



The Hon Dr Andrew Leigh MP

Shadow Assistant Treasurer

Shadow Minister for Competition and Productivity

Shadow Minister for Charities and Not-for-Profits

Shadow Minister for Trade In Services

Member for Fenner

12 March 2019

Richard Munro
Chief Executive Officer
Accommodation Association of Australia
Suite 401, Level 4, 105 Pitt St
Sydney NSW 2000

Dear Mr Munro

I write in relation to Labor's policy, announced today, to ban price parity clauses imposed on accommodation providers by large booking platforms.

My personal thanks to you and your members for your advocacy on this issue.

My Labor colleagues and I have heard the message from Australia's accommodation sector. We know how vital tourism is to the economy, and we recognise the squeeze being placed on the sector by the large multinational booking platforms. We also understand the anti-competitive constraints that price parity clauses imposed by multinational companies have on accommodation providers throughout Australia, particularly small and medium-sized businesses.

We don't think those constraints are fair, so a Shorten Labor Government will ensure local accommodation providers have greater control of their own businesses.

If elected, Labor would ensure that Australia's accommodation providers have the ability to set their own prices, allowing them to compete fairly with the multinationals behind the world's largest online booking sites.

A Shorten Labor Government would ban price parity clauses (both 'wide' and 'narrow') in the accommodation sector, and support the Australian Competition and Consumer Commission in investigating the role such contract terms play in other sectors of the economy.

This will drive genuine competition in the accommodation sector by removing a power imbalance commanded by the two global operators that control up to 85% of online accommodation booking in Australia.

This follows on from other competition reform commitments that may also benefit your members, including making unfair contract terms imposed on small businesses illegal, and doubling the competition regulator's litigation budget to enforce the commitments we've made.

I would be delighted if you could share this letter with your members. If they have further queries about the policy, they are more than welcome to contact my policy advisor Nick Green (nick.green@aph.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read "Andrew Leigh".

Andrew Leigh