

- **To ACCC-Submission, AA1000625-1**

- **re QANTAS-EMIRATES Partnership EXTENSION:**

**sent July 5<sup>th</sup> 2023, Part 2**

- **From Axis Travel Centre -ADL**



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Respectfully Axis Travel Centre maintain what we said in our first submission but need ACCC to revisit what is here, wearing the hat of the Consumer and understanding some salient travel industry facts as travel agents continue to deliver over 73% of the international passengers to both QF and EK.

Overall, QF and EK tend to deliver good product and services worldwide supported by international travel industry respect in what they do. There remain current and future issues that the ACCC must consider carefully with both QF and EK. There is a need to sincerely address the current spate of justifiable consumer and travel industry complaints with the adoption of new ACCC advised and supported strategies that should be monitored and managed.

**BEING RESPONSIBLE AND ACCOUNTABLE:** It is no good having two major carriers providing promises and strategies if they are not held accountable with zero levels of policing and deterrent fines or rulings in place. The consumers and travel agency community have already experienced this and we should not expect such issues to continue again or be expanded. The ACCC must place policing and deterrent reprimands in place.

After reading the entire “pending” QF/EK determination issued by the ACCC it seems that the determination focus on the QF/EK partnership is for them to deliver equitable services and consumer benefits on their proposed NZ route. We commend this ACCC determination but NZ should not be the crux of what needs to be considered by the ACCC on behalf of the more financially important worldwide impact that the other QF/EK routes cover.

This June 2023 ACCC finding lacks any enforceable requirement, financial or otherwise, against either carrier if they do not comply, do not deliver, or erode the current quality services, technological synchronization, ground services, frequent flyer mutual recognitions, consumer pricing or travel agency support mechanisms.

**The revenue, the services, the impact in terms of schedules, competition, financial benefits and liaison is far greater on their other joint long-haul world routes services and ,respectfully, not NZ.**

**We are disappointed that there are no ACCC implied or adopted rulings, regulations, or any written repercussions against QF/EK should they not deliver what they have promised-*and already noted-* have not delivered to consumers and travel agents.**

**ACCC HAS NOT ADDRESSED WHAT WE PREVIOUSLY NOTED, BEING TO IMPROVE SERVICES FOR CONSUMERS WITH KPI:** Do consumers and the connected businesses need to await another 5 years before the ACCC again asks for input to read new files and examples without intervening within the 5 year period to ask QF/EK to rectify reprimand, fine or encourage them to deliver on promises made under their ACCC approved documents?

- **What incentive or disincentive is there for either carrier if they do not follow through on their promises? Wording an apology to affected consumers and travel agents are only words after the emotional, physical and monetary affects have impacted on all concerned.**

**TRAVEL AGENTS WEAR THE CONSEQUENCES:** The worldwide impact of COVID was an excellent example of how the travel agency community kept travel and tourism alive, reducing not only the financial and servicing impacts on all Airlines and Government agencies but also substantially reducing the workloads and stress levels of their staff and systems .Without such (mostly unpaid) work delivered by travel agents , many Airline and Government agencies would have collapsed under such pressures. Respectfully, the travel agency community must be considered by ACCC and QF/EK.

Axis Travel Centre believes that for the partnership to be re-authorised by the ACCC both QF and EK must fulfill promises and undertakings made with regularly checks made to ensure that QF/EK follow through on what is expected of them.

As a travel agent we still receive regular complaints against QF and EK, such as both carriers communicate inconsistently with consumers and travel agents, noting such issues as corrupted data transfer errors between AMADEUS CRS that QF uses and the EMIRATES Systems, the 2022-2023 employment of badly trained outsourced staff , everchanging consumer airfare and schedule issues.

Additionally there remains a lack of mutual recognition of each carriers website promises of Lounge access, extra baggage allowance disputes and other aspects of both consumer paid air tickets and unrecognised frequent flyer benefits complemented by QF/EK 's below average handling of consumer and travel agency complaints . This is only part of what past "promises" were made in the past ACCC approvals and are again being suggested by QF/EK again to the ACCC.

