

AVIATION INDUSTRY OMBUDS SCHEME CONSULTATION

The Qantas Group welcomes the opportunity to respond to the Aviation Industry Ombuds Scheme Consultation Paper released by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts following the publication of the Aviation White Paper in August 2024.

The Consultation Paper notes that submissions received during the Aviation Green Paper process outlined that consumers were dissatisfied with how Australian airlines and airports had responded to industry complaints – particularly during the reopening period following the COVID-19 pandemic. The challenges the global industry faced in returning to service after the COVID-19 pandemic have been well documented. They caused the Qantas Group's service levels and complaint handling to fall short of the high standards our customers rightly expect of us and that we expect of ourselves.

The Government, aviation industry, its customers and the broader community share a common interest in:

- Reducing delays and cancellations;
- Improving customer experience when things do go wrong; and
- · Keeping airfares sustainable and affordable.

We know that on-time performance and reliability are central to customer experience. Over the past year the Qantas Group has implemented a range of initiatives to uplift operational performance, including:

- First wave flights: Strong on time performance in the first wave sets us up for success for the
 rest of the day across the network. Since May 2024, boarding times for first wave Qantas flights
 now commence eight minutes earlier for domestic 737 services in Adelaide, Brisbane, Melbourne,
 Perth and Sydney. Jetstar has also focused on first wave flights, with improved airport processes
 and performance management resulting in significant on-time performance improvements;
- **Group boarding**: Qantas has established new boarding procedures for domestic B737 and A330 services at our four major airports to reduce the time our customers spend queuing up at the gate and make it faster for customers to be seated;

[REDACTED - COMMERCIAL IN CONFIDENCE]

The focus on and investment in operational reliability have resulted in significant improvements in on-time performance and reduced disruptions. The percentage of flights that departed on time in the fourth quarter of FY24 compared to the second quarter of FY24 increased by 10 percentage points for Qantas and 8.8 percentage points for Jetstar.¹

In addition to improving our operational performance, over the past year the Qantas Group has invested \$230 million in customer improvements – including 120 initiatives completed since September 2023 and 100 customer initiatives in progress for the coming year. Key areas of investment are set out in Appendix 1. These investments have contributed to material improvements in customer satisfaction across the Qantas Group, with Qantas' Net Promoter Score increasing by 22 points and Jetstar's increasing by 19 points in the same period.²

Customer improvement initiatives in FY24 included:

² Domestic and international Net Promoter Scores 4Q24 compared to 2Q24. Results Centre | Qantas Investor Centre



¹ Percentage of Qantas Domestic and QantasLink and Jetstar domestic flights that departed on time in 4Q24 compared to 2Q24. Results Centre | Qantas Investor Centre

Qantas Complaint Handling: Faster and more effective complaint handling driven by investment in training, quality program and significant uplift to the operating model of the Customer Care division. [REDACTED – COMMERCIAL IN CONFIDENCE]; and

• **Transparency**: Sharing more delay and cancellation information with customers (PA on-board, at gate, airport screens, website and written communications, including SMS and email).

[REDACTED - COMMERCIAL IN CONFIDENCE]

Through these initiatives, the Qantas Group is focused on providing additional transparency for the reason for delays and cancellations, reducing complaints and managing and resolving complaints efficiently in accordance with relevant applicable laws, conventions and our Conditions of Carriage.

Notwithstanding the decisive steps that are being taken by the industry, the Qantas Group acknowledges and supports the Government's desire to clarify the rights of aviation customers and establish an independent mechanism to resolve customer complaints by way of the Aviation Industry Ombuds Scheme.

In establishing the Ombuds Scheme, the Government should:

- Define the problem to be addressed and intended outcomes;
- Identify and seek to address the shortcomings of the ACA;
- Align to Treasury benchmarks;
- Evaluate cost implications and proportionality of the Scheme;
- Extend the Scheme across the aviation ecosystem; and
- Avoid duplicative reporting requirements.

The Qantas Group's responses to the questions for this phase of the Ombuds Scheme consultation are set out in Attachment A. We note that the staged approach to the consultation process – and in particular the decoupling of the consultations on the Aviation Customer Rights Charter, Ombuds Scheme funding and flight delay and cancellation reporting – make providing comprehensive commentary somewhat difficult. We would be happy to discuss these preliminary responses and look forward to working with the Department on the subsequent phases of consultation on the Aviation Industry Ombuds Scheme.

