

## SECOND READING SPEECH

### *Travel Agents Repeal Bill 2014*

Madam Speaker, I move that the *Travel Agents Repeal Bill 2014* be read a second time.

Travel Agents in Tasmania currently operate within a regulatory framework established almost 30 years ago.

This regulatory framework was largely consistent across jurisdictions and involved the licensing of travel agents and a requirement that they retain membership 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.

Since the creation of this framework, the rapid rise of new business models, coupled with technological advancements, has gradually reduced the relevance and effectiveness of the existing system.

This has led to growing disadvantage for local travel businesses that find themselves competing with offshore providers operating outside the regulatory framework.

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 have committed to repealing their Travel agents' legislation by mid-2014 where practicable. This Bill will achieve this.

However, the interests of travellers are still protected.

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.

Travel agents (and other travel intermediaries) must also provide services that will be reasonably fit for purpose or that will give the result paid for. A failure to meet these guarantees may entitle the consumer to a variety of remedies, including a refund, compensation or to have the service provided again.

Travel agents must take care not to act unconscionably or make false or misleading representations. They also must not include unfair terms in any standard form contract presented to the consumer.

If a travel agent breaches these ACL provisions, consumers may be able to apply to a court or tribunal for damages to cover any financial losses they may have suffered as a result.

Consumer Affairs and Fair Trading, as well as the Australian Competition and Consumer Commission are also able to investigate and prosecute businesses contravening the ACL provisions.

In addition, 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.

As mentioned previously, this repeal is part of a co-ordinated national reform. Tasmania has contributed to the development of information and communications tools to ensure consumers and the travel industry are aware of the reforms and how they are affected. This information is already being rolled out through radio, the internet and mailouts. An information campaign, titled “pack some peace of mind” has been launched and is available from the Consumer Affairs and Fair Trading website or the Australian Consumer Law website as well as via other media.

In conclusion, 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

Madam Speaker, I commend the *Travel Agents Repeal Bill 2014* to the House.