



14 November 2017

Australian Competition & Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

By email: adjudication@acc.gov.au

For the attention of Ms Tessa Cramond

Qantas Airways Limited & Emirates: Authorisations AA10000400

The Australian Federation of Travel Agents ('AFTA') would like to make the following comments on the proposed Authorisation AA10000400.

About AFTA:

As the peak industry body in Australia, AFTA represents the majority of retail travel agents including all of the major travel agency groups. AFTA's membership accounts for 80 percent of Australia's travel intermediaries that control more than 96% of travel intermediary turnover. It also has a substantial base of associate members, representing non-intermediary sectors of the travel industry. Members are bound by AFTA's Code of Ethics and are accredited under the national industry scheme known as the AFTA Travel Accreditation Scheme (ATAS).

AFTA's policies are established by a national board of directors in conjunction with the Executive team.

Comment:

Australia's trade and broader economic and social interests are reliant on a strong, sustainable aviation industry. Due to the complex nature of the international aviation industry Australian companies need to be permitted to form alliances, strategic investments and mergers for the benefit of Australian consumers. AFTA is of the belief that these partnerships deliver benefits to consumers and the travel & tourism industry as these partnerships provide increased capacity and services for consumers.

Authorisations A91332 and A921333, have delivered significant public benefits since these original authorisations were granted in 2013 for Qantas Airways and Emirates. This includes additional capacity and options for Australians consumers travelling to Europe and enhanced airport and air experiences which are critically important for long haul travel. During this period the price paid by consumers has decreased while the frequency and quality of product has increased.

AFTA believes that continuing the central elements of the authorisation under AA10000400, such as schedule coordination, frequent flyer options, sales and airport coordination provides industry and consumer partnership is a positive for the travel industry. The expansion will deliver additional network benefits which are only possible when airlines form deep partnership structures with Anti-Trust Immunity including increased consumer choice for stop over options in Dubai, Singapore and Perth when travelling to Europe.

The ACCC has also approved similar arrangements with Virgin Australia and Singapore Airline (A91539 & A91540) in 2016 and the market operating environment has not changed significantly since this authorisation.



AFTA's members and ATAS accredited travel agents continue to be the booking option of choice for Australian consumers¹. ATAS travel agents continue to provide a growing, viable and successful distribution network for airlines to consumers. ATAS travel agents are able to consolidate information from varying sources for air and land options and are able to book the preferred option for the consumer. The proposed authorisation simplifies this process further while ensuring competition through product innovation, increased capacity and increased choice of stop overs to Europe for Australian consumers. These outcomes are critical for the long term success of the Australian travel industry and the traveling public.

The proposed authorisation AA10000400 between Qantas Airways Limited and Emirates will ensure continued investment in each of the airlines fleets and consumers will have greater access to even more European destinations. As AFTA has noted previously, a successful future for airlines in Australia is welcomed and supported by AFTA. We believe this to be the case in relation to this proposed authorisation. For these reasons AFTA is fully supportive of the proposal and encourages the ACCC to grant approval for this application.

Should any member of the ACCC wish to discuss this submission further they should contact AFTA's National Manager Strategy and Policy, Mr Dean Long via email dean.long@afta.com.au or phone 02 9287 9911.

Kind Regards



Jayson Westbury
Chief Executive

¹ Global Reviews, 2017. Roy Morgan Holiday Tracker. <http://www.roymorgan.com/findings/7193-booking-com-australias-new-favourite-travel-agent-201703270949>. Accessed 31 October 2017