

From: Department of Infrastructure, Transport, Regional Development, Communications and the Arts <infrastructure.noreply@govcms.gov.au> on behalf of infrastructure.noreply@govcms.gov.au
Sent: Wednesday, 2 October 2024 9:03 PM
To: aviationconsumer
Subject: submission to: Establishing the Aviation Industry Ombuds Scheme [SEC=OFFICIAL]

Submitted on 2 October 2024

Submitted by: Anonymous

Submitted values are:

Step 1: Your submission

Remain Anonymous

No

Private Submission

No

Published name

Ben [REDACTED]

Short comment

I welcome the White Paper's proposal to establish an Aviation Industry Ombuds Scheme to replace the ineffective Airline Customer Advocate. While I support strengthening refund entitlements for cancelled flights, I believe the White Paper overlooks a critical issue raised by many consumers during the consultation on the Aviation Green Paper: the need for a comprehensive compensation scheme. Refunds alone do not address the significant out-of-pocket costs stranded passengers face, such as last-minute flight expenses, accommodation, and lost wages. Airlines should be required to proactively offer compensation (e.g. for flight cancellations or delays beyond a certain threshold) rather than waiting for passengers to lodge complaints. This would place more responsibility on the airlines and reduce the burden on consumers to seek redress.

For example, in [REDACTED], my family experienced significant financial stress when our return Jetstar flight from the Gold Coast to Sydney was cancelled with less than 24 hours' notice due to "network adjustments". Jetstar offered either a refund of the original \$167 fare or a replacement flight two days later. This delay was unacceptable due to personal commitments and financial losses from missed workdays. Left with no alternative, I had to pay nearly \$880 for last-minute Qantas tickets. Jetstar's refusal to assist in securing alternate transport further compounded the issue.

This scenario highlights how refund policies fail to provide sufficient consumer protection, especially when stranded passengers must book significantly more expensive Qantas group flights at short notice. Compensation for these additional costs is essential, as it would disincentivise airlines from cancelling flights for reasons within their control without facing consequences. Airlines such as Qantas, should not be financially rewarded for disruptions that result in passengers paying far more than their original booking.

Moreover, the issue of outbound flight cancellations presents a similar financial burden, as customers may lose non-refundable accommodation or excursion bookings. Compensation would address these gaps and create accountability for the airlines.

I also believe a customer compensation scheme would play a key role in combating slot hoarding at Sydney Airport.

While I welcome the reforms to appoint an independent Slot Manager, the current slot arrangements, such as the 80:20 rule, are outdated and fail to address peak-time slot monopolies or the issue of "ghost flights". Including compensation in the Ombuds Scheme is one way to help penalise airlines that misuse valuable slots by canceling flights unnecessarily, further stifling competition. The Ombuds Scheme should also be empowered to address consumer complaints specifically related to this, including the issue of frequent cancellations that impact passengers. Slot allocation and usage should be a key focus, particularly in relation to ensuring fairness for consumers and encouraging competitive services. The Ombuds Scheme should be designed to work with ACCC in order to identify and strictly penalise anti-competitive behaviours.

I agree that the Ombuds scheme should regularly release reports on data on flight data, complaint trends, the number of complaints, and resolution outcomes by airline. This would improve transparency, help consumers make informed choices, and encourage airlines to maintain higher service standards.

I believe, and in keeping with international best practices, airlines should be required to provide a full response to complaints raised via the Ombuds schema within 30 days.

In regards to the funding model of the Ombuds scheme I believe that a hybrid model combining airline funding (via per-case fees and an annual levy) with the independent government oversight may offer the best balance. This ensures airline accountability as it will incentivise better service in order to reduce complaints, but also the annual levy reduces the burden on smaller airlines. The government oversight will ensure independence and fairness. For consumers, the Ombuds scheme should be a fee-free service as this will discourage people from raising complaints.

In summary, I urge the government to include proactive compensation for delayed or cancelled flights within the scope of the new Aviation Industry Ombuds Scheme. This would provide meaningful consumer protection, promote fairness, and help ensure that airlines are held accountable for flight disruptions that significantly impact passengers. I also find the implementation timeline of 2026 disappointing and insufficiently ambitious, given the immediate need for stronger protections for aviation customers.

Step 2: Contact details

First name

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Last name

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Consultation name

Establishing the Aviation Industry Ombuds Scheme