



# Australian Travel Industry Association (ATIA)

## Aviation Customer Rights Charter

March 2025

## Introduction

The Australian Travel Industry Association (ATIA), the peak body for a broad array of Australian travel businesses, welcomes the opportunity to make a submission in relation to the proposed Aviation Customer Rights Charter.

ATIA is supportive of the Charter's aim, to help ensure that aviation customers are receiving appropriate treatment from airlines and airports in Australia. Fare terms and conditions are set by the airlines, and consumer funds are held by airlines, not travel agents, so the scheme is appropriately focused on airlines and airports.

Last year, travel agents sold 20 million air tickets worth \$18.5 billion in Australia, so it is vital that the proposed Charter operates effectively where tickets are purchased through an agent. In responding to the proposed Charter, ATIA has focused on matters related to the practical implementation of rights where tickets have been purchased through an agent.

## About ATIA

ATIA is the peak body for a broad array of Australian travel businesses. Our membership base includes the full spectrum of travel intermediary businesses across Australia including retail, corporate and online travel agents, tour operators, wholesalers and consolidators.

Our members range in size from the largest listed organisations such as Flight Centre, Helloworld, Corporate Travel Management and Webjet, through to small independently owned and operated travel businesses.

A large proportion of travel agent members are small to medium businesses, many of whom operate under networks such as Helloworld, Flight Centre Independent, My Travel Group, itravel, Express Travel Group, Travellers Choice and CT Partners. ATIA's membership also includes consolidators, tour operators and wholesalers such as Scenic, APT and The Travel Corporation who are reliant on a reliable and competitive aviation sector to maximize ground expenditure.

In addition, ATIA administers the Australian Travel Accreditation Scheme (ATAS), which is the largest and most representative accreditation scheme for travel businesses in Australia. Those businesses that meet the standards are provided the designation of being ATIA Accredited. All ATIA members are ATIA accredited and recognised for their highest operational standards including yearly assessment of finances, minimum levels of training, and procedures for dealing with consumer grievances. About 85% of consumers are more likely to book with an ATIA-accredited travel agency or tour operator.

## 1. Preliminary matters

ATIA strongly supports the Government's proposal that the Charter and Scheme remains focused on airlines and airports, and that travel agents and other third parties that sell aviation services will not be required to join the ombuds scheme.

ATIA is aware of arguments by some parties that travel agents should be included in the Charter and the Scheme.

The Aviation Industry Ombuds Scheme should focus **on addressing the key policy issue at hand**, that is, the widespread concerns around treatment of passengers by airlines, particularly around flight delays, cancellations and refund disputes, and the ineffectiveness of the Airline Customer Advocate as an avenue to resolve consumer complaints about airlines.

### **Airlines set fare terms and conditions, and consumer funds are held by airlines – not travel agents.**

There are commercial arrangements and airline policies between agents and airlines that contain the obligations of agents, including in relation to the processing of refunds. These provide sufficient recourse for airlines, ensuring accountability.

Where consumers may have concerns around service levels of travel agents, there are already effective avenues for recourse. ATIA administers the Australian Travel Accreditation Scheme (ATAS), which provides a robust, independent dispute resolution service for consumers at no cost.

ATIA's accreditation scheme was developed with full oversight by the Consumer Affairs Forum and CHOICE and follows the Australian Competition and Consumer Commission (ACCC) best practice for industry codes of conduct. Consumer bodies have direct say and oversight over the complaints process, and industry and consumer bodies have equal voice in the process.

Where a complaint has not been resolved in the initial stages of complaint resolution, it can be escalated to the ATAS Complaint Appeal Committee (ACAC). ACAC is an independent review body specifically established under ATAS to review and determine customer complaints and allegations of non-compliance with the ATAS Charter and Code. It is led by Independent Chair Hank Speir, former CEO of the ACCC. The ACAC is a partnership with the Consumer Federation Australia which jointly selects the Chair of the ACAC with ATIA, and appoints the consumer representatives to ACAC entirely at their discretion. The scheme is independently reviewed every 36 months by an assessor who is jointly appointed by Consumer Federation of Australia and ATIA and will occur this year.

Last year, ATAS received 451 complaints. Over \$86,000 was provided to consumers in resolution of complaints under the scheme. Decisions related to consumer complaints are published on ATIA's website to enhance transparency.<sup>1</sup>

ATIA is committed to continually elevating travel industry standards in Australia by driving increased and continued participation by travel intermediaries (those who buy and sell travel) in the ATIA Accreditation scheme. We have also recently enhanced the Charter and Terms of Reference to allow consideration of non-economic loss, including damages for disappointment and distress.

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<sup>1</sup> See <https://atia.travel/Accreditation/Scheme-Governance/ATAS-Complaint-Appeal-Committee-ACAC>

## 2. Proposed Right 2

### Aviation industry customers have the right to accurate, timely and accessible information and customer service

ATIA is supportive of the proposed right to ensure aviation industry customers have access to accurate, timely and accessible information and customer service.