1. Design of the Aviation Industry Ombuds Scheme

- 1. What should be the objectives of the Aviation Industry Ombuds Scheme?
- 2. What powers and functions should the ombudsperson have?

Objectives

Treasury's guidance on Benchmarks for Industry-based Customer Dispute Resolution³ provides a helpful framework of the relevant principles when establishing an industry ombuds scheme; referring to accessibility, independence, fairness, accountability, efficiency and effectiveness.

The Qantas Group supports the potential objectives of the Scheme set out in the Consultation Paper, including:

- To provide an alternate dispute resolution service for aviation customers who have been unable to resolve their dispute directly with an airline or airport;
- To receive, investigate, make decisions relating to, give directions relating to, and facilitate the resolution of complaints by aviation customers about airlines and airports;
- To exercise such jurisdiction, powers and functions as may be conferred on the Ombuds Scheme by any legislation or instrument; and
- To act impartially, independently and effectively in acquitting its functions.

Powers and Functions

Subject to the clarifications set out below, the Qantas Group also broadly supports the powers and functions of the Scheme set out in the Consultation Paper, namely to:

- Deliver an external dispute resolution service in relation to airlines' and airports' conduct in a
 way that is accessible, independent, fair and accountable;
- Direct airlines and airports to provide specific remedies to customers:
- Issue public guidance on airlines' and airports' obligations to their customers, consistent with relevant legislation;
- Publish reports on airline and airport conduct, and make policy recommendations to the Australian Government; and
- Refer instances of systemic misconduct that may raise concerns under the Competition and Consumer Act 2010 to the ACCC for investigation and enforcement.

The Qantas Group acknowledges that one of the key shortcomings of the Australian Customer Advocate was the perception that it was not a sufficiently independent source of alternative dispute resolution in circumstances where the ACCC provides detailed information about consumer rights and receives complaints from consumers about business conduct and behaviour, but does not resolve individual disputes.

Any remedies provided by the Ombuds Scheme as part of its dispute resolution function should be in line with existing law, including the *Civil Aviation (Carriers' Liability) Act 1959* (Cth) (CALC), the Convention for the Unification of Certain Rules for International Carriage by Air, signed at Montreal on 28 May 1999 (Montreal Convention) and Australian Consumer Law (ACL) provisions and carrier terms and conditions for domestic and international carriage (as applicable). The Qantas Group considers that this application of assessing liability under law should be clearly expressed in the stated powers and functions of the Scheme.

While we recognise that the Department is not seeking views on the content of the Aviation Customer Rights Charter at this stage, in the absence of the Charter it is difficult to comment fully on the objectives, functions and powers of the Scheme. We understand the Government's intent – through the Aviation Customer Rights Charter – is for the Ombuds Scheme to issue guidance on airport and

³ Australian Treasury. 2015. Benchmarks for Industry-based Customer Dispute Resolution. Link <u>here</u>.

airline obligations and for this Charter to set out what the Ombudsperson considers to be fair and reasonable conduct – informed by consumer guarantee rights under the ACL and other legislation.

Aviation is a complex ecosystem with a range of intersecting participants, all of whom have a role in shaping the experience of aviation consumers. On that basis, the Ombuds Scheme should not be limited to airlines and airports and Qantas Group does not agree that travel agents or third parties should be excluded from the Ombuds Scheme. The Scheme should, at a minimum, include travel agents, online travel agents and aggregators operating in Australia and overseas, and Airservices Australia. This is addressed in further detail below. This approach is consistent with the Telecommunications Industry Ombudsman (TIO) and Financial Services Ombudsman approach and demonstrates critical shared accountability.

The timely resolution of complaints in a cost-efficient manner should be a key function of the Ombuds Scheme. Consistent with the Treasury benchmarks, the principle of efficiency needs to be reflected in the Scheme. The Scheme should also be easy to use and access, with clear and accurate information about the complaint process and outcomes.

Given the proposal to give the Ombuds Scheme powers to make binding decision on scheme members, and to ensure consumer confidence in the Scheme, reasons for decisions need to be transparent, clear and consistent.

