

15 May 2022

Dean Long  
Chief Executive Officer  
Australian Federation of Travel Agents  
Suite 3, level 31, 31 Market Street  
Sydney NSW 2000

Dear Dean

On behalf of the CATO Board and members I am writing to provide formal input into the AFTA review of ATAS.

### **Background**

ATAS was established in 2014 by AFTA to demonstrate to government that the travel industry was capable of a level of self-regulation. Whilst the scheme was (in principle) designed for travel agents to provide a level of credibility in the eyes of a consumer, in 2014 there was an opportunity for the scheme to be extended to include CATO tour operator and wholesale members.

With the demise of the TCF at the time and genuine uncertainty as to how a deregulated industry would function, CATO members agreed via an extraordinary general meeting to participate and mandate as part of the CATO constitution.

As the deregulated industry evolved through 2015-20, the perception amongst CATO members was that having AFTA manage and control the industry accreditation scheme was not ideal. There has always been an underlying sense of the retail networks (AFTA Directors) having complete control over the direction of what was supposed to be an industry scheme.

As the retail groups were customers of CATO members, the situation whereby the customers were “calling the shots”, was difficult to manage.

In June 2021, CATO underwent a structural change to become a company limited by guarantee which required the implementation of a new constitution. As part of the change, members voted unanimously to remove the requirement to be ATAS to be able to join CATO. This has given CATO the opportunity to attract a wider audience and engage with tour operators that have never considered joining ATAS.

Currently less than 60% of CATO members are ATAS participants.

### **Current (perceived) ATAS shortcomings**

Having an industry led accreditation scheme is a favourable situation that eliminates government involvement. A genuine review of ATAS provides an opportunity to address a number of anomalies that are concerns for CATO members that may (or may not) participate in the scheme.

- ATAS is perceived to be run by retailers (customers of CATO members)
- The ATAS Charter consistently refers to travel agents (not tour operators/wholesalers)
- There is no opportunity for input from tour operators/wholesalers (this review aside)
- Tour operators and wholesalers have consistently been singled out when withdrawing from ATAS (aka Travel Daily), whereas retailers leaving ATAS is not seen as important. This point confirms that ATAS is not well understood by consumers or is it simply a scare tactic to keep tour operators/wholesalers involved.
- Cruise lines and airlines are not participants (whilst they are suppliers perse, they both package product in the same manner as CATO members).

The closing point above is seen a critical piece of re-establishing a genuine industry scheme that has involvement from all sectors across the travel industry. Since the establishment of ATAS, rhetoric from AFTA has been to advise retail agents that they should be dealing with ATAS tour operators and wholesalers. There have been comments in the trade press advising agents to be careful when dealing with non-ATAS tour operators.

From CATO's point of view; (1) why would AFTA not also be advising consumers to be careful when not dealing with ATAS agents and (2) why is it ok for agents to book with a non-ATAS cruise line as opposed to a tour operator? NB: There have been more CLIA members become insolvent in the last 4 years than CATO members – FACT.

### **Future opportunities**

As you are aware CATO is working on an insurance solution that aims to provide insolvency cover for bookings made through CATO members and we continue to investigate a stand-alone, fit-for-purpose accreditation scheme that can be rolled out for Australian based tour operators and wholesalers. This is a process that we are prepared to continue with and leave AFTA to focus on ATAS as a retail scheme only.

Whilst this could be seen as an un-necessary duplication of the existing scheme, CATO is of the view that the business model of tour operators and wholesalers is vastly different to that of a retail agent and therefore the differing requirements should be considered as part of a potential new scheme.

Alternatively, there is an opportunity as part of this review to expand ATAS to become a genuine fully inclusive industry accreditation (i.e.; retail agents, tour operators, wholesalers, cruise lines, airlines, and domestic suppliers).

CATO supports an all-of-industry accreditation scheme that is supported by and receives input from all participating sectors. We believe that this would ultimately provide a far greater level of consumer awareness that would benefit all participants and lead to increased participation levels.

We would be open to participating in more detailed discussion at the appropriate time.

Kind regards

A handwritten signature in black ink, appearing to read 'Brett Jardine', written in a cursive style.

Brett Jardine  
Managing Director