If a booking agent is calling an airline on behalf of the customer, the same service levels should apply so as to not disadvantage any customer. This includes the requirement to ensure hold times are not excessive.

Overall, while airlines have improved services significantly since COVID, there remain examples where airlines are not equally servicing booking channels. Customers should not be disadvantaged where they have opted to have a travel agent manage their travel.

#### Airlines' ability to contact customers

We understand concerns have been raised about airlines' ability to comply with elements of Proposed Right 2 where a customer has booked through an agent.

When making a booking, agents must comply with the reservations procedures contained in IATA Resolutions. **IATA Resolution 830d requires all Travel Agents to proactively request contact details from customers as part of the booking process**, to enable airlines to use the contact information provided to communicate to the customer any operational notifications such as a flight cancellation or schedule change.

The relevant extract is as follows:<sup>2</sup>

*4. To be able to advise passengers of irregular flight operations and disruptions Members and BSP Airlines need to have sufficient contact details available to proactively contact the passengers. Consequently, at or before the time of ticketing, the Agent must actively ask each passenger whether they wish to have their contact details (mobile number and/or email) provided to airlines participating in the itinerary for the purposes of contact in an operational disruption. The Agent must ensure that the Passenger's consent is obtained in compliance with the data protection directives or regulations. Where the passenger wishes to have their contact details provided to airlines participating in the itinerary, the Agent must enter it in the Passenger Name Record (PNR), while maintaining compliance with all applicable data protection directives and regulations. Contact details must be entered in the PNR in compliance with the Resolutions governing reservations procedures. Members and BSP Airlines shall use these contact details exclusively for the purpose of operational notifications, e.g. flight cancellation, schedule change, etc. and shall not use the contact details for sales & marketing purposes.*

*In the event the passenger exercises his or her right not to provide contact details it is incumbent on the Agent to indicate that the passenger has declined to provide such details, and to enter the refusal in the PNR to limit any statutory liability. In such a case, the Agent must actively advise the passenger that they may not receive information from the airline relating to flight cancellation or schedule changes (including delay in departure).*

In circumstances where a customer has **specifically elected** not to have their contact details passed on to the airline for the purposes of contact in an operational disruption, the agent must advise the customer that they may not receive information from the airline relating to flight cancellation or schedule changes, including delay in departure. However, it's standard practice that this information is included by agents.

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<sup>2</sup> [IATA Resolution 830d](#)

### 3. Proposed Right 3

#### Aviation industry customers have the right to prompt and fair remedies and support during and after cancellations, delays and disruptions

ATIA agrees that aviation industry customers should have the right to prompt and fair remedies and support during and after cancellations, delays and disruptions, regardless of how they have chosen to manage their travel.

Where a customer has booked through an agent, there are already well-established systems in place where refunds are required to be facilitated. The payment and refund process where air services have been purchased through a travel agent has been set out in detail in ATIA's [Submission](#) on the Aviation Industry Ombuds Scheme.

Refunds should continue to be processed in line with these systems (e.g. the IATA BSP), with some additional requirements to ensure fair treatment and prompt receipt of refunds for all parties.

It is appropriate that requirements in relation to refunds remain between the airline and the consumer. This is because the terms and conditions of a fare are set by the airlines, and the consumer funds are held by the airline, not the travel agent.

Airlines must be responsible for ensuring the funds are promptly provided back to agents to enable airlines to meet the timeframe under the Charter and ensure no customer is worse off.

Commercial agreements between the airlines and travel agents, as well as Refund Policies of the airlines, contain the obligations of agents in relation to the processing of refunds. This is intended to ensure all refunds are processed within a reasonable timeframe.

In the rare scenario where an agent may not meet the required timeframe, **airlines may process refunds directly to the customer**.<sup>3</sup> In this case, airlines will generally issue an Agency Debit Memo (ADM) to the agent. An Agency Debit Memo is a billing notice sent by the airline to the agent, indicating that the agent owes the airline money. In this situation, it means the airline can charge the agent for the cost of the refund provided to the customer, along with additional fees. Specifically, these can include both an administration fee and a service fee.<sup>4</sup>

This is in line with the position put forward by the Australian Competition and Consumer Commission (ACCC) in its submission to the Aviation Industry Ombuds Scheme:<sup>5</sup>

*The ACCC considers that the Aviation Industry Ombuds Scheme should be able to consider complaints [where the travel was booked through a travel agent], and direct an airline to provide the refund directly to the consumer in such circumstances. After reimbursing the consumer, the airline can pursue its own remedies against the travel agent, where the travel agent may have contributed to the problem.*

Nevertheless, it is the preferred outcome of all parties that consumers receive prompt refunds, including those who booked through an agent.

