

Motel or hotel

Business start-up guide

Motel and hotel industry overview

Demand for motels and hotels continually changes depending on domestic and international tourism. Tourism is Queensland's second highest export earner so there are many motel and hotel business opportunities near tourist destinations.

Operators in the accommodation industry run motels, private hotels and guesthouse businesses with 15 or more rooms.

Starting or buying a motel or hotel involves many essential steps. Legally, you must ensure that you apply for and receive the correct licences.

This guide explains how to start a motel or hotel in Queensland. It will help you understand the challenges and opportunities of entering the motel or hotel industry so you can make good business decisions.

Getting into the motel and hotel industry

Before you start a motel or hotel, you need to understand how the industry works, what things you need to consider in your planning, and the legal requirements you must meet.

Finding a competitive edge in Queensland's motel and hotel industry

Queensland's motel and hotel industry is heavily saturated and is therefore very competitive. Most operators compete on price because many motels have very similar layouts, guest facilities and services.

To give your motel or hotel a competitive edge, you need to constantly adapt your business to match the changing demands from domestic and international tourist markets. Find out who your main customers

will be at different times of the year and promote your business to your target customer.

Another way to compete is to offer customers more room options, such as suites instead of rooms, bathtubs instead of showers, or hot plates and ovens instead of only microwaves.

Key success factors for motels and hotels

To build a successful motel or hotel, you need to:

- keep your facilities in good condition
- make sure your prices are competitive
- be part of a group buying, promotion and marketing scheme with travel agents, airlines and car hire businesses
- grow a loyal customer base
- have a good reputation
- operate as close to full capacity as possible.

Motel or hotel entry barriers

There are no major barriers to starting a motel or hotel. You can lease an establishment, which is quicker and more affordable than buying and setting up a new establishment.

You don't need formal qualifications to run a motel or hotel business but experience or training in accommodation and hospitality is very useful. Also, you only need licences if your establishment serves food or liquor, or has gaming machines.

(Source IBISWorld, March 2012)

Motel or hotel industry requirements

You may need to meet a number of licensing and registration regulations depending on your motel or hotel operations.

Rental accommodation facility

To offer rental accommodation to customers you may need permission from [your local council](#). It will take the council up to 4 weeks to process your application. Permit costs vary from council to council so check with your local council when you apply.

Operating a food service business

To serve food to your customers, you may need a Food Business Licence from [your local council](#). Licence costs and application processing times will vary so check details with your local council when you apply. Licensed food businesses may have more than 1 registered premises.

Food safety

You are legally required to meet the food health and safety standards set in the *Food Safety Act 2006* and *Food Production (Safety) Act 2000*. Ensure you make and store food safely for your customers.

Learn more about [food industry regulations](#).

Serving alcohol to customers

To serve alcohol to your customers, you may need a [Liquor Licence \(Commercial other\)](#) from the Office of Liquor and Gaming Regulation. Licence costs vary depending on your business type so check with the Office of Liquor and Gaming Regulation when you request an application form.

Selling tobacco products

To sell tobacco products, you need to be aware of the *Tobacco and Other Smoking Products Act 1998*, which is managed by [Queensland Health](#). It is illegal to supply tobacco products to children up to the age of 18 years and no exceptions will be made for any business that does so. Any business that helps supply tobacco products to the public must display a prohibition sign near each tobacco product point-of-sale and make sure the sign is easily visible to the public.

Providing transport for customers

To provide transportation (e.g. a minibus) for customers, you may need the following permits from the Department of Transport and Main Roads:

- [Driver Authorisation](#). Authorisation costs vary depending on your business operations and it can take up to 2 weeks to process your application.

This certificate is required for any person who drives a vehicle providing a public passenger service in Queensland. You must ensure that any public passenger drivers are capable of safely operating the relevant type of vehicle, are aware of their customer service responsibilities, and conduct themselves appropriately.

- [Operator Accreditation](#). Accreditation costs vary depending on your business operations and it can take up to 2 weeks to process your application. Accreditation is required for any person operating a public passenger service in Queensland.

Operating as a PostShop

PostShops are Australia Post outlets that often operate in conjunction with other businesses (general stores, hotels etc). To operate as a PostShop, you may need a [Licence to Operate a PostShop](#) from Australia Post. Licence costs vary depending on your business, and it can take Australia Post up to 1 month to process your application. You need this licence to sell stamps and postal packaging material to your customers. Australia Post must approve your licence in writing before you can start your PostShop.

Legislation that may apply to your business

- *Australian Postal Corporation Act 1989*
- *Building Act 1975*
- *Credit Act 1987*
- *Debits Tax Act 1990*
- *Duties Act 2001*
- *Fair Trading Act 1989*
- *Fire and Rescue Authority Act 1990*
- *Food Act 2006*
- *Liquor Act 1992*
- *Local Government Act 2009*
- *Manufactured Homes (Residential Parks) Act 2003*
- *Motor Accident Insurance Act 1994*
- *National Measurement Act 1960*
- *Radiocommunications Act 1992*
- *Recreation Areas Management Act 2006*
- *Residential Services (Accreditation) Act 2002*
- *Residential Tenancies and Rooming Accommodation Act 2008*
- *Sale of Goods Act 1896*
- *Statistical Returns Act 1896*
- *Tobacco and Other Smoking Products Act 1998*
- *Trading Hours (Allowable Hours) Act 1990*
- *Transport Operators (Passenger Transport) Act 1994*
- *Vocational Education, Training and Employment Act 2000*

- *Water Supply Act 2008*
- *Work Health and Safety Act 2011*

To access copies of legislation, visit www.legislation.qld.gov.au.

Useful industry contacts

Business Support Unit

For more information on licences, regulations, market research, business planning and other support services phone 13 25 23 or visit business.qld.gov.au

Hotel, Motel and Accommodation Association of Australia

Phone 1300 304 397

Visit www.hmaa.com.au