



**AUSTRALIAN COMPETITION AND CONSUMER COMMISSION
APPLICATION BY THE DEPARTMENT OF TOURISM INDUSTRY AND RESOURCES
(A90912 and A90913)**

RESPONSE

Bed & Breakfast and Farmstay Australia
[... formerly the Australian Bed & Breakfast Council and Australian Farm and Country Tourism]

This response relates to a request from the Australian Competition and Consumer Commission (ACCC) concerning two applications that have been lodged by the Department of Industry Tourism and Resources (ITR) relating to preferential and/or exclusive treatment of accredited tourism businesses in Australia. The applications have been lodged on behalf of state corporatised tourism bodies from the NT, WA, Vic, TAS and SA (collectively called the State and Territory Organisations (STOS)). The applications also carry the support of the Australian Tourist Commission (ATC)

The Australian Bed & Breakfast Council is fully supportive of the aims of the applicants in wishing to raise the standard of the tourism product domestically and internationally and to be able to “brand” the tourism product to overseas markets in a way that clearly indicates “quality rather than quantity” to potential overseas visitors.

Notwithstanding this general support for the aims of the applicants, **the Australian Bed & Breakfast Council wishes to register its strongest possible opposition to the application in relation to “exclusive” treatment of accredited tourism businesses.**

Our opposition is based on the following grounds:

- There is nothing inherent in the accreditation process that will guarantee the outcomes desired by the applicants. This relates to both the process, the standard inherent in the process and to the assessment of the standard.
- There is nothing inherent in the application that indicates that there is a public interest in allowing anti competitive conduct in either contexts and, in particular, that relating to exclusive access.
- There is no economic or financial information in the applications that would demonstrate any enhancement of community or public benefit. In contrast, we have concerns that allowing the application will permit discriminatory practices within the industry something that could add a greater dimension to possible failures in the industry in the absence of a [compulsory] accreditation scheme.

- No proof is offered in support of the assertion of the applicant of the need for such anti competitive behaviour in relation to any of the claims made in the application. The application in short is based on assertions by the applicant with no evidence of the benefit that might accrue to the public.
- There is no mention of unsuccessful attempts over the past few years to enlist voluntary support of the accreditation process offered by the Australian Tourism Accreditation Association or of the reasons for it if they are known.
- There is no mention made in the applications of the many representations made to the applicants about the [almost] total lack of benefit to operators who have engaged in the “accreditation process” operated by the members of the Australian Tourism Accreditation Association.

There is, however, a far more effective way of achieving the aims of the applicants, something that has not, to this point, been raised within the tourism industry and certainly not with this association.

We are confident that, were the Department and the tourism associations to work more closely with the industry associations at national and state and territory level, directly and indirectly through the Australian National Accreditation Association, much more would be achieved in a cooperative and supportive environment without the need to engage in what would be seen as anti-competitive behaviour throughout the industry.

The net effect of working strongly and proactively with national and state and territory industry associations would move the industry far more effectively in the direction [rightly] sought by the applicants albeit over a longer timeframe and with far more effort on the part of the applicants.

It would be a pity if the Australian Competition and Consumer Commission authorised anti competitive behaviour to justify a heavy handed framework within the tourism industry to achieve what would ultimately amount to dubious achievements when a far more effective way of achieving the aims of the applicants was available to them.

Peter Cook/Jim Lewis
Interim Joint Chairs
Bed & Breakfast and Farmstay Australia