The Consultation Paper notes the Ombuds Scheme's role in educating customers, part of which involves issuing public guidance and reports. The Qantas Group agrees that the Scheme should publish information about complaints on a high-level aggregate basis. However, it should be noted that aviation is already heavily regulated and already subject to a significant degree of data collection and reporting by a range of agencies. Accordingly, data collection and the publication of reports by the Ombuds Scheme should be restricted to member conduct and performance in relation to the Scheme. This should avoid data collection and duplication with any other reports already issued by other bodies and regulators. Any specific data collection powers should be restricted that required to resolves a particular complaint received by the Ombuds Scheme. This is addressed in further detail below.

- 3. What governance arrangement should be adopted for the Aviation Industry Ombuds Scheme?
- 4. If a board is established to govern the Aviation Industry Ombuds Scheme, what powers and functions should the board have?

Governance arrangements for the Aviation Industry Ombuds Scheme should align with Treasury guidelines and key practices related to overseeing the entity and transparency. In principle, the Qantas Group would endorse the establishment of a governing Board to ensure the independence and effectiveness of the scheme.

The governance structure must allow for a constructive relationship between the Ombuds Scheme and industry to improve outcomes for consumers. Like other ombuds schemes, the Board should be comprised of directors, including representatives that have current industry experience. The Qantas Group believes this should include representation from each major airline, similar to the Telecommunication Industry Ombuds (TIO) model that has representation from both major telecoms providers. Airports should be represented separately given the distinct issues faced by airlines and airports. This should be supplemented with representation on behalf of consumers. Mechanisms such as peak body industry representation and / or rotation may also need to be considered.

The function of the Board should be to oversee the Aviation Industry Ombuds Scheme's operations, to ensure it delivers in accordance with its powers and functions and meets high standards of independence, fairness, and public accountability, in line with Treasury benchmarks.

5. Is it appropriate to appoint two individual ombudspersons within the scheme – one with responsibility for aviation consumer issues, and the other with responsibility for aircraft noise?

The Qantas Group welcomes the Government's decision to structurally separate the Aircraft Noise Ombudsman (ANO) from Airservices Australia and notes that the Government will consult stakeholders on the transition of the ANO functions through a separate process. We agree that the protection of aviation consumer rights and handling of noise complaints are entirely different remits which will require careful articulation of potentially distinct objectives, powers, functions and operations, and likely different ombudspersons with potentially different skill sets and technical capabilities to exercise their powers and functions. It would be helpful to have more detail on how the Government intends to transition the functions of the ANO before commenting comprehensively on the governance arrangements for this component of the Scheme.

6. Which airlines and airports should be required to be members of the Aviation Industry Ombuds Scheme? Should there be any exemptions and, if so, on what grounds?

The Qantas Group welcomes the Government's determination that airlines and airports should be included in the Scheme – recognising the critical role both airlines and airports play in in the aviation ecosystem. The Qantas Group believes that all Australian airports and all airlines delivering RPT services within, to and from Australia should be required to participate in the Scheme so that all consumers have the same rights and entitlements and to prevent distortionary effects. There should not be exemptions based on the size of the operator.

In this context it is important to note that travel agents represent a significant proportion of bookings. **[REDACTED – COMMERCIAL IN CONFIDENCE]** If the objective of the Ombuds Scheme is to operate as an independent body to protect the rights of all aviation customers and to resolve customer complaints then to exclude travel agents, online travel agents and aggregators from the Scheme would result in a significant number of consumers without recourse.

The Government has recognised that Airservices Australia will need to become a member of the Ombuds Scheme in line with the establishment of the ANO as an independent function from Airservices. However, as a key service provider in the aviation eco-system responsible for persistent service delivery challenges, Qantas believes that Airservices Australia should be included in the Ombuds Scheme from the outset. In FY23 Airservices Australia was responsible for close to 20 per cent of delays at the country's four biggest airports.⁴ In FY24 48,087 minutes, or 11 per cent of ATFM (GDP) delays were attributable to Airservices.⁵

7. Should the government adopt a phased approach to the application of the Aviation Industry Ombuds Scheme to different categories of airlines and airports?

The Government should not adopt a phased approach to the application of the Scheme. All aviation consumers should have the same rights and entitlements from the commencement of the scheme. Any phasing could create distortionary effects and confusion.

8. How should funding arrangements for the Aviation Industry Ombuds Scheme operate?

The Qantas Group understands that the Government intends to undertake detailed consultation with industry on funding arrangements in 2025. While it is premature to provide comprehensive comment on the appropriate funding mechanisms without a complete understanding of the Scheme – including details that will inform its cost and membership – it is critical that the Ombuds Scheme is delivered in a cost-effective way.

