

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REPORT REVIEW OF THE ACCC ANNUAL 2019

ACCC14QW:

At the hearing on 24 February, the ACCC noted that they had taken feedback from the travel industry regarding the impact of the COVID-19 pandemic and in response have issued revised guidelines for consumers and businesses.

- a) Does the ACCC think that broader reforms are necessary following the experiences of the travel sector during COVID-19?
- b) Attached is a paper submitted by representatives of consumers in the travel sector, Mr Adam Glezer and Mrs Jaclyn Glezer. Could the ACCC comment on the paper's proposals.

Answer:

- COVID-19 has had a significant impact on the entire travel sector as well as individuals whose travel was cancelled due to restrictions. To assist the industry rebuild post-pandemic there is a need to restore and enhance consumer confidence in making future bookings in the travel sector.
- The ACCC continues to review and consider the impact that industry and business practices and structures have had on consumers, and also businesses in the supply chain. In undertaking this assessment the ACCC is considering whether there are law reform or policy options that should be implemented to address harm in the market. In addition to this the ACCC, alongside the Government and the state and territory Australian Consumer Law (ACL) regulators, will be undertaking a project to identify lessons learnt from consumer issues arising during the COVID-19 pandemic.
- This 'lessons learnt' consideration necessarily involves needing to thoroughly understand all the issues, including the business models and ways that the travel industry operates.
- A thorough consideration needs to be made as to whether issues that have arisen in the travel industry require a consumer policy or law reform response or non-regulatory responses, and whether any issues stem from the fundamental structure of the industry such that other broader approaches are warranted. Due to the complexity of the issues the ACCC does not consider it is in a position to comment on Mr and Mrs Glezer's specific proposals at this stage.
- A wide range of views from relevant stakeholders will need to be taken into account. In various discussions to date, the ACCC has already heard from many industry, consumer and other representatives, including Mr and Mrs Glezer, about identified market problems, industry and business structural concerns and possible deficiencies with the Australian Consumer Law.
- A number of ACL regulators have been in contact with, or have had numerous discussions with Mr and Mrs Glezer and have advised that the material they have submitted will be considered as part of the broader work the ACL regulators are collectively undertaking on lessons learnt from consumer issues arising from the COVID-19 pandemic.