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**AUSTRALIAN HOTELS ASSOCIATION**  
**NATIONAL ACCOMMODATION DIVISION**

BY: LACA

**SUBMISSION**

**Inquiry into the draft Disability (Access to Premises - Buildings) Standards**

**IN BRIEF**

- The AHA recognises that there could be commercial as well as social benefits in seeking reasonable, achievable and cost effective access for people with disabilities;
- The proposed changes to the Building Code of Australia will result in significant extra costs in the construction and renovation of hotels at a time when investment in this property class has been limited because of poor rates of return;
- The additional costs may have negative impacts, in the short and long term on investment and jobs in the hotel industry, and consequently a reduced ability to attract high yielding overseas visitors;
- The AHA proposes a number of ways to ameliorate the negative impact of the new Standards.

**A. HOTEL INDUSTRY PROFILE**

- i. The Australian hotel industry is extremely diverse. It is made up of small country pubs, large metropolitan taverns, international standard accommodation hotels and resorts. Hotels which focus on the provision of accommodation are dominant players in the tourism industry in Australia.
- ii. Key facts about Australian hotels are as follows:
  - There are 6,807 hotels in Australia;<sup>1</sup>
  - Australian hotels employ 380,000 people;<sup>2</sup>
  - The total industry value added by pubs, taverns and bars in Australia is \$4,394,000,000 or 0.5% of Australia's gross domestic product.<sup>3</sup>
- iii. Key facts about Australian hotels that specialise in the provision of accommodation are as follows:
  - There are 1,277 licensed hotels in Australia with five or more accommodation rooms;
  - There are a total of 86,215 rooms for accommodation in Australian hotels;
  - There are a total of 225,341 bed spaces in Australian hotels;<sup>4</sup>

<sup>1</sup> Australian Hotels Association 2007

<sup>2</sup> Australian Hotels Association 2007

<sup>3</sup> Australian Bureau of Statistics – Clubs, Pubs, Taverns and Bars 2004/2005

<sup>4</sup> Australian Bureau of Statistics – Tourist Accommodation, 6 January, 2009

- In the financial year ending June, 2008, there were 21,551,200 room nights occupied in Australian hotels;
  - In the financial year ending June, 2008, there were 15,801,500 guest arrivals in Australian hotels;<sup>5</sup> and
  - The total industry value added of Australia's accommodation businesses is \$4,774,900,000 or 0.5% of Australia's gross domestic product.<sup>6</sup>
- iv. These statistics show the hotel industry is a key component of Australia's service economy.
  - v. The AHA represents and protects the commercial interests of hotels throughout Australia. AHA members include small country pubs, urban hotels, four and five-star accommodation hotels, and resorts. In excess of 70% of hotels in Australia are financial members of the AHA.
  - vi. An important component of the AHA's membership is the AHA Accommodation Division. Hotels that generate either the majority of or a significant amount of their income from the provision of accommodation are part of the AHA Accommodation Division.
  - vii. Major companies whose hotels are members of the AHA (and by extension, the AHA Accommodation Division) include Hilton, Hyatt, Marriott, Orient-Express, Accor, Inter-Continental Hotels Group, Four Seasons, Shangri-La, Mirvac, Rydges, Starwood, Stamford, Stella, Rendezvous, Constellation, Tabcorp and Crown. Hundreds of hotels that specialise in the provision of accommodation that are not affiliated with a major international hotel company are also members of the AHA.

## **B. HOTELS AND TOURISM**

- i. Australian hotels are a vitally important part of the tourism industry. The wider tourism industry in Australia employs 482,800 people. This figure makes up 4.7% of total employment in this country.<sup>7</sup>
- ii. In the 2006/2007 financial year, the export or inbound tourism industry contributed to \$22 billion to the Australian economy.<sup>8</sup>

## **1.0 INTRODUCTION**

The Australian hotel industry is a customer-focused service industry providing a range of services tailored to varied user requirements. The industry supports the principles of fairness and equity upon which the issue of accessibility is based, and as such, the industry is committed to working towards fair and equitable access to its services, amenities and products.

This commitment has been demonstrated across Australia, with many hotels quick to adopt new standards and practices as they were introduced. In fact, in many cases, hotels have provided access that exceeds the level of access afforded by the surrounding infrastructure.

The industry accepts the need for standards because it recognises the benefits to the community as a whole. The AHA has been instrumental in raising awareness of the long term business benefits of improving access for people with disabilities, through, for example, the attached article which was published in 'Our Hotel' magazine last year (page 6).