The funding mechanism should be equitable, while incentivising behaviour consistent with Ombuds Scheme objectives. In principle, the Qantas Group supports a membership fee basis alongside an incentive-based funding mechanism linked to complaints – similar to other ombuds schemes. The incentive-based funding mechanism could be based on the percentage of eligible complaints or on the percentage of upheld complaints. Alternatively, a fee schedule could be applied whereby no, or a minimal fee, is applied to complaints that are resolved after being referred back to the member, and a fee is applied only to eligible complaints that are not resolved before being escalated to the Ombuds

⁴ Airservices Australia Australian Aviation Network Overview Financial Year 2023. Link

⁵ Airservices Australia Australian Aviation Network Overview Financial Year 2024. Link

Scheme for case management. Only eligible complaints should be considered for inclusion in any fee mechanism.

As members of the Ombuds Scheme, airports must be prevented from passing these costs through to airlines in the form of airport charges.

The Qantas Group looks forward to providing specific input to the subsequent Scheme funding arrangements consultation.

9. What features of existing industry ombuds schemes, and similar bodies, in Australia and overseas, should be considered in the design of the Aviation Industry Ombuds Scheme?

Treasury's guidance on Benchmarks for Industry-based Customer Dispute Resolution⁶ provides a helpful framework for the relevant principles in establishing an industry ombuds scheme.

The UK Air Passenger Travel Guide details what people can expect from the entire aviation ecosystem, including airlines, travel agents, tour operators and airports, and what to do if things don't go to plan.⁷

Given their direct application to the aviation sector, schemes established by the Canadian Transport Agency (CTA) and the UK CAA's Alternative Dispute Resolution model may provide an instructive framework regarding structure, eligibility and process timelines. It is important to note that the scheme established by CTA has been impacted by significant implementation challenges and costs to industry. As such its application in the Australian context should be carefully considered.

2. Complaint handling

10. What types of complaints should be eligible for consideration by the Aviation Industry Ombuds Scheme, and what types of complaints should not?

The existing Airline Customer Advocate eligibility criteria and scope of services (as they relate to airline services) provide a replicable framework for the Ombuds Scheme. Key elements of the existing Airline Customer Advocate eligibility criteria include validation that the complaint relates to a participating member of the scheme, verification that the complaint relates to an airline service that is in scope, confirmation that the customer has already attempted to the resolve the complaint directly with the airline on two occasions and that the complaint relates to an event or circumstance that occurred in the last 12 months.

The Airline Customer Advocate clearly outlines the scope of its remit, including – but not limited to – flight delays or cancellations, telephone or internet reservations, requests for refunds, baggage services, fees and charges, frequent flyer program terms and conditions, discrimination and services for customers with specific needs and requests for refunds.

While the existing Airline Customer Advocate's eligibility criteria and scope of services provides a good starting point, the Ombuds Scheme eligibility criteria should be strengthened as follows:

- The definition of a complaint needs to be expressed clearly in the eligibility criteria e.g. this should not just be a query to an airline or clarification;
- Scheme membership or participation should be clearly communicated and those excluded should also be identified. In particular, the eligibility criteria should clearly articulate the rights of customers that booked through a travel agent, or complaints related to other third parties, if excluded from the Scheme;
- Noting that the scope of services may differ based upon the member (e.g. airport services as
 opposed to airline services), the scope of issues and services that can be considered should

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⁶ Australian Treasury. 2015. Benchmarks for Industry-based Customer Dispute Resolution. Link here.

⁷ Air passenger travel guide - GOV.UK (www.gov.uk)

- be clearly communicated. The issues and services excluded should also be identified e.g. travel agent bookings, customs, security or immigration (if applicable);
- The eligibility criteria would benefit from specific requirements to have been met to try to
 resolve the complaint directly with the Scheme member concerned prior to referral to the
 Ombuds Scheme. In line with existing Airline Customer Advocate criteria, the Qantas Group
 considers that this needs to be two attempts to resolve directly with the airline in writing (at
 first instance and by way of review of the response) and obtained a case reference number
 from the member of the Scheme, through the airlines' formal complaint channel;
- A complaint should only be eligible if it relates to an event or circumstances that occurred
 within the last 12 months. Anything beyond this period becomes challenging for the airline or
 member to investigate, access records and gain a detailed understanding of events;
- Eligibility criteria will need to clarify the intersection between the Aviation Customer Rights Charter and airlines' existing charters (and airport charters, if applicable); and
- The criteria will need to be updated to provide clarity on eligibility for complaints in relation to the new aviation specific disability standards once developed.