To ensure this, the refund timeframe imposed on airlines in the Charter must be reasonable so as to allow for time required for agents to reconcile and confirm funds or where additional steps are involved such as where a consolidator is used.

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<sup>3</sup> See, for example, Clause 5.6 [Qantas Standard Agency Terms and Conditions](#); Clause 6 [Qantas Refund Policy; Schedule of Fees Table](#)

<sup>4</sup> See, for example, Clause 5.6 [Qantas Standard Agency Terms and Conditions](#); Clause 6 [Qantas Refund Policy; Schedule of Fees Table](#). See also Virgin Australia, [Travel Agent Main Agreement](#), Part A, Clause 6c.

<sup>5</sup> ACCC, [Submission in response to the Aviation Industry Ombuds Scheme consultation](#), p.11.

There should be a timeframe placed on airlines to perform their required functions to approve a refund (e.g. provision of a waiver code to agents, approval of the refund in the system).

During the COVID pandemic, there was a widespread practice by most airlines to restrict the refund process for agents, deactivating the refund function in the booking system. This meant agencies were unable to obtain refunds that their clients requested.<sup>6</sup> Despite this being at no fault of the agents, airlines publicly stated in the media and parliamentary inquiries that the reason for delay was the consumer choice of using an agent to book their flights. This resulted in bookings made directly with airlines being prioritised, therefore impacting customer service and ultimately customer choice as to how to book and manage their travel. It is vitally important that airlines promptly process agents' refund requests and ensure funds are released to enable timeframes to be met for all travellers.

Under no circumstances should agents be required to refund customers where they are not in possession of the funds from airlines. Travel agents are not in a position to float the funds that they are not in possession of. This is particularly the case given that 92% of ATIA members are small businesses. The policy outcome of protecting consumers can and should be achieved without requiring travel advisors to extend credit from their own pockets to pay airline refunds.

Existing airline-owned processes have not been substantially changed and innovated in some time, and ATIA would welcome a meeting to discuss how refunds may be facilitated in a timely manner where a booking has been made through an agent. **ATIA suggests a meeting with the Department, IATA, and key ATIA members including both agents and airline consolidators, where further clarification can be discussed.**

#### **Refunds – costs**

Remuneration from the airline to the agent should be mandated to **cover the costs of the agent** in relation to airline-at-fault refunds, and should be included in the monetary amount sent to the agent when processing the refund.

The majority of agents use consolidators, which issue airline tickets on behalf of travel businesses who do not have their own ticketing facility in-house. Where there are used, **agents are also charged a fee when a refund is issued.**

During 2024, travel agents in Australia issued over 900,000 refunds. This equates to around 5% of tickets issued, a significant amount. Where the refund is a result of actions by the airline, this cost should be borne by the airline rather than the agent, as **the cost of the refund should not be borne by the entity that did not cause the reason for the refund.** This also helps prevent the possibility of an unintended consequence of the scheme being to encourage potential unethical behaviour by airlines.

In addition, if the refund is required as a result of actions by the airline, the airline should not be permitted to clawback any commission paid to the agent for work performed. This is the case in Canada, where it is recognised that agents have performed work on behalf of airlines and should not be penalised where a flight is cancelled and refund required at no fault of the agent.<sup>7</sup>

Lastly, ATIA submits the airline must reimburse the client all agency fees in relation to bank charges that are not refunded by the bank, and any documented service fees paid. This includes fees related to standard fee charged for the ongoing management of the booking including refund processes. The business who is the cause of the need for a refund should bare all associated costs.

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<sup>6</sup> See Qantas CEO International and Domestic Andrew David 7.30 <https://www.facebook.com/watch/?v=394570049243652> 4.20

<sup>7</sup> See, for example: Karryon, [Air Canada To Offer Customer Refunds & Protect Agency Commission](#); Travel Press, [Air Canada Vacations Unveils New Commission Payment Policy](#); PAX News, [Sunwing to protect agent commissions on cancelled flights](#)

### **Refunds – corporate bookings**

ATIA submitted in relation to the consultation on the Aviation Industry Ombuds Scheme that all travellers should be treated equally as part of the scheme – that is, the ability to make complaints should extend to businesses and not-for-profit organisations.

In these circumstances, where a business has paid for the ticket, the refund must go back to the business and not to the individual traveller.

### **Rebooking assistance**

The draft Charter provides that customers should receive assistance to rebook with original or alternative airlines without fees.

It should be made clear that this is intended to cover fees between the airline and the customer. It should not apply to services provided by travel agents in return for managing the travel of a customer. Unlike airline fares, which are tied to the delivery of a flight, travel agent fees compensate for work that is completed managing travel.

When a flight is cancelled, travel agents provide valuable assistance in navigating alternative travel options, liaising with airlines, and securing rebookings, including with land transport and accommodation providers where necessary. Given the time and expertise involved, agents should be able to charge a fee for this service, just as other professionals charge for their time and expertise when resolving unexpected issues for clients.