

EXTRACT FROM (RFT)

**PART IV — SPECIFICATIONS AND STATEMENT OF
REQUIREMENTS**

1. INTRODUCTION

- 1.1 The Treasury, on behalf of the Ministerial Council on Consumer Affairs (MCCA), is seeking to engage a suitably qualified person or organisation to undertake a review of consumer protection in the travel and travel-related services market.
- 1.2 At its meeting on 8 May 2009, MCCA agreed to terms of reference for this review and instructed the Standing Committee of Officials of Consumer Affairs (SCOCA) to commission a Consultant to complete this work. MCCA issued a communiqué in respect of the review on 8 May 2009.
- 1.3 The purpose of the review is to examine and make recommendations for improving the existing state-based industry-specific consumer protection law and administrative arrangements for the travel industry. The findings of the review will be referred to MCCA for consideration.

2. BACKGROUND

- 2.1 The Ministerial Council on Consumer Affairs has directed the Standing Committee of Officials of Consumer Affairs to commission a review of the effectiveness of current consumer protection measures in the travel and travel related services market. The review is to examine, in particular, the effectiveness of current arrangements for protecting consumer prepayments.
- 2.2 In 1986 the Western Australian, New South Wales, South Australian and Victorian Governments created a cooperative scheme for the regulation of travel agents, underpinned by an intergovernmental participation agreement and uniform legislative provisions. The cooperative scheme included the establishment of the Travel Compensation Fund (TCF) as a mandatory industry-funded scheme for compensating consumers in the event of the loss of monies prepaid to intermediaries. Between 1986 and 1990, the Queensland, Australian Capital Territory, Tasmanian and Northern Territory Governments become parties to the cooperative scheme. In addition to the cooperative scheme, Commonwealth and State/Territory generic consumer protection legislation also applies to the travel and travel related services market.

3. THIS REVIEW

- 3.1 Travel services include air, sea and land transport, while travel related services include vehicle rental, accommodation, sightseeing tours, special events and other services associated with travel such as finance and insurance.

- 3.2 Suppliers of travel and travel related services include principals (those that directly provide services such as overseas and domestic airlines, cruise operators, accommodation providers, entertainment/tourist attraction operator/providers, rental car companies and bus and rail operators) and intermediaries (those involved in making arrangements for supply of travel and travel related services such as retail and corporate travel agents, consolidators, tour wholesalers, inbound tour operators and event organisers).
- 3.3 Since the development of the travel agents regulatory scheme in 1986 there have been significant developments in the travel market. Technological developments have not only changed the purchasing process for many travel services, but also consumers' ability to access information about products and services and to manage risks associated with purchasing travel.
- 3.4 An important element that needs to be addressed by the review is the influence on and the relevance of existing consumer protection mechanisms in light of new technology and changes in marketing and ticket distribution systems. In particular the impact of web technology, electronic ticketing and credit/debit card payment arrangements should be considered as well as trends in the way travel related services are packaged.

4. REQUIRED SERVICES

- 4.1 The Treasury, on behalf of the Ministerial Council on Consumer Affairs is seeking a Consultant to undertake this review and prepare a report (the Services).
- 4.2 The review will:
- i. 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;
 - ii. 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
 - iii. 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.

- 4.3 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.
- 4.4 In responding to these requirements the successful Tenderer will:
- i. Review and update through appropriate consultation mechanisms, information and submissions previously provided to MCCA and 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 successful Tenderer will also be required to prepare a draft report, including findings and recommendations and provide a presentation to SCOCA on the draft report and recommendations.

5. PROJECT TIMETABLE

CONTRACT COMMENCEMENT	15 JANUARY 2010
DRAFT REPORT PROVIDED TO TREASURY	7 JUNE 2010
PRESENTATION TO SCOCA ON DRAFT REPORT AND RECOMMENDATIONS	14 JUNE 2010
FINAL REPORT TO BE PROVIDED TO TREASURY	30 JUNE 2010