

## **REVIEW OF CONSUMER PROTECTION MEASURES IN THE TRAVEL AND TRAVEL RELATED SERVICES MARKET**

In accordance with the terms of reference agreed by the Ministerial Council on Consumer Affairs (MCCA), the consultant will:

- 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 operation of 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.

It is intended the review will consider consumer protection issues in connection with the provision of travel and travel related services in the Australian marketplace. This involves services provided directly or indirectly by persons carrying on business in Australia to both inbound and outbound tourists as well as business travellers in connection with travel inside and outside Australia.

In responding to these requirements the consultant will:

- i. Review and update through appropriate consultation mechanisms, information and submissions previously provided to MCCA and the Standing Committee of Officials on Consumer Affairs (SCOCA) in relation to the operation of the regulatory scheme for travel agents. Treasury will coordinate with the MCCA Secretariat to provide access to this material.
- ii. Examine travel industry consumer protection legislation that exists in each of the States and Territories.
- iii. Consult with stakeholders, including government agencies, peak consumer bodies, and industry associations representing suppliers involved in transport, accommodation and other travel related services, to obtain information identifying industry trends, consumer protection issues and regulatory impacts.
- iv. Undertake research and detailed analysis of industry and government data, nationally and internationally, which helps to clarify industry trends, consumer protection needs and appropriate responses.
- v. Develop proposals which take into account regulatory impact assessment criteria, including financial aspects and identify relevant funding options. Where funding options are identified, the impacts of alternative funding models should be considered separately from the impacts of the underlying regulatory model.
- vi. The consultant will also prepare a draft report, including findings and recommendations and provide a presentation to SCOCA on the draft report and recommendations.