

MEDIA RELEASE

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Menu pricing decision requires ACCC enforcement moratorium: Hotels

Australia's leading accommodation industry body has welcomed today's decision by the Government to exempt restaurants from controversial component pricing restrictions.

But Rodger Powell, Managing Director of Tourism Accommodation Australia, called on the Australian Competition & Consumer Commission (ACCC), which enforces the legislation, to declare a moratorium on enforcement until the Government has secured passage of its announced amendments.

"This is an excellent outcome for the accommodation industry, which was never the intended subject of the component pricing aspects of the Australian Consumer Law. The restrictions were devised to cover motor trades and other sectors where hidden charges were misleading consumers but restaurant menus were unfortunately caught by the definition.

"We will be urging the ACCC to desist in enforcement while the Commonwealth negotiates the passage of amendments to the Australian Consumer Law with the states and territories. There is no sense in a business being fined \$6,000 for not complying with a law the Government has announced it intends to repeal.

"The menu pricing restrictions are a classic example of red tape which imposed additional costs and administrative difficulties on businesses without providing any real benefits to consumers.

"Under workplace relations legislation, hospitality employers must pay significant penalty wage rates on Sundays and public holidays, and it is fair and reasonable to apply a surcharge on these days to offset the increased costs of doing business.

"The industry highlighted this issue in its submission to the Productivity Commission's annual review of regulatory burdens, and we are pleased to see the Government has recognised the impact on business and taken action.

"The requirement to have separate menus or numerous pricing components was creating confusion and angst for restaurant consumers, with many businesses unfairly accused of price gouging or forced to eat into their margins. For hotels dealing with advance function or conference booking enquiries it was particularly difficult to provide accurate pricing information.

"TAA will be encouraging state and territory governments to support the proposed exemption for food businesses from the component pricing provisions of the Australian Consumer Law."

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