FACT SHEET NO. 09

SINGLE PRICE ADVERTISING

The Trade Practices Amendment (Clarity in Pricing) Act 2008 (Cth) (Clarity in Pricing Act) introduces mandatory price advertising laws which will affect the way your business can advertise the price of its tourism products. The Clarity in Pricing Act came into effect on 25 May 2009.

Historically, it has not been uncommon in the tourism industry for prices of travel products and services to be advertised by reference to the price of the components (i.e. '$1,000.00 for tour A and $500 for tour B plus taxes, fees and charges').

The Clarity in Pricing Act requires pricing to be advertised as a single figure price and in a prominent way (Single Price Advertising).

The objective is to ensure that, as much as possible, consumers know at the outset how much they will have to pay for their holiday, tours, accommodation and travel services, including all taxes and levies.

Non-compliance with the requirements of Single Price Advertising may attract civil penalties of up to $1,100,000 and criminal penalties of a maximum of two years imprisonment.

Does your business have to comply with the Single Price Advertising?

1 The Single Price Advertising laws apply to representations:
- 1.1 by corporations;
- 1.2 to consumers;
- 1.3 about the price of goods and/or services of a kind ordinarily acquired for personal, domestic or household use or consumption, which includes holidays, tours, accommodation and travel services.

2 The Single Price Advertising laws do not apply where:
- 2.1 the goods and/or services are advertised exclusively to bodies corporate; and/or
- 2.2 the goods and/or services are not of a kind ordinarily acquired for personal, domestic or household use or consumption.

What is Single Price Advertising?

3 A 'single price' is the 'minimum quantifiable consideration for the supply' of goods and/or services (Single Price).

4 The price for which you advertise your goods and/or services must be stated as a single figure.

5 **WHAT NEEDS TO BE INCLUDED IN SINGLE PRICE ADVERTISING:**
- 5.1 A quantifiable Single Price includes the price of the holiday, tour, accommodation, travel services and:
  - 5.1.1 any credit card surcharges if credit card payment is the only method of purchase (e.g. $100 + 3% credit card surcharge must be stated as $103.00);
  - 5.1.2 any GST, sales tax, levies, charges payable by the consumer for the goods and/or services (e.g. $300.00 + GST must be stated as $330.00);
  - 5.1.3 any Passenger Movement Charge/ Fuel Surcharge/National Park Levy, or other mandatory tax or levy.
- 5.2 If the components of the price are not quantifiable, for example:
  - 5.2.1 they are not easily converted into a dollar amount;
  - 5.2.2 they vary due to departure location (Airport A as opposed to Airport B) or seasonal variations, the business may elect to display a 'from $x price'.
- 5.3 Where the final price depends upon customer choice, you should display the price as 'from a minimum total price of $x'.

6 **WHAT DOES NOT NEED TO BE INCLUDED IN THE SINGLE PRICE:**
- 6.1 Charges that are not mandatory, or charges that only become payable if the customer chooses something extra, for example:
  - 6.1.1 to hire stinger suits; or
  - 6.1.2 optional excursion costs.

How must I display Single Price Advertising?

7 The Single Price must be:

Print Media / Television / Internet
- 7.1 at least as prominent as the most prominent of the component parts of the price;
- 7.2 easily identifiable to the consumer: for example: $A + $B = $C;
- 7.3 in a font as large or larger than all of the component prices;
- 7.4 displayed more prominently than the price of the components (i.e. in bold or underlined text);
- 7.5 prominently positioned on your website.

Radio / Television
- 7.6 in the same tone, with the same emphasis and speed as the price of the component prices where the advertising is spoken (e.g on the radio or television).

Way Forward

1 Assess whether the price you are offering is a single price that is clear to the consumer.

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