

News Release

PUBLIC GIVEN A VOICE ON TRAVEL INDUSTRY CONSUMER PROTECTION

Travel agents, consumers and other interested parties are being given the opportunity to have their say and influence consumer protection regulation of travel and travel related services.

On 8 May 2009 the Standing Committee of Officials on Consumer Affairs (SCOCA) was directed by the Ministerial Council on Consumer Affairs (MCCA) to commission a review of the existing consumer protection regulation for the travel industry.

The terms of reference agreed by the MCCA require the review to:

- Identify and review the effectiveness of, or need for, consumer protection measures in the travel and travel related services market, particularly in relation to consumer prepayments for services
- Consider the relevance, effectiveness and viability of the current travel agency regulatory scheme, with a particular focus on the Travel Compensation Fund, and
- Identify and consider regulatory and non-regulatory options within a cost/benefit framework to address the identified consumer protection issues at a Commonwealth and State/Territory level. Where an option for consumer protection involves ongoing regulation, specific attention should be paid to the cost and benefits of such regulation and who bears those costs and benefits.

PricewaterhouseCoopers has been appointed by SCOCA to undertake the review that will examine the need for changes to consumer protection measures in the travel market and the implications for travel agents, with a particular focus on the role of the Travel Compensation Fund (TCF).

The review is timely given significant changes that have impacted the travel industry, including: an increased use of the internet to purchase products and services; the increased use of credit and debit cards, which provide some consumer protection and in some instances offer explicit travel insurance; and changes in the travel agent industry including the growth of franchised businesses.

Interested businesses, individual travel agents and consumers are encouraged to make submissions responding to issues raised in the Issues Paper by emailing pwc.economics@au.pwc.com.

A copy of the Issues Paper can be downloaded at:
http://www.consumer.gov.au/html/latest_news.htm

Submissions close on April 9, 2010. The review will report to SCOCA in June, 2010.

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