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Ms Belinda Sachse
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Domestic Aviation & Reform
Department of Infrastructure, Transport, Regional Development, Communications, and the Arts

Via email: aviationconsumer@infrastructure.gov.au

Ms Sachse,

Response to the Aviation Industry Ombuds Scheme Consultation Paper

Hobart Airport welcomes the opportunity to provide a response to the consultation paper on the establishment of an Aviation Industry Ombuds Scheme.

Hobart Airport welcomed 2.6 million passengers last year, and this we expect to grow to 3.5 million per year by 2030. Our airport facilitates domestic flights to seven Australian cities, and international flights to Auckland, New Zealand.

The Aviation Industry Ombuds Scheme will play a vital role in progressing an efficient, accountable, and effective sector, reflective of the importance of aviation in the everyday lives of Australians, and those visiting our shores. The Scheme has the potential to benefit both travellers and industry stakeholders alike and ensure that all participants have a sound understanding of their rights and responsibilities.

Design of the scheme

Objectives

The objectives of the Aviation Industry Ombuds Scheme (the Scheme) can support the efficient operation of the aviation industry while supporting the rights of aviation customers. Through objectives that ensure that;

- Aviation customers are sufficiently informed to enable them to resolve their disputes with airlines and airports directly wherever possible.
- The Ombuds Scheme provides up-to-date information on the Australian aviation sector, including roles and responsibilities of aviation sector participants.
- The Ombuds Scheme coordinates information about services and support for aviation customers throughout the Australian aviation network.
- The Ombuds Scheme coordinates and consults with ICAO, ensuring international aviation customers understand their rights and responsibilities while accessing Australian aviation.
- The Scheme operates independently from the aviation industry and government entities (such as Airservices Australia) to guarantee impartial decisions, free from bias or external pressure.



Noting the complexity and multiple participants in the customer's journey from 'kerb to gate' through an airport, and 'airside to aisle' while with airlines, it is essential that the Scheme's objectives are sufficiently specific as to be practical and not create confusion for customer expectations of industry. A customer's journey can be impacted by delays at passport control or enroute by Air Traffic Control. We note that in the consultation paper, no reference is made to government entities that play a critical role in the aviation customer's experience, such as Australian Border Force and Airservices Australia.

Governance of the scheme

In establishing a governance structure for the Scheme, care must be taken to ensure transparency and independence, and to maintain a politically and operationally neutral position.

Previous experience with the long-running engagement around Hobart Airport flight paths demonstrates that governance arrangements associated with the Aircraft Noise Ombudsperson, specifically their reporting into the Airservices Australia board, created a perception that the ombuds scheme was 'conflicted' and unable to effectively advocate for the community.

As such, an independent board with representation from a balanced cross section of the aviation sector participants (including smaller/regional operators) will go some way to engendering the confidence of customers.

Noting the government's intention to incorporate the Aircraft Noise Ombuds Scheme into the Scheme, it would be appropriate that the governance structure consider the use of two reference groups: one for aircraft noise, and the other for aviation customers. The two areas have little overlap in terms of community or customer impact, and technical inputs to investigate cause and accountability.

It is Hobart Airport's view that two separate ombudspersons be established – one for consumer issues, and one (ongoing) for aviation noise issues.

The experience of Hobart Airport in the ongoing engagement with noise affected communities indicates that the concerns and issues of people on or near flight paths differs greatly to those of aviation customers more broadly. In addition, aircraft noise impacts are managed or mitigated through the actions of a range of technical stakeholders far beyond those involved with the customer experience, such as the National Airports Safeguarding Advisory Group and local planning officials.

Membership of the scheme

Hobart Airport supports a phased approach, with processes co-designed with industry and consumers at each stage. A key factor to consider when developing the scheme is the differences in capabilities at different scales of airport. For instance, the use of aerobridges, while popular with consumers, are very costly and not appropriate for all terminal buildings in the network. Therefore, consumer expectations must take into account the relative volume of passengers and appropriateness of providing services and/or facilities.

