

## FACT SHEET

### Travel Agents Repeal Bill 2014

- Since 1986, Travel Agents have been required to be licensed and to be members of the Travel Compensation Fund (TCF). This Fund monitored the finances of member travel agents and provided compensation to consumers who suffered loss when travel agents did not pass on their payments to end suppliers.
- New business models, coupled with technological advancements, have gradually reduced the relevance and effectiveness of the existing system. This market change has also steadily disadvantaged local travel businesses that find themselves competing with offshore providers operating outside the regulatory framework.
- There are currently 34 travel agents licensed in Tasmania.
- In 2012, a majority of State and Territory Ministers for Consumer Affairs approved the Travel Industry Transition Plan (Transition Plan) setting out reforms to travel agents' regulation and the TCF.
- The Transition Plan recommends a regulatory approach which complements industry efforts to promote confidence and quality, and maintains appropriate levels of consumer protection.
- Under the plan, financial supervision provided by the Travel Compensation Fund was removed in July 2013. The Travel Compensation Fund started winding down its operations on 1 July 2014. It will continue to accept claims relating to activities that occurred prior to 1 July 2014 but will not consider any claims relating to issues arising after 1 July 2014. The Fund will be wound up entirely by the end of 2015.

- As part of the Plan, all States committed to repealing their Travel agents' legislation by mid-2014 where practicable.
- Since 1 January 2011, the Australian Consumer Law (ACL) has protected consumers when buying goods and services, including travel. It applies to all Australian businesses and imposes the same obligations on travel agents no matter where they operate in Australia.
- Under the ACL, travel products or services automatically come with a range of consumer guarantees and other protections. These consumer guarantees require travel agents to provide services with an acceptable level of skill and technical knowledge, and to take all necessary care to avoid causing loss or damage to their customers.
- If a travel agent breaches these ACL provisions, consumers may seek civil damages to cover any financial losses they may have suffered as a result.
- The peak industry body for travel agents, the Australian Federation of Travel Agents (AFTA), has developed a new voluntary accreditation scheme known as the AFTA Travel Accreditation Scheme, or ATAS.
- The ATAS is an industry-wide scheme open to travel agents launched on 1 July 2014. Consumers using an ATAS accredited business can expect that their travel agent has met relevant regulatory requirements, is required to abide by a charter and code of conduct, and has minimum protections in place such as public liability insurance and complaints handling processes.
- Repealing the Travel Agents Act 1987 will remove red tape and a financial cost on travel agents operating in the State. It will thereby remove the disadvantage that travel agents face when competing with overseas and online agencies