



30 June 2017

## **Wayside Inn Division**

### **Australian Hotels Association NT Branch**

This submission is made on behalf of the Territory Wayside Inn Members of the Australian Hotels Association NT Branch.

During the last century Territory Wayside Inn licences were issued for businesses located in the great interior of the Northern Territory. Predominantly located on the main highways and arterial roads of the Northern Territory these regional and remote businesses were focused on providing accommodation, food, beverages (including alcohol), fuel and general supplies to tourists and travellers.

### **No Government Essential Services Provided**

Most of the Territory Wayside Inns are not serviced by Government power and water infrastructure and bear the costs of generating their own electricity and water and managing sewerage. Given this cost is linked to the cost of diesel and the purchase, maintenance and repair of power generators, Territory Wayside Inns incur a high cost to deliver these basic services.

### **Freight**

The tyranny of distance from the major townships means that all goods delivered to Territory Wayside Inns attract a high freight component. Likewise, engaging appropriate tradespersons to maintain business equipment and essential services comes at a high price that includes travelling time.

### **Shire Rates**

It is only in this century that Wayside Inns have been confronted with the additional burden of paying shire rates. These rates are charged by local government notwithstanding Territory Wayside Inns receive no benefits such as rubbish collections.

### **Rest Stops**

All levels of Government have been guilty of developing road side stops in and around the Northern Territory in direct competition to the Territory Wayside Inns. The rest stop issue is most evident in the mid-year tourist season when thousands of caravans take advantage of the free camping sites (many serviced) available at such rest stops and consequently minimising their need for using the established private tourism infrastructure provided by Territory Wayside Inns.

### **Labour Shortage**

Due to the remoteness of these businesses and the reluctance of Territorians and other Australians to seek employment in these businesses Territory Wayside Inns rely heavily on the recruitment of overseas workers to supplement their workforce. In recent times the Federal Government has introduced unsubstantiated levies of thousands of dollars for the recruitment of skilled and semi-skilled workers that are often employed in the high job shortage categories such as chefs or cooks.

The seasonality of the business operations in such a tourism sector means that there is annually a high turnover of staff. Accordingly, Territory Wayside Inns invest a significant amount of resources into the induction training of staff, an amount much higher than town businesses.

### **Labour Costs**

The applicable national hospitality award was developed with large Southern city employees and businesses in mind and the very nature of remote businesses can only be operated whilst triggering all the high penalty provisions of overtime provisions in both span of hours and 7 day a week requirements. Unlike the city businesses Wayside Inns business is not linked to ebbs and flow of weekday and weekend demands. Accordingly, labour costs are much higher for the hours worked by employees of Territory Wayside Inns. As Enterprise Agreements are underpinned by the industrial award collective agreements, they provide flexibility rather than cost savings.

### **Community Emergency and Police Response**

In many occasions it is the Territory Wayside Inn operators who are the first responders to serious car accidents and health emergencies. Such operators may also maintain local airstrips to allow the Territory Emergency Services to land or clear roads for the purposes of such landing.

Suspicious behaviour is reported to NT Police and licensed premises are managed without the convenience of seeking back up from the NT Police in some circumstances. Accordingly, Wayside Inn licensed premises are managed more conservatively than their town counterparts.

### **Information**

Wayside Inns Operators are ambassadors for the NT Tourism industry acting as local tourism information centres providing importantly information on other tourism operations and services and essential information on such things as road conditions and flooding.

### **Business Operations**

Most of the Territory Wayside Inn businesses are owned freehold with substantial loans. Traditionally these loans are Vendor finance as many banks are not prepared to adjust their prohibitive lending ratios they have set for these remote businesses. Whilst pastoralists can seek the comfort of agricultural lending at high lending rates, Territory Wayside Inn businesses have no such lending institutions to turn to. Such risk places a higher degree of fragility to businesses that rely on traffic and not rain. Consequently, loan repayments attract a higher interest rate than town businesses.