However, the industry highlights that a number of the recommendations currently proposed for the Building Code of Australia (BCA) will impose an unreasonable financial burden on the owners and operators of hotels, and that the uncertainty regarding possible litigation that would still remain if the standards are introduced, will also result in significant adverse impacts on the industry.

<sup>5</sup> Australian Bureau of Statistics – Tourism Accommodation, 26 September, 2008

<sup>6</sup> Australian Bureau of Statistics – Accommodation Services, 25 June, 2008

<sup>7</sup> Australian Bureau of Statistics – Tourism Satellite Account, 17 April, 2008

<sup>8</sup> Australian Bureau of Statistics – Tourism Satellite Account, 17 April, 2008

## **2.0 IMPLICATIONS OF PROPOSED CHANGES**

### **2.1 Structural changes**

The new standards will require accommodation hotels to increase the number of accessible rooms available to guests to 5% of room stock. Based on current usage rates, this level of investment is not seen as warranted in the immediate short term. A survey of 100 accommodation hotels conducted by the Queensland Branch of the AHA identified that hotels averaged 254 rooms with 2.8 accessible suites per hotel. All of these hotels provided adequate access from reception areas through to rooms and other major facilities. Accessible room sales per night represented only 0.024% of existing stock in this survey.

The results of the survey also indicated that, not only were hotels able to cater for their individual demand, but, at a regional level, they were able to meet any collective demand. In Sydney, even during the high demand period of the Paralympics, hotels reported spare capacity of accessible rooms.

The Premises Standards further requires that an accessible room be provided for each type of room offered by a facility. The AHA supports this principle, however, but notes that this is not always practical. Rooms are priced based on the space and amenity they offer. As accessible rooms are generally larger than other rooms, such rooms often correlate more closely to a higher-priced room. However, in order not to impose additional costs on customers with disabilities, the accessible rooms are generally offered at the lower rates. This creates some discrepancy between room amenities and therefore, while venues may consider offering base level accessible rooms and, in some cases, the most luxurious rooms, they are unable to provide the full range of price scales without undue hardship.

Other areas requiring changes that will impact on hotels include provision of toilets, lifts, passing and turning spaces, auditory and tactile information, access to swimming pools above a certain size, and, in particular, the need for restaurants to meet all accessible requirements.

The Premises Standards has the potential to stifle new building and renovation activity, which, in turn, will lead to a reduction in the quality of services and facilities offered. Given Australia's focus on high-yield international in-bound markets, any lessening of service and facilities is likely to impact negatively on international visitor numbers.

The industry is also concerned about the use of the 90th percentile as a benchmark. Its adoption has not been justified and it is the cause of a large portion of the additional costs that the industry will face. Circulation spaces in Australia currently meet or exceed the access requirements of the United States and the United Kingdom and there is no evidence that the increased space requirements are justified.

The accommodation sector has seen reduced investment in new hotels in recent years, due to the poor returns received. The additional cost of compliance with the Premises Standards will exacerbate this situation and distort the supply of hotel rooms further. The AHA understands and acknowledges there is a market for accessible hotel rooms and facilities, but the industry is concerned that there is a disproportionate emphasis on the provision of accessible facilities that will have an adverse effect on the sustainability of the accommodation sector. Further to this, the business model of many hotels, where an owner/operator exists, means that the cost burden of compliance will impact more markedly on these entities, as opposed to other types of commercial arrangements between owners and lessees of affected buildings.

### **2.2 Building Access Panels**

The code does provide for the establishment of Access Panels to consider questions that arise in the course of the building approval process. However, there exist concerns with the operation of the Panels, including:

- the composition of panels (e.g. the number of qualified experts required, the AHA's ability to be represented on panels on behalf of the accommodation sector);
- what standard will be applied where existing buildings are not undergoing refurbishment;
- the requirement that panel decisions must be considered in unjustifiable hardship claims;
- uncertainty as to how frequently these panels will meet and what delays may be anticipated in seeking approvals;
- lack of clear guidelines to ensure consistent consideration of hardship applications across the States, and consistent treatment by local authorities.

The AHA asserts that it is vital to distinguish and clarify the treatment of existing properties, as opposed to new developments. The AHA submits that the draft standards should not be applied to existing buildings, and that the renovation of, or addition to, existing buildings should not lead to the draft standards being applied to any part of the existing building.

