

ACCC &amp; ONLINE RATE PARITY UPDATE

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Dear Accommodation General Managers,

### **ACCC & ONLINE RATE PARITY UPDATE**

On 11 October, AHA National CEO Stephen Ferguson and AHA WA CEO Bradley Woods, representing AHA and TAA, met with ACCC Chairman Rod Sims and staff about the ACCC's resolution with Booking.com and Expedia.

#### **Outcomes of the Meeting**

The ACCC advised that they had received over 500 responses from the accommodation industry to their survey. In that survey, accommodation providers raised a range of competition and consumer issues.

TAA and the AHA expressed concerns that the ACCC's resolution with Booking.com and Expedia did not go far enough and are still seeking further action by the ACCC to address concerns of the hotel industry. In particular, we are seeking OTA contracts to allow a hotel, through its own public website (including direct meta display and/or direct hotel price ads), to be able to publicly advertise its own room rates at whatever price it determines including lower than rates offered by OTA's such as Expedia and Booking.com.

The ACCC outlined that the resolution negotiated with Booking.com and Expedia related to a subset of the issues only, where the competition law issues were more clearly defined and that the agreement did not give a 'green light' to any of the other industry concerns.

The resolution focused on increasing competition between the booking platforms and between online and offline channels.

The ACCC outlined that accommodation providers can now:

- set different room rates, offer different conditions and availability on different online travel agent platforms,
- offer lower rates or better conditions through offline channels such as telephone bookings and walk-ins, and
- offer special rates and deals to customer loyalty groups by email or on the accommodation provider's website.

Accommodation providers advertising on their own websites are still required to offer at least the same price to an online travel agent.

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the application of the competition law to principal and agent relationships when it hands down its decision in Flight Centre.

The ACCC noted the industry's concerns about the need for ensuring effective ongoing communication.

The ACCC indicated that it continues to be interested in a range of other issues accommodation providers have raised and proposes to host a couple of industry forums in November. Details are still being finalised and will consult further on this with TAA and the AHA.

### **Further Information**

Any questions on the AHA-TAA's representation on Online Travel Agencies, please contact me on 9321 7701.

Kind regards,

Victoria Jackson  
AHA Accommodation Division & Government Relations Manager



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