

REVIEW OF AIRLINE AND AIRPORT COMPLAINT HANDLING PROCESSES

Summary of Findings

Background

The Aviation White Paper Towards 2050 expressed the Australian Government's decision to establish an aviation consumer ombuds scheme and was informed by the views of Australian aviation customers, consumer advocates, the aviation sector, and experts in consumer protection and complaints handling. Submissions received through the 2024 Aviation White Paper process made clear that aviation consumers are dissatisfied with how Australian airlines and airports had interpreted their obligations to customers, and how the industry has responded to customer complaints. These issues were acute during the reopening period following the COVID-19 pandemic, given historically high rates of delayed and cancelled flights.

Aviation customers have existing legal rights and protections under the Australian Consumer Law (ACL), enacted through the *Competition and Consumer Act 2010* (Cth). The ACL is a national law and is jointly administered by the Australian Competition and Consumer Commission (ACCC) and state and territory consumer protection agencies. The ACL contains consumer guarantees that set out basic rights and obligations that businesses must meet when supplying products or services, including flights and other aviation services. However, submissions received through the Aviation White Paper process identified a range of instances where aviation customers' rights had not been upheld in practice. For example, despite the protections of the ACL, submissions described situations where customers experienced difficulties accessing remedies, such as refunds, or redeeming travel credits for cancelled or significantly delayed flights.

Submissions also reported long delays in airlines' responsiveness to complaints, and unsatisfactory outcomes from complaints referred to the industry-led dispute resolution body – the Airline Customer Advocate (ACA). The ACA was established in 2012 to provide complaint resolution services to customers of major Australian airlines (Qantas, Jetstar, Rex and Virgin Australia). Rex withdrew from the scheme in mid-2024. The ACA is funded and managed by participating airlines. It was originally established in response to the Government's 2009 Aviation White Paper, which found that the aviation industry needed to "establish a mechanism for consumers to have unresolved complaints examined by a third party, such as an industry ombudsman, independent of the airline involved."¹

The 2009 Aviation White Paper went on to state that “the Government will monitor the industry’s efforts to develop proposals to better handle consumer complaints ... and will consider a more interventionist approach should this become necessary”.

Following the 2024 Aviation White Paper consultation process, the Australian Government formed the view that the aviation industry has not consistently met its obligations to customers, and that the ACA has not delivered a sufficiently effective complaint resolution service. In this context, the government decided to establish a new independent body to more effectively protect the rights of aviation customers and resolve customer complaints – the Aviation Consumer Ombudsperson (ACO) and Scheme.

To support improved outcomes for aviation consumers while this initiative is being established, the government appointed an interim ombudsperson within the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (the Department).

While the interim ombudsperson has a limited set of powers and functions until the legislation is passed, the consultation paper issued in September 2024 on the design of the Ombuds Scheme³ outlined that the interim ombudsperson would report on airline and airport conduct and establish systems and processes to accept and respond to customer complaints about the aviation industry. To enact these powers, the interim ombudsperson procured a review and report on industry customer service standards and complaints handling processes. This was an important step to understanding opportunities for improvement and to help design the establishment of the ombuds scheme and policy development.

Independent firm crkhoury (CRK), which has expertise in conducting reviews of ombuds schemes and their complaint-handling processes, was engaged to undertake the review and provide reflections on ombuds scheme set-up. The review’s purpose was to identify current complaint handling options and processes, opportunities for improving how customer complaints are handled, and to inform policy development.

CRK commenced the review in June 2025 and provided a significant report to the interim aviation consumer ombudsperson at the Department in December 2025. At the time the review was undertaken, it was proposed that the Ombuds Scheme would be managed by a government entity. Review findings should be considered in this light.

This summary presents the report’s key highlights and findings. Other policy advice provided in respect to the establishment of the scheme is being considered by government.