In applying the Scheme to airports, it must consider the number of passengers facilitated. Participation may require the introduction of processes and monitoring inadvertently resulting in increased costs which could threaten the financial viability of low volume airports. A one-size-fits-all approach must be avoided as Australian airport's passenger volumes vary widely.

Consideration in applying the Scheme to airports must consider technical resource availability, especially in regional areas. For instance, if a flight is cancelled due to an engineering issue, regional and remote airports rarely have aircraft engineers onsite, therefore amplifying impacts on consumers who must wait longer or have their flight cancelled. This is exacerbated by ongoing, persistent national shortages of Aircraft Maintenance Engineers between 2021 and 2023.¹



Introduction of the Scheme to large airports with similar characteristics across criteria such as passenger volume, onsite aircraft maintenance and repair, 24/7 air traffic control coverage, domestic and international routes serviced would be appropriate.

A phased approach would also assist with passenger perception of the relative size, scale, and complexity of the airports by grouping similarly large, complex, and well supported airports into the first phase.

Funding of the scheme

Funding for the Scheme should be mindful of the size and complexity of the airports participating and include different tiers of charges per passenger based on the relative remoteness, complexity, and availability of resources to support such as scheme.

In establishing fees, the government must be mindful that in creating additional costs for participation with the Scheme, these resources may be withdrawn from the provision of facilities and services that benefit the customers.

While charges for Scheme participants based on complaint volume and escalation rates may create incentives for improved behaviour by the aviation sector, it could also create perverse incentives for customers to resist direct resolution with the airline/airport in order to penalise the airport/airline involved. It is not recommended that this approach be adopted without considerable caution and with processes to ensure vexatious claims are not inadvertently encouraged.

Complaints handling

Where complaints could not be resolved directly between a passenger and an aviation sector participant, the process for determining the eligibility of the issue to be considered by the Scheme must be well understood by all participants and customers.

The Aviation Customer Rights Charter should aim to be sufficiently clear that passengers who wish to raise a complaint have a reasonable understanding of what they can expect in terms of facilities and services in the aviation industry, and who is responsible at each stage of the journey.

Any complaint process must be developed with the wide variety of industry participants in mind; smaller airports are unlikely to have dedicated staff in place to receive and process complaints in the same way larger airports might. This suggests that the processes of the Scheme set expectations for consumers that reflect the size, resources, and complexity of the industry participant.

Clear and accessible communication must be made available to provide detailed guidance on the complaint process, eligibility, and expected timelines. It is suggested that an appropriate timeline for the Scheme's process might be similar to the UK Aviation Alternative Dispute Resolution Scheme.²

Airports and airlines should be provided with forty-two working days to resolve a complaint directly with the passenger prior to eligibility under the Scheme. This should include the ability to 'stop the clock' when awaiting information or evidence from the complainant to verify an aspect of the contested issue or event.

Guidance and reporting

A quarterly dashboard style update is recommended to ensure the transparency and accountability of the scheme. This would be especially helpful as customers engaging with the scheme would have access to information that can help inform their expectations in terms of timeliness and likelihood of resolution.

A dashboard style report should include regular reports on airline performance regarding delays, cancellations, and customer service. Information on the processing times and resolution outcomes is also important.



An annual report must be published by the Scheme in line with similar publications by other ombuds schemes. The content should align with the objectives of the scheme and include reporting on all aspects of the Scheme's operations and board activities.

In establishing the Scheme, consideration must be given to member's ability to collect, collate and provide data. Airports vary in terms of their resources and systems to collect information, and this will be in a variety of formats. The establishment of reporting frameworks must be cognisant of the resources and ability of industry members in the scheme.

Hobart Airport is committed to working with the Department to ensure the Scheme's successful development and implementation. As an airport that is smaller than the 'Big 4' but larger than other regional airports, Hobart Airport is well placed to provide advice on a balanced approach that will avoid regulatory burden while improving customer experience throughout Australia's aviation system.

We look forward to the Aviation Industry Ombuds Scheme's establishment and success and encourage you to contact us should you wish to seek further feedback.

Sincerely,



Erin McGoldrick
Head of Corporate Affairs