Complaints that fall outside the defined remit should not be permitted and additional limits should be placed on complaint eligibility. This should include frivolous or vexatious complaints (including multiple complaints by a single complainant), complaints subject to other legal proceedings and/or anonymous complaints. In addition, if a customer has previously made a complaint to a Scheme member directly or through the Airline Customer Advocate and/or the Interim Ombuds Scheme and this complaint has been resolved, the complaint should be excluded from the Scheme.

The Scheme should exclude claims for passenger injury or death under Montreal Convention and equivalent domestic provisions in CACL. These claims already have well established processes through Federal Court of Australia and there are complex insurance implications with potential global ramifications if they were to be included in the scope of the Scheme.

11. Should the Aviation Industry Ombuds Scheme be able to accept complaints relating to breaches of privacy by members of the scheme?

The Ombuds Scheme should not accept privacy complaints in relation to members of the Scheme.

The Office of the Australian Information Commissioner (OAIC) already has jurisdiction to receive, review and resolve privacy complaints under the Privacy Act. This process includes phases where direct resolution with the consumer is facilitated and phases where the OAIC investigates and adjudicates on the complaint. Replicating or duplicating this process (via the Ombuds Scheme) would produce limited consumer benefit. Instead, it could lead to inefficiency, ambiguity and unintended consequences, if privacy complaints are handled by a body other than the OAIC (which operates under an established regulatory regime where a broader range of remedies may be available for the consumer).

Furthermore, the *Privacy Act 1988 (Cth)* is in the process of being reformed to provide the OAIC with enhanced powers and individuals with broader privacy rights.

12. How should the Aviation Industry Ombuds Scheme handle complaints about airlines and airports in relation to services purchased through a travel agent or other third party?

As set out above, the Qantas Group does not agree that travel agents, including online travel agents, aggregators or third parties should be excluded from the Ombuds Scheme. Travel agent bookings represent a significant proportion of total bookings. To effectively protect the rights of all aviation customers, travel agents should be incorporated into the Scheme as members.

Bookings made through travel agents (including online travel agents) and aggregator websites present challenges when things go wrong. Often, a customer makes a booking through a travel agent or aggregator but claims with the Qantas Group directly. Sometimes travel agents make an error (for example including incorrect details in the booking) or did not take the relevant actions (for example, applying for a refund on behalf of the customer). As the booking is not made directly with the Qantas

Group, we are not able to make these changes or issue refunds and this needs to be addressed by the travel agent.

[REDACTED - COMMERCIAL IN CONFIDENCE]

In the event the Government does not extend the scope of the Scheme to travel agents, it should be mandatory for travel agents to, as a minimum, include the customer's details in the booking to enable efficient recovery in the event of a disruption. If travel agent, aggregators and third parties are excluded from the Scheme, it should also be clear that all related services and issues, including ticketing issues, should also be excluded from the Scheme. Airlines should not be held accountable for travel agent errors – this should be explicitly stated in the eligibility criteria.

The Scheme should not prevent a member from seeking appropriate recourse from other scheme members or third parties if these parties are the source of the fault, where appropriate.

13. What existing complaints schemes or processes have the potential to overlap with the Aviation Industry Ombuds Scheme?

There are a variety of existing complaint mechanisms that have the potential to overlap with the Aviation Industry Ombuds Scheme. These include complaints or claims to the ACCC, State and Territory tribunals, State and Territory fair trading bodies, courts, the Office of the Australian Information Commissioner, the Australian Human Rights Commission and Anti-Discrimination NSW. The Ombuds Scheme will need to consider how to manage the potential overlaps. A consumer should not be able to use the Aviation Industry Ombuds Scheme if the complaint or claim is subject to other legal proceedings.

From a transition perspective, the Scheme once fully legislated will need to establish how pre-existing complaints under the Interim Ombuds Scheme (and, if applicable, the Aviation Customer Advocate) will be managed.

14. Who should be eligible to make complaints to the Aviation Industry Ombuds Scheme?

The Qantas Group agrees that those eligible to make a complaint should align with existing law, for example under ACL, CALC and the Montreal Convention and the complaint should meet the eligibility criteria set out in Question 10. The Qantas Group supports limiting complainant eligibility to consumers. The Scheme should not extend to claims agencies.