Review Process

CRK collected information about the complaint handling processes of the major domestic airlines (Qantas, Jetstar, Virgin Australia, and Rex), several international airlines, and a number of domestic airports. Where required by the stakeholder, CRK provided

undertakings of confidentiality to some airlines or airports to ensure various data could remain commercial-in-confidence. Some of these undertakings were to limit information that could be provided by CRK to DITRDCA, and/or data that DITRDCA could make public.

CRK advised they were generally unable to test or validate information through direct examination and had to rely on the information provided by stakeholders. The interim ombudsperson was disappointed by the limitations imposed by some airlines and airports as this led to an inability to test and validate stakeholder assertions and meant CRK was unable to draw decisive conclusions in several key areas.

CRK consulted with other industry and government bodies that receive aviation-related complaints, several federal and state ombuds offices, and a selection of organisations with a particular interest in aviation complaints. The consultation process was extremely beneficial to the overall review, and CRK and the Department offer our combined thanks to those that participated. A full list of consulted parties can be found in Attachment A.

The review also drew on various information sources including the Department's Bureau of Infrastructure and Transport Research Economics (BITRE) statistical reports on both domestic and international air travel in Australia, embargoed results of a recent national survey of Australians' air travel experiences commissioned, and other information provided by the Department interim aviation consumer ombuds team.

Overview of findings

1. Key complaint topics received by airlines and airports revealed

Although there are differences across airlines and airports in terms of the types of complaints they receive, the review found that the most common types of consumer complaints received by airlines include those relating to mishandled baggage, flight disruptions, airline policies and conditions of carriage, fares and fees, customer service issues, and loyalty scheme complaints. The most relevant entity – the Airline Customer Advocate – reports the top complaint issues for domestic consumers are refund requests, flight delay/cancellation, baggage service and fees and charges.

The most common types of complaints to airports from consumers related to airport facilities, airport screening, accessibility issues, complaints related to retail outlets within airports, and parking.

2. Airlines and airports can improve their complaint handling processes

The review found that some airlines and airports have work to do to meet some aspects of the Australian Standard guidelines for complaint management in organisation (the Standard)⁴. Key findings include those in the following areas:

- **Complaint capture:** The quality and thoroughness of complaint capture by airlines and airports varies. Many complaints within the definition of the Standard are not recorded, and hence not actioned. Though website-facilitated complaints are logged by airlines and airports, they are less likely to log significant numbers of unresolved complaints made via other channels – with the risk and result that these complaints are not responded to and used to improve practice. While some log negative feedback as a complaint, most airlines and airports that engaged with the review do not link this kind of feedback to their complaint processes.
- **Accessibility:** Some airlines and airports do not do enough to facilitate lodgement of complaints by vulnerable consumers and those requiring assistance, for example, culturally and linguistically diverse complainants, the elderly, those not digitally literate and those travelling with a disability, health condition or injury.
- **Responsiveness:** While indicatively airlines have improved their complaint responsiveness over the last 12-18 months, complaint handling timeframes vary across airlines and airports. The review found that one airline takes an average of 40 calendar days to close complaints, whereas other airlines close complaints within 14 days.
- **Review process:** Internal escalation processes for airlines and airports are likely not meeting the Standard. Typically, airports and airlines do not have formal escalation avenues for a complainant who is unhappy with the resolution of their complaint. For many airlines reviewed, the same complaint handler will frequently revisit a complaint where the complainant makes a second (or third) contact, which is likely to result in the original complaint response being maintained. In some cases however, if the complainant requests an internal review, the complaint may be transferred to a team leader or from an offshore to an onshore team.
- **Complaints handling feedback:** While airlines and airports actively seek customer satisfaction feedback, few engaged as part of the review take the step of seeking feedback on the complaint handling experience.
- **International contacts:** Customers can have difficulty dealing with complaints about international airlines that do not have an Australian-based complaint handling contact channel. Language barriers, time zone issues, different terminology and a lack of familiarity with Australian law may be driving this challenging situation for consumers.
- **Remedies:** Remedies to resolve complaints provided by airlines vary considerably; this is driven by their own policies and based on whether the airline is a full service or budget airline. Some airlines may be more likely to provide remedies to passengers that are perceived to be of a higher value such as frequent travellers or higher ticket prices.

