

## ACCOMMODATION CONSUMERS WILL STILL SUFFER UNDER “SECRET” ACCC DEAL

*Statement from the Chief Executive Officer of the Accommodation Association of Australia, Richard Munro:*

The accommodation industry has significant concerns about an agreement which has been reached between the ACCC and the two offshore-based companies who command around 80 per cent of the online travel agency market in Australia.

From what the Accommodation Association understands - because the ACCC has not made public the agreement - Australian consumers will be worse off under this hidden arrangement - we estimate consumers could still be paying up to 20 per cent more for a room because of the secret commissions which are charged by these offshore global behemoths.

By far the biggest concern is that operators of accommodation businesses are prevented from advertising on their own websites a lower room-rate than what these online travel agencies display. The ACCC has seemingly overlooked the fact the internet is easily the number-one way consumers book accommodation.

Effectively, this means the online travel agencies can still dictate - from their offshore headquarters - to small motels in regional Australia what price they can charge for providing a service, when many of these accommodation businesses are struggling to be profitable. We would be keen to learn how many such operators the ACCC met with before reaching the agreement with the online travel agencies.

With their dominant market share, the two major offshore online travel agencies are squeezing Australian accommodation businesses and Australian consumers will ultimately be the losers through higher prices or worse still, less choice because smaller operators in regional areas could be forced out of business.

Another concern our members have raised is in communication received from one of the online travel agencies in question about this issue last week, the terms and conditions of the contracts between accommodation operators and the online travel agency state the contract 'shall be exclusively governed by and construed in accordance with the laws of the Netherlands'.

We would like to think Australian Consumer Law applies to transactions made by Australian consumers within Australia for accommodation booked at an accommodation business which is physically located within Australia.

# Press Release



**Accommodation  
Association  
of Australia**

Given all of this, we are calling for the ACCC to make public all agreements and communication between it and online travel agencies.

The Accommodation Association has been seeking to meet with the ACCC since September 2015 to discuss these issues, but requests for a meeting have not been responded to.

ENDS

## **Media Contact**

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