA is working with BECA to promote the benefits of business tourism to Government and other relevant industry bodies. We co-hosted a luncheon with the Labor Friends of Tourism Group on 15 August.

Star Ratings – AAA Tourism

The National Accommodation Division held numerous discussions about the current Star Ratings scheme, which is operated by AAA Tourism. Member hotels have expressed concerns that the:

- The current Star Rating scheme is confusing for consumers;
- There is poor differentiation between accommodation categories;
- Service should be taken into account when properties are assessed;
- The cost of participating in the Star Rating scheme has increased dramatically;
- The credibility of the Star Rating scheme among hotel customers is suffering; and
- Star Ratings are less relevant than ever before, given the ever-increasing number of consumers who are booking accommodation on-line.

The AHA is consulting with AAA Tourism on how to address these concerns.

Tourism Funding

The 2007 Federal Budget guaranteed the additional funding contained in the Tourism White Paper for a further three years. The AHA actively lobbied Government for the maintenance of this funding.

Short Stay Accommodation/ Illegal Letting

The AHA is concerned at the increase of illegal letting of short stay accommodation across the country. This practice severely undermines hotel business. In many cases, such buildings do not comply with the strict standards that hotels have to conform to, while there are also security, fire safety and insurance risks involved with such activity. The AHA also ensured the Minister for Local Government, Territories and Roads, the Hon. Jim Lloyd MP was aware of the industry's concerns about laws that regulate short-stay accommodation.

Aviation

The AHA is working to promote an informed debate about aviation access to Australia.

Avian Flu

The AHA National Office assisted the Department of Industry, Tourism & Resources to distribute a DVD to accommodation members about how an influenza pandemic would affect their businesses.

New PPCA Nightclub rate to be phased in over five years

The Copyright Tribunal has determined that the rate in respect of nightclubs should be phased-in over a period of 5 years. However, the rate in respect of dance parties would not be phased-in. On that basis, the Tribunal determined that the rates for nightclubs will be as follows:

- Year 1 - \$0.51
- Year 2 - \$0.64
- Year 3 - \$0.78
- Year 4 - \$0.91
- Year 5 - \$1.05

The Tribunal will make its final determination at a directions hearing set down for Friday, 23 November 2007 in this regard.