3. Existing consumer pathways to escalate a complaint about airports and/or airlines are unclear, confusing and vary in their effectiveness

The review summarised the external complaint handling bodies that consumers can turn to when they are not satisfied with an airline or airport's response to their complaint. CRK estimates there were approximately 10,000 relevant complaints escalated to these bodies relating to airlines and airports in a 12-month period. After considering various trends and pressures and noting a wide range of impacts, increased complaints are likely especially once the scheme is promoted.

The review concluded that the number of bodies and pathways associated with external complaint handling creates an unclear and confusing landscape for consumers seeking resolution of airline and/or airport related complaints. Among other things this can lead to consumers approaching the wrong body for their complaints, as well as generating inconsistent outcomes for consumers.

External complaint bodies include:

- **Airline Customer Advocate (ACA):** Complainants dissatisfied with a complaint response by Qantas, Jetstar or Virgin Australia can escalate their complaints free of charge to the ACA. However, the review found that several factors have compromised the ACA's effectiveness as a complaint handling body, including its lack of independence and that many complaints it receives are deemed 'ineligible' (60% of the 4,353 complaints escalated to the ACA in 2024).
- **Australian Competition and Consumer Commission (ACCC):** In 2024, the ACCC received approximately 3,350 airline and airport-related complaints. However, it is not the ACCC's role to assist individual complainants to resolve their complaints; rather it looks for systemic issues and takes compliance or enforcement actions where warranted. In practice this means that practically all these complainants are advised to access another escalation option, usually the State or Territory consumer protection/Fair Trading office or Civil and Administrative Tribunal (the latter which comes at a cost).
- **Australian Human Rights Commission (AHRC):** The AHRC will consider a complaint by a person that relates to the person's disability or experience of discrimination. It receives around 50 such complaints per year about an airline or airport. If the parties fail to reach an agreement, the AHRC does not decide the complaint. However, the complainant may have a legislative right to take their matter to the Federal Court for a determination. The AHRC's process is resource intensive, with a complaint typically taking 5 months from allocation to finalisation.
- **Other government escalation points:** Considerable numbers of consumers attempt to escalate their complaints to the Civil Aviation Authority's (CAA) Industry Complaints Commissioner (ICC). However, the ICC's mandate is restricted to complaints about the CAA. Accordingly, the ICC advises complainants to take their complaint up with their

airline or to escalate it to the ACA or State or Territory Fair Trading office. The Department of Home Affairs also receives security screening-related complaints; however the review was unable to quantify the volume received.

- **State/Territory consumer protection offices:** The review found around 2,115 complaints about airlines are escalated each year to state/territory consumer protection offices, which typically offer a complaint conciliation service for a person whose complaint suggests a breach of the Australian Consumer Law. The review also found varying practices between these offices. For example, Consumer Affairs Victoria focuses its enforcement matters to target those that do the most harm. It also found these offices do not have the power to decide a complaint when an airline and a complainant fail to reach agreement via negotiation and will generally refer the complainant to a court or tribunal.
- **Civil and Administrative Tribunals:** Public reporting does not reveal how many airline or airport complainants access this avenue. However, CRK concludes that the fees and formality of these Tribunals tend to discourage access.
- **Australian Travel Industry Association (ATIA):** In 2024, 451 complaints were escalated to the ATIA's complaint resolution service, which deals with complaints by travellers who book tickets through Australian travel agents. ATIA will only consider complaints related to ATIA-accredited travel agents.

4. Constructive engagement between Industry, Government and Consumer advocacy groups will be paramount to achieve effective results in the short, medium and long term.

CRK's review concluded that constructive engagement with industry and consumer side stakeholders will be critical. They observed many times that a cooperative, respectful relationship between an industry Ombuds scheme and the scheme's members (in the case of the ACO referred to as regulated entities) is crucial to creating an environment of collaboration and continuous improvement, strengthening the reputation of the sector and creating a shared recognition of the common goal of fewer dissatisfied consumers in the sector.