15. If small business and not for profit (NFP) organisations are eligible to make complaints, in addition to consumers, what criteria should be applied to define eligible small businesses and NFPs?

As set out above, the Aviation Industry Ombuds Scheme should be limited to consumers as defined in the ACL and where the complaint meets the eligibility criteria set out in Question 10.

16. What complaint resolution process should the Aviation Industry Ombuds Scheme adopt?

The Qantas Group broadly agrees with the complaint resolution process set out in the Consultation Paper. In advance of detailed design and consultation on each stage we offer the following observations:

Stage 1: attempt to resolve the complaint directly between the business and customer

The Qantas Group agrees the Ombuds Scheme should be a dispute resolution body of last resort. Before the Ombuds Scheme accepts a complaint, the complaint should be made directly to the Scheme member, with the member having had adequate opportunity to resolve the complaint directly.

Qantas and Jetstar already have clear, comprehensive and accessible methods for a customer to make a complaint that are free of charge. We have significant resources and qualified staff to support our complaints processes.

Jetstar's strategy is first contact resolution with the aim to resolve the complaint in the fastest most efficient manner for the customer. This involves the customer first raising a complaint via our contact centre through voice or live chat channels.⁸ **[REDACTED – COMMERCIAL IN CONFIDENCE]** If the agent is unable to resolve the issue in the first instance, it is referred to the Jetstar Customer Resolutions or Jetstar Customer Advocacy team for review.

Qantas accepts complaints in writing via a webform.⁹ To submit a complaint using the Qantas Customer Care form we request customers to provide as much information as to assist our investigation, including name, contact details and booking reference, what the complaint is about, what went wrong and what the customer would like Qantas to do to assist, along with any supporting documentation. Qantas provides customers with a case reference number that is sent via the email address provided instantly when the complaint is submitted. [REDACTED – COMMERCIAL IN CONFIDENCE] Qantas' Customer Care team assesses the information provided and works to offer a resolution as quickly as possible. If a complaint is more complex, we advise the customer that we require more time. Based on the situation and circumstances, Qantas Customer Care works with the customer to find an outcome.

The Qantas Group considers that the requirements of Stage 1 should be formalised so that expectations regarding a member's attempt to resolve are aligned. To give the airline appropriate opportunity to address, we recommend that this is defined as the complainant has contacted the airline directly through a formal channel, has obtained a case reference number and the complaint is captured in writing on two occasions – in line with existing Airline Customer Advocate requirements.

The complaint must be captured through a formal channel directly with the airline to ensure that the airline has adequate opportunity to respond and, for audit purposes, the complainant can provide adequate information to the Ombudsperson that the airline has failed to respond or they are not satisfied with the response. Complaints not made directly to the airline through formal channels should not be considered.

The key outcome of this stage should be to permit to member of the Scheme ample opportunity and reasonable time to resolve the complaint before consideration by the Ombuds Scheme.

Stage 2: referral of the complaint to the ombuds scheme

In designing this stage of the Scheme, we urge the Government to reflect on the shortcomings of the ACA. The shortcomings identified should be designed out through clear eligibility criteria, processes, communications and accessible tools and systems to support the Scheme's operation.

In this stage the application of eligibility criteria is critical (see our response to Question 10). The complaint process, systems and tools should enable the complainant to make a self-determination of eligibility through the workflow to ensure that only eligible complaints are referred directly to the Ombuds Scheme.

If the complaint is self-determined as eligible through the application process, this should be verified by the Ombuds Scheme. The verification step should ensure that all eligibility criteria are met, and sufficient prima facie evidence is available to support the acceptance of the complaint by the Ombuds Scheme. The Qantas Group agrees that, if accepted by the Ombuds Scheme, the complaint should be referred back to the Scheme member for resolution in the first instance and the member is given sufficient time to resolve.

We agree that the Ombuds Scheme should also have the discretion to not consider vexatious or frivolous complaints, multiple complaints by the same complainant, or where the complainant has not cooperated reasonably.

⁸ https://www.jetstar.com/au/en/contact-us/complaints-and-compliments

⁹ Complaint compliment and claim form | Qantas AU

We agree that the Ombuds Scheme should adopt a system to refer complaints to members that should have been made directly to the member in the first instance e.g. "no wrong door policy" with appropriately designed systems and processes in place to mitigate this.