### **2.3 Uncertainty**

There is further uncertainty for the industry going forward in the fact that, even where building owners do comply with the requirements in the code, there is no guaranteed protection under the law from litigation under the Disability Discrimination Act (DDA). The situation is also unclear as to existing buildings that are not undergoing work; they are covered by the provisions of the DDA but there is no direction as to what standard will be applied.

### **2.4 Exemption of Class 2 Buildings**

The AHA is opposed to the exemption of Class 2 buildings from the Premises Standards unless it can be shown that these buildings will not be available for short stay accommodation, where they will have a competitive advantage over hotels and other Class 3 accommodation categories who are required to comply with the Standards. The system must ensure that there is proper enforcement of requirements by the relevant authorities.

## **3.0 PREFERRED OUTCOMES**

As noted, the AHA and the accommodation sector accept the need for standards, and recognise the benefits to the community as a whole that will accrue over time. However, in order to ameliorate the immediate cost pressures associated with the Standards, the AHA proposes the following:

- 3.1 Clarify the Building Access Panels' authority to waive or amend requirements, such as the minimum number of accessible rooms, based on a consideration of undue hardship or market conditions, for example.
- 3.2 Clarify the Building Access Panels' composition of members to ensure appropriate representation for both the industry and the wider community.
- 3.3 Provide the Building Access Panels with adequate authority and ability to hand down definitive, industry-appropriate decisions, to enable an implementation of the new standards that gives some certainty to the industry during the implementation phase, and protection from vexatious or frivolous litigation.
- 3.4 Maintenance of the 80<sup>th</sup> percentile dimensions, rather than 90<sup>th</sup>.
- 3.5 No exemption for Class 2 buildings without a means of ensuring that these buildings are not used for short stay accommodation.
- 3.6 Clarify the requirements for existing buildings to the effect that the draft standards will not be applied to existing buildings, and that the renovation of, or addition to, existing buildings will not lead to the draft standards being applied to any part of the existing building.

In addition, the attached brief (page 5) proposes a phased-in approach to the provision of minimum numbers of accessible rooms, in recognition and acknowledgement of the industry's work to date on increasing accessibility, and to provide a feasible and reasonable way forward for all parties.

## **4.0 SUMMARY**

In summary, the key concern for the hotel industry is that there is the risk of significant costs being incurred in the short term that may do disproportionate damage to the industry, given the current volatile and uncertain economic environment which is already imposing extreme external cost pressures on hotels. Taken further, the increased costs could, over time, lead to a reduction in the quality of facilities; for example, many regional hotels would close their swimming pools or restaurants if the cost of adhering to the standards is unsustainable, and some hotels in need of substantial renovation may close if the project is not viable given the increased burden of compliance. This will, inevitably, result in job losses in the areas of significant concern to the government and industry, namely small and regional businesses, but also across the board.

While the AHA and the industry supports the principles of fairness and equity underlying the proposed changes, the AHA proposes that some of the immediate cost impacts and uncertainties can be addressed to some measure by the actions listed above.

**PHASE-IN PERIOD:  
MINIMUM NUMBER OF ACCESSIBLE ROOMS**

In light of the economic conditions and outlook, and the potential for significant financial hardship to be incurred by the proposed minimum requirement for accessible rooms, the AHA proposes that a phase-in period with built in reviews is a reasonable way forward.

As noted in section 2.1, there is a measure of concern as to the current level of demand for accessible rooms. The AHA has consulted with its members as to their projections of the demand for the specified rooms, and the situation does not appear to warrant the level of investment that is required to provide 5% of rooms as accessible rooms. In a Sydney case study, the statistics of a prominent hotel show that, of 160 rooms there are 4 with disability access (2.5% of rooms). Over the past four years the hotel has taken between 15-20 bookings per year, signifying 1.4% usage of the available capacity. Whilst hotels acknowledge that there is a market for accessible rooms, it needs to be recognized that a 'one size fits all approach' is not appropriate.

It is more appropriate and preferable for the industry to continue to build on the work it is already doing in innovative room design for maximum accessibility by a range of guests, not just a small sector of guests with a particular disability. A phase-in period for minimum room numbers would assist the industry to adapt to the new requirements in a reasonable timeframe, as well as monitor and engage with the market's demands in this area. In particular, it is important for hotels to be able to create rooms and environments that retain their appeal and attraction for all guests, in order that their investment returns are maximized and to ensure that all guests are provided with the best possible experience.

With the Building Access Panels overseeing the process, **it is proposed that there be a specified phase-in period of 5 years, with an annual review of progress and developments in the market.** The Panels would be instrument in managing the phase-in with the flexibility that would be afforded by appropriately composed Panels with the proper authority to rule on the application of the standards.