**ACCC HAS NOT ADDRESSED THE ISSUE . AN UNFAIR PLATFORM WILL BECOME MORE UNFAIR:** As mentioned previously, we can all agree that the QF/EK platform of these carriers will command a large slice of the international market, with secured Airport slots , increased seat availability on more routes which translates that these two aspects will sway consumers to request QF/EK services. In doing this, it will force travel agents into the precarious position to be "forced" -due to strong QF/EK marketing strategies - to sell these seats-against other competing carriers with the QF/EK marketing team also convincing consumers to do so. It is patently unfair that both QF and EK still expect travel agents to waste time to rebook, re-ticket, adjust and assist with legitimate complaints against QF/EK that emanate from many QF/EK initiated problems or errors for no agency revenue or even QF/EK consumer awareness of what agents are "forced" to do. Dismissing nice words issued by many airline sales personnel and management teams, travel agents do what they do best and solve consumer issues while QF-in particular-transfer any fees that should be paid to travel agents into their wholesale tour arm of Trip-A-Deal or other tour wholesale companies.

Whilst the ACCC has remarked that paying zero or very little commission to travel agents is a worldwide phenomenon, QF has added two new costs against their supportive travel agents that disincentives Agents to sell QF, thereby denying consumers true competitiveness.

Firstly, without public or even ACCC knowledge, a renewed QF/EK partnership will see expansion of the current humiliating stance for QF to levy a fee of \$66AUD by QF Agency Connect services as a mandatory phone-call charge against a Travel Agent to service a QF client who may need QF assistance-usually from a QF/EK codeshare emanated problem.

Secondly QF and EK have designed their own Computer NDC (New Distribution Capability) software system that is forcing travel agents to use this system of theirs or be "fined" if they do not. Previously

travel agents used Sabre, Galileo-Travelport or Amadeus CRS systems that provided agents and more importantly consumers with a multi-level, unbiased, competitive reservations, and information platform. Travel Agents now need to pay a QF-EK imposed "sector fare" fee back to QF/EK if they ever dare to use the stable and unbiased CRS system that we are all qualified to use. Travel agents-without ACCC and consumers knowledge- are being reprimanded/fined if we dare offer better choices and competitive flights/fares/booking conditions to clients.

**A forced option-not a fair competitive option** for consumers due to the QF/EK investments in their partnership services and marketing spend that will dictate less consumer competitiveness that the travel agency community is pressured to deal with. The ACCC need to be aware and address this with QF/EK.

We are unaware of any other business entity that is allowed to sell the same product to consumers at the same or a lower cost but expects their retail arm (the travel agent) to spend hours, provide services, use their IP and their staff expertise for no revenue based on promises that the ACCC believes are 100%% true but in the new partnership without the ACCC imposing fines .

**ACCC SHOULD CONSIDER IMPACT ON OTHER AIRLINES: Competition should be fair and equitable but not buried under rulings and promises that are hollow and not monitored and managed or policed by any authority whilst the partnership is in motion. Spot checks and disincentives on a large scale need to be in place to place some form of credibility and repute in what the ACCC approves.**

This QF/EK partnership should be based on strong ACCC monitoring, listening to the travel industry , with consumer monitoring of what is expected and what has been promised with each entity providing the ACCC with valid factual evidence of what is actually being delivered both successfully and unsuccessfully to add proof (not just words) to what was promised by QF/EK to the public and sanctioned by the ACCC.

**RESPECTING BOTH THE CONSUMER AND THE TRAVEL AGENCY COMMUNITY:** ACCC should mandate that both QF and EK should communicate transparently and honestly to their consumers and the mutual clients of a travel agency with not only the "good news" but also "the bad news" such as materialistically important cancellations, route changes, aircraft changes, airfare increases, new booking conditions and fees, ticketing time limits and new baggage conditions and not expect the travel agent to be the only bearer of such "bad news". To accept that they do so in all cases is a fallacy and a marketing spin that (maybe) the ACCC is believing but in actuality it is a false "*communication...*" promise submitted by QF/EK to the ACCC, as many clients can attest to . Most times it is the conduit travel agency who communicates such news to the consumers-taking up time, effort and then resulting in having to contact the respective "helpdesk's "again.

The current common practice is that both QF and EK tend not to display such "bad news" on their consumer websites and in many instances are not uniformly emailed to their mammoth email passenger database, even though they are able to communicate the "good news" such as discounted fare offers, extra Freq Flyer points or status offers easily -when they should be communicating **all such required details** that can affect the travelling consumer and maybe QF and EK can politely add the tagline with a simple message that "...please refer to your *professional travel agent who should be able to assist you with appropriate and necessary services fees applicable.....*"

**To believe what is being promised by QF/EK wholly or without verifiable substance is a risk that the ACCC should not accept as totally legitimate, as tax paying consumers should expect better.**

This second submission is compiled and submitted on the template of us respecting both QF and EK and what the ACC is determining deliberately including candid and transparent facts to ensure any future partnership is in the best interests of the Airline, the travel agency community and critically all consumers.