CRK identified that this is best achieved where the Ombuds scheme's members have a sense of inclusion and a sense of a shared purpose in improving the consumer experience in the sector or industry. Shared ownership is an obvious way to reinforce this, as is the inclusion of member nominated Directors - but it can also be achieved through meaningful consultation practices, open communication and a government scheme having an embedded advisory body that can demonstrate it is listening to stakeholders. The review identified that a significant strength of an independent industry Ombuds model is the capacity for the close engagement of consumer advocates as Directors of the governing body. This brings the benefits of the consumer perspective to the table as well as the connection to consumer networks that are dealing with the consumer issues in the industry sector on a daily basis and the often highly developed public policy skills available from

potential candidates. They have seen public sector schemes able to create a reasonably similar environment of engagement through meaningful consultation practices, open communication and an entrenched advisory body that can demonstrate it is being listened to.

This collaborative spirit will support a changing environment as; awareness amongst consumer will need to be raised, airlines and airports will need to change their processes and approaches and relationships with the ACO will need to be developed.

Conclusion

CRK's review found that ombuds scheme has a significant job ahead of it within a complex industry and consumer landscape. Change will be required across the board, as consumers and industry adjust to a new Aviation Consumer Ombuds and regulator the Aviation Consumer Protection Authority (ACPA).

The review found that to make the new environment succeed the ACO must have a role well beyond simply complaints handling – including education, guidance, stakeholder engagement, public reporting and the identification of systemic issues, some of which may be referred to the ACPA.

To achieve credibility and to be fully effective, CRK noted that effective ombuds schemes, like the ACOS, commonly require more enabling and support resourcing than might be anticipated by stakeholders. They indicated enabling resources should cover analytics and reporting, community relations and outreach, communication and marketing, policy and research, airline and airport support services, people and culture, finance and administration, knowledge management, and executive support personnel. They also noted technology and infotech will be especially critical to the ACO, for efficiency, for screening out ineligible complaints and for seamless efficient exchange of information with airlines and airports.

CRK report that good enabling resources for the ACOS and a collaborative, 'we are learning together', approach across government, industry, consumer and consumer advocacy groups is much more likely to make improvements to the overall system and produce good outcomes over time.

The interim ombuds and the Department's aviation consumer protections policy team has and will continue to use the information and advice provided in the Review of Complaints Handling as it continues in its process to support Government to introduce the Aviation Consumer Protections. These findings will be considered in the context of the proposed Aviation Consumer Protections framework, which now includes the ACOS being operated by a not-for-profit company, comprised of regulated entities and subject to rules approved by the government. The Review confirms the importance of and need for the reforms.

Attachment A – List of entities consulted for the review

Airline Customer Advocate

Australian Border Force

Australian Competition and Consumer Commission

Australian Human Rights Commission

Australian Travel Industry Association

Board of Airline Representatives of Australia

Bureau of Infrastructure and Transport Research Economics

Cathay Pacific

China Eastern Airlines

Choice

Civil Aviation Authority

Emirates Group

Energy and Water Ombudsman of Queensland

Fiji Air

Industry Complaints Commissioner

Justice and Equity Centre

Melbourne Airport

National Student Ombudsman

North Queensland Airports

Qantas Group

Queensland Fair Trading Office

Rex Group

Singapore Airlines

Sydney Airport

Telecommunication Industry Ombudsman

Virgin Australia

References:

- ¹ Australian Government, National Aviation Policy White Paper – Flight Path to the Future, December 2009, p 87.
- ² Australian Government, National Aviation Policy White Paper – Flight Path to the Future, December 2009, p 87.
- ³ Australian Government, The Aviation Industry Ombuds Scheme—Consultation paper August 2024, p 7.
- ⁴ Guidelines for complaint management in organizations (ISO 10002:2018, NEQ), Standards Australia 2022