## ***ATTACHMENT : Article from 'Our Hotel' magazine (2008)***

### **DISABILITY AWARENESS – ARE YOU LOSING BUSINESS?**

The Commonwealth Government is considering changes to the Building Codes of Australia (BCA) to improve access and mobility for people with disabilities. Business groups including the AHA have raised concerns about some of the proposed changes, and in particular suggestions that existing buildings undergoing redevelopment should incur substantial costs to ensure their renovations comply with the new standards. We remain confident that the revised Code will substantially improve access for people with disabilities without imposing unnecessary cost burdens on building owners.

This article highlights the fact that hotels may be missing out on business by not understanding the needs of this large and increasing group of potential customers.

The Commonwealth Government's (2003) Tourism White Paper identified people with disabilities and seniors as emergent groups who seek niche experiences identified as the accessible tourism market. The needs of this market are multidimensional where access encompasses mobility, vision, hearing and cognitive dimensions.

The development of marketing responses to incorporate these dimensions provides the accommodation sector with the opportunity to be well-positioned with a competitive advantage to meet global tourism trends.

Approximately 20% of the Australian population, or four million people, identify as having a disability. Of these 520,000 have a mobility disability, 480,000 are blind or vision impaired, and 1 million are deaf or hearing impaired (Australian Bureau of Statistics, 2003). The numbers of people with disabilities are set to increase due to the ageing of the population.

WHO (2007) state that by 2020 there will be 1.2bn people, worldwide, over 60. The 'greying' of the population has been well documented by the ABS, identified by Tourism Research Australia as an opportunity (2005) and affects all of our major inbound markets. These trends have considerable implications for global tourism.

The most recent estimates based on National Visitor Survey (Bureau of Tourism Research, 2003) show that 11% of all Australian travelers identified as having a disability. Economic modelling has valued the contribution of tourists with disabilities to overnight domestic tourism at \$(AUD)4.8bn (Darcy & Dwyer, 2007).

From an inbound perspective, it has been estimated that 7-8% of travelers have a disability and it is this group who directly contribute to increased GDP to the economy. The Commonwealth Government's White Paper identified accessible tourism as part of its niche experiences. What has become apparent from the National Visitor Survey statistics is that accessible tourism is part of every market segment. • When a person with a disability travels on an overnight trip, they are in a group of 3.8 people.

Not to accommodate the person with a disability means that you are missing out on the business of the group and not just that of the individual. This is significant as accommodating people with disabilities is a significant consideration in planning the staging of conferences and events. Organisers have a responsibility to contract venues that provide accessible environments. This was recognized recently by Meetings and Events Australia through the development of an accessible events guide (Meetings and Events Australia, 2006).

The Saville on Russell Hotel in Melbourne's CBD is a good example of a venue which has accommodated clients with disabilities from the outset. • According to its General Manager, Nick Syrbopoulos: "The changes we implemented were initially highlighted via an inquiry to accommodate a group of hearing impaired guests. It was at this stage that the hotel considered what would be required to enhance the hotel's features to broaden our appeal across the board to all members of the public. During the construction of the hotel, specific rooms were designed to accommodate such disabilities of mobility, for example for wheelchair access and the elderly."

The Saville on Russell introduced these changes once “the company’s policies and procedures were upgraded to support the use and effectiveness of the required features including the adaptation of our emergency procedures whilst accommodating guests with disabilities,” said Nick.

And this upgrade continues at the Venue with “The most current project at hand (being) to further support the broader community with disabilities through a Braille lift system with voiceover and the purchase of two TTY phones that are available on request.”

In Australia it has been well-documented that people with disabilities have had ongoing problems with tourism accommodation. These have included stories in the mainstream press, letters to the editor of the travel sections of major newspapers, complaint cases lodged with the Human Rights and Equal Opportunities Commission and stories in the disability press. Further, these issues are not confined to just Australia but are a universal barrier constraining people with disabilities wanting to travel. While a great deal has become known about the constraints to travel, there has not been corresponding research focused on the way that information about the rooms should be presented so that they can make an informed decision.

In the past two years in Australia, there have been a number of initiatives involving accessible accommodation information. Some hotels however, like Nick Syrbopoulos’s Saville on Russell, use their own communication channels to inform clients of their facilities for the people with disabilities: “The promotion of such facilities is communicated via our website, property fact sheets and other forms of hotel communications,” says Nick. This has clearly worked, because, he says, “the additional changes have increased our business levels as we are now able to accommodate their requirements.”

