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**Aviation Consumer Protection Framework Consultation Paper
Melbourne Airport Submission
October 2025**

Executive Summary

Melbourne Airport welcomes the Australian Government's commitment to enhancing aviation consumer protections through a dedicated and comprehensive framework. We support the core objective of establishing clear, fair, and effective standards for the industry. However, for this reform to succeed, it is imperative that the final framework is not only robust in principle but also operationally realistic, administratively efficient, and holistically designed to reflect the shared responsibilities of all entities that shape the modern passenger journey. A foundational flaw in the current proposal is its failure to hold all parties accountable, creating a structure where airports and airlines could bear the reputational and financial burden for service failures originating from government agencies over which they have no operational control.

Our submission provides detailed recommendations guided by the core principle that the framework must be both equitable in its application and workable in practice. This submission includes our responses to questions relating to both the primary legislation and the subordinate legislation. To that end, we have identified several critical areas that we recommend are revised:

1. *An Inclusive and Comprehensive Scope:* The most critical omission in the consultation paper is the exclusion of government agencies such as Airservices Australia, the Department of Agriculture, Fisheries and Forestry, and the Australian Border Force. These bodies are not peripheral but are integral to the passenger experience, directly influencing on-time performance, processing times, and overall satisfaction. Their absence creates a profound accountability gap. We contend that these agencies should be included in the scheme for the purposes of monitoring and reporting to support public confidence and appropriate accountability and, eliminate the misplaced reputational risk that would be borne by airports and airlines.
2. *International Flights Should Remain the Responsibility of Airlines:* Consistent with global standards and operational realities, passenger entitlements for international travel must be clearly assigned to airlines.
3. *An Equitable and Incentivised Funding Model:* The principle of industry funding is sound, but its structure must be fair and proportionate. We strongly advocate for a model based on the 'user pays' principle, where approximately 70-75% of costs are recovered through activity-based fees. This approach directly links financial contribution to complaint volumes, creating an incentive for all members to improve internal dispute resolution and enhance service quality. Furthermore, given the Charter's obligations and expected complaint volumes are overwhelmingly airline-focused, the fixed annual levy should be paid entirely by large airlines, as outlined in Option 1 of the consultation paper. To facilitate a smooth transition, we also

recommend initial government funding for the establishment and first two years of the scheme's operation.

4. *An Efficient and Streamlined Governance Structure:* Administrative efficiency is key to ensuring levy-payer funds are used to resolve consumer issues appropriately and in a timely manner. The proposal for two separate ombudsperson roles is inefficient and disproportionate to projected complaint volumes. We recommend the appointment of a single Aviation Industry Ombudsperson who oversees specialist consumer and aircraft noise divisions. This unified structure mirrors best practice in far larger schemes, delivering specialised expertise while eliminating duplicated corporate overheads and simplifying governance.
5. *A Pragmatic and Phased Implementation:* The introduction of this framework necessitates significant operational changes across the industry. A phased implementation period of 12 to 24 months is therefore essential. This timeframe is required for operators to revise process and procedures, develop and deliver comprehensive staff training and update digital platforms. To support this transition, formal enforcement activities should be deferred for the initial two years, with the regulator's focus solely on education, guidance, and collaborative engagement.

By incorporating these recommendations, government can create a framework that is not only robust but also fair, efficient, and sustainable for all stakeholders, ultimately delivering genuine and lasting improvements for the travelling public.

Scope and Governance

Responds to Consultation Questions 1, 2, 3, and 7

The Case for Including Government Agencies

Recommendation 1: Airservices Australia, Department of Agriculture, Fisheries and Forestry, Australian Border Force, and other government agencies performing passenger-facing functions should be included as full scheme members subject to the same obligations as private operators.

Melbourne Airport welcomes the consultation paper's recognition that the foundation of the future consumer protection framework should be related to instances where a direct consumer relationship exists. However, it is important to recognise that airports invest heavily in infrastructure, customer service, and accessibility initiatives and do so to improve the passenger journey. These efforts, however, cannot fully succeed unless government agencies (Airservices Australia, Australian Border Force, Department of Agriculture, Fisheries and Forestry) are held to the same standards of accountability as the airports and airlines.