### **Business Licences**

Notwithstanding the remoteness of their operations Wayside Inn Businesses still need to maintain and comply with a range of licences, certificates and requirements including (to name a few):

- Liquor licences
- Dangerous Goods Licences
- Fork Lift and other vehicle licences and registrations
- Environmental Health compliance sewerage
- Environmental Health potable water
- Electrical safety of power generation
- Commercial accommodation registration
- Food business registration
- Kitchen Maintenance and Hygiene Plan
- Fish Retail Licences

- Tobacco Retail Licence
- Designated Area Migration Agreement Employer Registration
- 457 Visa Employer Sponsorship Approval
- My Fuel Watch registration
- Appropriate music licensing fees
- Electrical Tagging requirements
- Fire Warden training
- First Aid Training
- GST, PAYG, Income Tax. Fringe Benefit Returns
- Bureau of Metreology readings
- Airstrip clearance requirements
- Telecommunication Agreements
- Swimming Pool Water compliance
- Toilet block and wet area compliance

### **Liquor Licence Fees**

Given the costs associated with the abovementioned compliance it is not surprising to learn that Territory Wayside Inn operators are opposed to the introduction of any licensing fee scheme.

Previously, Wayside Inn operators were given concessions on the payment of liquor levy fees by the NT Government. When this was absorbed by the GST, Territory Wayside Inn operators were required to make the full GST remittance on all alcohol sales without any concession being provided. This had a major impact on the profitability of businesses given that most of the alcohol sales relate to on premise consumption, which by the nature of the service associated with the provision of the goods attracts a higher GST component than basic takeaway alcohol.

### **Cultural Interaction**

For many Territory Wayside Inns there is a close proximity to remote indigenous communities. From time to time local NT Police request operators not to serve indigenous patrons who may be purchasing takeaway. This operational request exposes businesses to the intricacies of discrimination law. In order to find the balance of meeting the expectations of the NT Police and the rights of indigenous customers a more formal guideline on such restrictions needs to be implemented through the licensing regime. It is anticipated that particularly in times of sorry business that there would be indigenous community support for the implementation of such NT Police requests.

Some licences have specific conditions dealing with restrictions upon sale and supply to local community members. Furthermore, the ownership of premises by indigenous corporations has also led to further local conditions being introduced.

### **Banned Drinker Register**

Whilst the Territory Wayside Inn operators understand the objective of the BDR it will cause some operational problems. This will certainly be the case where a bus load of tourists stop for a quick toilet and convenience break and retail service of any alcohol will be delayed by the compliance check of the BDR. The majority of these tourists will need passports to purchase what are relatively small amounts of alcohol. It is not uncommon for one member of a touring bus party to order all the takeaway alcohol for the travellers and this raises incidental issues of secondary supply.

Please contact us if you require any further information.

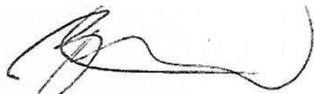
**AHANT Wayside Inn Division Membership**

- Adelaide River Inn
- Aileron Roadhouse
- Barkly Homestead
- Curtin Springs Roadhouse
- Cooinda Lodge Kakadu
- Daly Waters Pub
- Daly Waters Hi-Way Inn
- Devil Marbles Hotel
- Dunmurra Wayside Inn
- Emerald Springs\*
- Glen Helen outback Resort
- Heartbreak Hotel
- Larrimah Wayside Inn
- Lazy Lizard Tavern and Caravan Park\*
- Litchfield Motel
- Lodge of Dundee
- Renner Springs Desert Hotel
- The Bark Hut
- Ti Tree Roadhouse
- Tilmouth Well Roadhouse\*
- Timber Creek Wayside Inn
- Top Springs Hotel

\*whilst not listed within the licensing database as a roadside inn licence, the AHA NT recognises these businesses as wayside inn operators given their style of business.



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