Stage 3: case management and binding decisions

The Qantas Group supports the proposal for the Ombuds Scheme to work through a 'case management' process in the first instance to resolve the complaint. To facilitate this, it will be critical for the Ombuds Scheme and members to establish constructive working relationships.

The Qantas Group supports a two-stage decision making process where the parties to case management obtain a preliminary view of the decision before the Ombudsperson proceeds to final decision. We support the concept of the Ombuds Scheme recommending an outcome which would only need to proceed to decision if rejected by either party.

The Qantas Group considers that the effectiveness of the case management process and decision-making process will be dependent on the scope and interpretation of the Aviation Customer Rights Charter. As the Charter is subject to a separate consultation this may inform further comments on the case management process.

Should any appeals mechanism be incorporated into the Scheme design, this should be symmetrical and accessible by both consumers and Scheme members.

17. How much time should an airline or airport have to resolve a complaint, before the complaint is considered by the Aviation Industry Ombuds Scheme? What factors should be considered by the Ombudsperson when deciding if a complaint was resolved within a reasonable time?

The Qantas Group agrees with the Government's contention that the amount of time that is considered reasonable for Stage 1 will depend on the level of information provided by the complainant. This will also be impacted by the complexity of the complaint, including the requirement to seek input or statements from front-line employees and involvement of other third-party service providers domestically and globally, including baggage providers and third party processed refunds.

In the UK CAA's ADR model, parties are permitted 8 weeks to resolve a complaint before it can be referred to alternative dispute resolution mechanism. We consider this is an appropriate amount of time taken from the first date a complaint is lodged with the airline formally.

18. What time limit should apply for making a complaint?

The Qantas Group agrees that to provide certainty for members of the Scheme, and to increase the likelihood that evidence is available in relation to a complaint, a time limit for making complaints should be imposed. We recommend that this time limit is no more than 12 months from the event or circumstance that is the subject of the complaint occurring.

19. What should be the maximum monetary amount the ombudsperson is able to award?

Maximum monetary rewards should be applied in line with the law. For international carriage – the Ombuds Scheme should apply principles and limits under Montreal Convention (incorporated into Australian law under CACL). For domestic carriage CACL or ACL as applicable, and carrier terms and conditions (which comply with existing rights under consumer law) should be applied.

As set out in our response to Question 10, the Scheme should exclude claims for passenger injury or death under Montreal Convention and equivalent domestic provisions in CACL.

3. Guidance and reporting

20. What regular publications should the Aviation Industry Ombuds Scheme produce?

21. What processes should the Aviation Industry Ombuds Scheme adopt to provide procedural fairness to scheme members before it publishes certain data and information?

The Qantas Group acknowledges that issuing public guidance and reports is a key function of the Ombuds Scheme, with a view to fostering a culture of accountability, transparency and continuous improvement.

We note that the aviation industry is already subject to a high degree of reporting. BITRE produces monthly publications on domestic aviation activity, international airline activity, domestic on time performance (including delays and cancellations data), domestic air fares and airport traffic data. In addition, the ACCC issues a quarterly domestic airline competition monitoring report on the prices, costs and profits of the major domestic airlines off the back of extensive reporting by airlines. The ACCC also issues an annual airport monitoring report monitoring of prices, financial performance and quality of service at Australian airports.

The Qantas Group considers that annual reports relating to the performance and outcomes of the Scheme and reports containing data and analysis about complaint volumes, complaint escalation, resolution rates and complaint processing times will be important data and should provide actionable insights to support industry improvement.

However, in accordance with Treasury benchmarks related to accountability and efficiency, the reports should be confined to the role and scope of the Ombuds Scheme and should not include analysis of broader aviation industry trends. Given the extent of data gathering and reporting and that already exists, any additional publications risk unnecessary duplication.

In accordance with the approach followed by other regulators, members of the Scheme should have a reasonable understanding of when reports will be published and have the opportunity to review the reports and respond to any information intended for publication, before it is published, with a reasonable period provided for doing so.

4. Show cause arrangement

22. What specific powers should the Aviation Industry Ombuds Scheme have to require airlines to provide information about delays and cancellations?

The Qantas Group acknowledges the demand for and importance of increasing the level of information about flight delays and cancellations for consumers.

