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Business Companies Aviation

## Qantas complaints rise by 70 per cent, as ACCC calls on carriers to reduce fares



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The price of domestic airfares has fallen since hitting a 15-year high in December but they are still more expensive than pre-pandemic levels, according to the consumer watchdog's latest airline competition report, which also revealed a record number of complaints about Australia's biggest carrier.

The Australian Competition and Consumer Commission's quarterly report showed it was contacted 1780 times about Qantas over the 2022 financial year, more than any other company over the period.



The ACCC was contacted 1740 times about Qantas in FY22, an increase of 68 per cent on the year prior.

CRAIG ABRAHAM

The number of complaints rose 68 per cent in the 2022 financial year, a period marred by staff shortages and supply chain issues, which led to mishandled bags, delays and cancelled flights across the sector. Qantas also dealt with a complicated roll-out of COVID-19 travel credits, causing frustration for consumers.

“As Australia’s largest airline and an airline that generally charges a premium to fly, customers expect a better service,” the report said. “Qantas needs to do more to adequately invest in its systems, processes and people to dramatically improve its customer contact services and customer dispute resolution.”

A Qantas spokesperson acknowledged its [operational performance slumped over the period](#), but said all metrics had returned to meeting or exceeding pre-pandemic levels as the carrier adjusted to the rapid demand for flying after the COVID-19 pandemic.

It also said it had made significant progress to speed up its refund and flight credit process. As it stands, there are about \$800 million in unused flight credits accrued during the last two years of COVID-19 restrictions.

“We know there were times last year when we didn’t perform at our best. We apologised to customers and promised to fix it,” the spokesperson said. “And since then, thanks to hard work from people across our business, things have improved and we are getting Qantas back to its best.”

“We’ve been the most on-time of the major domestic airlines for five months in a row and our service levels across bags, cancellations and call centres are back to similar or better levels than pre-COVID.”

The problems Qantas had over the period also [affected all airlines at varying points](#), but the ACCC did not have a similar influx in complaints. The number of complaints about Qantas’ budget arm Jetstar fell by 33 per cent to 544, and rival carrier Virgin Australia recorded a 27 per cent fall with 359 contacts.

The latest domestic performance data from the Bureau of Infrastructure, Transport and Research Economics shows the airline industry’s on-time performance improved in January, with less than 25 per cent of flights arriving late. Jetstar’s on-time performance remains below average, with 35 per cent of flights delayed and 7 per cent cancelled over the month.

ACCC commissioner Anna Brakey said she was encouraged by the sustained drop in airfares since last year, and called on airlines to continue reducing prices now the price of jet fuel had fallen from its June 2022 peak.

“The price of jet fuel has been trending down which should enable airlines to reduce airfares further in the coming months,” Brakey said.

The cost of jet fuel skyrocketed last year due to the Ukraine war but has since fallen by more than 35 per cent, and is expected to continue to stabilise in the coming months. Australia’s major airlines have also returned capacity to the market, with 5.9 million seats offered across Qantas and Virgin in January, the highest number in more than six months.

The report found the average revenue per passenger declined by 13 per cent between December and January as airlines increased seat capacity, but remains 13 per cent higher than the same period in 2019.



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“While its positive to see airfares fall from record highs in 2022, passengers are still paying more to fly today than they were before the pandemic,” Brakey said.

Qantas flew at 102 per cent of its pre-pandemic capacity while Virgin hovered at 96 per cent and Jetstar at 84 per cent.

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