According to a recent Australian study, over 52 percent of disabled and impaired people surveyed stated the lack of suitable accommodation as the reason behind not travelling as frequently as they’d like. This was compounded with 63 percent finding accommodation as a significant constraint to their travel planning and 46 percent finding the information they received was not accurate. The major issues identified about accessible tourism accommodation were that:

- room access falls below the accepted Australian Standards;
- information is poorly documented;
- the information presented is not detailed enough; and
- not specific to each room;
- rooms do not have an equal amenity to non-disabled rooms (“aesthetic” attributes, vista and room location);
- properties do not identify that they have accessible rooms; and
- properties do not market or promote the rooms they have available.

Problem areas such as these have led, according to the study, to lower participation levels at hotels from 2 to 5 stars. Perhaps surprisingly, most of the accessible accommodation stock occurs in 4 to 5 star properties, having been built after the introduction of the Australian Standards for access and mobility. From a supply perspective, accommodation managers report low occupancy of these rooms with most having done little to document, market and promote the features of their accessible accommodation.

Nick Syrbopoulos describes the problem from the hoteliers’ perspective: “Due to the age and design of a number of hotels the adaptation to facilities is often restricted due to financial and legal constraints. This hopefully will begin to change and the industry will start moving forward as the demand for such requirements increases.”

In the meantime, those implementing such changes should take note of the following:

The researcher findings show that the first ranked preference for an accessible information format combined digital photography with textual information and a floor plan. The advantage of this format is that it presents the complexities of the Australian Standards for access and mobility in a way much more easily understood through the way people use space. These spatial judgments are reinforced through the use of photos as a further confirmation of the room dimensions that reveals circulation space and other critical elements. The research team has developed an accessible information template that combines these elements. The template is being used to inform Tourism Australia and the state tourism organisation’s negotiation to have an access template included within Australian Tourism Data Warehouse (Darcy, 2007).

Interestingly, as well as the inclusions of the Building Code of Australia and the Australian Standards, people with disabilities value a ‘can-do’ customer service attitude. This involves not only training staff in disability awareness but management adopting a frankness and accuracy of identifying and documenting the access features of their

properties. This has been described as part of the expectation management process.

These days, most people with disabilities realize there may be barriers that they must overcome during the travel process. So if properties accurately document their access features, then individuals can make an informed decision about the appropriateness of the property for their access needs. A great number of Human Rights and Equal Opportunity Commission complaint cases and Federal Court actions involve properties that held themselves out to be accessible but did not in practice meet the access needs of the individual when they arrived at the property. In some cases this was as basic as the room having steps for a wheelchair user. From the properties perspective, the accessible information needs to be compiled once and then becomes part of the organization's access culture, identified on the website and available to be readily e-mailed out to those who make inquiries.

So here are some tips for developing the accessible tourism market for people with disabilities and other access needs:

- first and foremost discuss the individual's needs with them;
- document the access features of all aspects of the property through undertaking an access audit;
- access involves mobility, hearing, vision and cognitive dimensions;
- pay detailed attention to the accessible rooms;
- document the number of accessible rooms as many disability groups require multiple rooms (sporting groups, conferences etc.);
- present the information in a way that consumers prefer;
- market and promote the access information in generic documents and websites and develop an accessible tourism marketing plan;
- it is better to have realistic, accurate and detailed access information about your property so that consumers can make an informed choice for their access needs rather than have them arrive and find their expectations shattered.;
- engage an experienced access auditor and/or disability awareness trainer (see Association of Consultants in Access, Australia Inc <http://www.access.asn.au/>); and
- lastly, undertake disability awareness training of staff so that an access culture is established throughout the entire organization.

The Saville on Russell is, again, a benchmark venue for these kinds of strategies: "Our staff have been trained to support the mentioned changes via additional courses, written by our Human Resources Team," notes Nick Syrbopoulos.

So where is your venue positioned in all of this?

*Further information on this subject is available from Associate Professor Simon Darcy University of Technology, Sydney via [simon.darcy@uts.edu.au](mailto:simon.darcy@uts.edu.au). The research report on this subject will be available in February 2008.*



**CONTACT DETAILS:**

Bill Healey  
Chief Executive  
Australian Hotels Association (National)

Juliana Payne  
National Manager Accommodation  
Australian Hotels Association (National)  
Level 5, 8 Quay Street  
Sydney NSW 2000