Airlines currently report delays and cancellations monthly to BITRE and to the ACCC, with duplication in the data provision and the reporting. For example, the Qantas Group currently provides BITRE with monthly delay and cancellation data, aggregated at the route level. This is provided in an Excel file with high level cancellation and delay commentary. We also provide the ACCC with monthly delay and cancellation data, aggregated at the route level. The ACCC requires the percentage of corporate passengers to be included in the data set but does not require any commentary.

We note that the Department is consulting separately on the arrangements for reporting flight delay and cancellation data and that airlines will be required to report the reasons for cancellations and delays of flights as part of their regular reporting of flight data to BITRE. As part of this consideration it will be imperative for definitions across the industry to be aligned to ensure data integrity and like-for-like comparisons. Delay and cancellation codes will need to be adopted at an industry level and the reporting of delays and cancellations within the scheduling versus the operational window will need to be agreed (including the definitions of the scheduling and operational windows themselves). We agree the provision of this data should also be considered in the context of additional reporting requirements related to the Sydney Airport Demand Management framework reform.

Given the duplication involved in existing reporting, we welcome the Government's commitment to considering the costs and benefits of imposing additional reporting obligations on airlines. This should also consider which agency is best placed to receive and report on this data.

The Qantas Group acknowledges that to acquit its role in investigating complaints the Ombuds Scheme may need to access more detailed information about delays and cancellations than is currently reported to BITRE. We recognise that the Ombuds Scheme may need powers to require the member to provide the requested information within a specified timeframe, but this should be confined to specific delays or cancellations that are subject to a customer complaint to the Ombuds Scheme and only in instances where information has not been provided voluntarily by the scheme member. The power to 'Show Cause' should not extend beyond this remit.

We do not agree that the Ombuds Scheme should have broader powers to 'Show Cause' or duplicate existing data provision requirements. In principle, where data is already collected by another agency, we agree that the Ombuds Scheme should establish MOUs with relevant regulatory bodies to govern the exchange of this data. MOUs should be publicly available, and the principles of procedural fairness should apply.

5. Scheme compliance

23. What enforcement arrangements are appropriate to achieve compliance with the Aviation Industry Ombuds Scheme?

Any enforcement mechanisms to achieve compliance with the Scheme should be aligned to existing frameworks set by other schemes.



APPENDIX 1

Investing more for our customers

Over the past year we have invested \$230 million in customer improvements

since September 2023

Customer initiatives in progress for the coming year

This has contributed to improvements in operational performance and customer satisfaction across the Qantas Group.



On-time performance (OTP)1 Qantas +10 points Jetstar +8.8 points



Customer Net Promoter Score (NPS)2 Qantas +22 points Jetstar +19 points

Key areas we've invested in:









Some of these initiatives include:



Flying experience

- Dedicated team of 50 engineers to refresh cabins
- Replaced small snacks with a substantial selection of hot items on more domestic flights
- Updates and refreshments of lounge interiors and soft furnishings
- Alcoholic beverages served from midday on domestic flights and premium spirits rolled out across all international cabins
- Rolled out group boarding to reduce customer wait times at the gate and improve OTP



Digital interactions

- Qantas App updates including homepage improvements, baggage tracking and passport scanning
- Launched inbound flight tracking capability for greater disruption management
- Click to call via the Qantas App, making it faster and more efficient for customers to reach contact centre agents
- Enhanced Jetstar App with improved usability and faster online check-in



Easier to deal with

- Contact centre training program that resulted in contact centre quality scores up ~30 per cent
- Recruited 200 people to assist with customer credits and disruption recovery
- Updates made to qantas.com to improve speed and performance when booking flights
- Digitisation and automation of customer reimbursements



Reward and recognition

- Adding over 20 million more international and domestic rewards seats by the end of 2024 with the launch of Classic Plus Flight Rewards
- More Classic Flight Reward seats added across Qantas flights for the European Summer peak
- Introduction of a Qantas Business Rewards booking tool
- More Qantas Points earn and burn partners including Ticketek and Accent Group

"Restoring trust and pride in Qantas as the national carrier is our priority, and while there's more work to do, we'll get there by delivering for our customers and people consistently into the future." Qantas Group CEO Vanessa Hudson

- 1. Percentage of Qantas Domestic and Qantas Link and Jetstar domestic flights
- that departed on time in 4024 compared to 2024.

 2. Domestic and international Net Promoter Scores 4024 compared to 2024.