Government agencies play a critical role in the passenger journey and materially shape the consumer experience. Immigration wait times, security screening, and air traffic delays are not ancillary matters. They are central to the passenger experience. The proposal to exclude agencies that directly control these services would create a structural gap in the framework, leaving airports and airlines unfairly accountable for failures they cannot influence.

To deliver a scheme that is complete, credible and fair, government agencies must be included as full members and be subject to the same monitoring and reporting requirements consistent with other regulated entities. Only then will the framework reflect the interconnected reality of aviation and provide consumers with confidence that all parts of their journey are covered.

International Flight Coverage

Recommendation 2: Confirm in primary legislation that passenger entitlement obligations for international flights remain airline responsibility, consistent with international practice.

The consultation paper appropriately notes that established international frameworks (European Union's EC261 regulation, Canada's Air Passenger Protection Regulations and the United States Department of Transportation) place passenger obligations on airlines for international travel. This reflects the commercial reality that airlines control international ticketing, scheduling, baggage, and customer communication.

Holding airports responsible for issues outside their operational scope would diverge from established international norms. To remain consistent with ICAO standards and global practice, any framework must clearly state that airlines retain responsibility for compensation and passenger entitlements on international flights.

Governance Structure

Recommendation 3: Appoint a single Aviation Industry Ombudsperson responsible for both consumer and aircraft noise matters, supported by specialist teams.

The consultation paper proposes separate Aviation Consumer Ombudsperson and Aircraft Noise Ombudsperson positions. This structure is administratively inefficient given projected complaint volumes:

Complaint volume analysis:

- Airline Customer Advocate: approximately 1,350 complaints (2023-24)
- Aircraft Noise Ombudsman: approximately 340 complaints annually
- Combined: approximately 1,690 matters annually

The consultation paper estimates potential complaint volumes to be approximately 25,000 complaints annually based on the experience in Canada. Even at this level, multiple ombudspeople would be unnecessary.

Comparison to similar schemes:

- Telecommunications Industry Ombudsman: 66,000+ complaints (2022-23)
- Energy and Water Ombudsman NSW: 29,000+ complaints (2023-24)
- Australian Financial Complaints Authority: 86,000+ complaints (2023-24)

These significantly larger schemes operate efficiently under single ombudsperson structures. Creating separate statutory officer positions for aviation's approximately 1,700 matters would mean duplicated governance, HR, IT, and administrative infrastructure: higher overhead costs ultimately borne by consumers.

Proposed structure:

- Single Aviation Industry Ombudsperson appointed by the Minister
- Consumer Ombuds Division and Aircraft Noise Division within unified Aviation Ombuds Office
- Separate specialist teams and Deputy Ombudspersons for technical expertise
- Shared corporate services, governance, and reporting infrastructure

Government should continue to fund the operations of the ANO as is currently the case, given that the majority of its activities relate to the services undertaken by Airservices Australia.

Funding and Cost Recovery

Responds to Consultation Question 8

The consultation paper proposes industry funding through levies on regulated entities. Melbourne Airport supports this principle but emphasises that levy structures must be equitable, proportionate to usage, and economically sustainable.

Fundamental Principle: User Pays Proportionality

Recommendation 4: The funding model should prioritise activity-based levies to encourage service improvement and accountability.

A structure where the majority of funding is tied to complaint volumes rather than flat annual fees ensures that entities contributing more to the scheme's workload also contribute more financially and is fit-for-purpose. This approach avoids cross-subsidisation and creates strong incentives for resolving issues early, investing in internal dispute resolution, and improving service quality.

Other ombuds schemes in Australia have shown that activity-based funding can be both stable and effective. A balanced model combining a modest annual fee with a larger variable component would support baseline funding whilst driving better outcomes for consumers. We recommend that 70-75 per cent is recovered through variable per-matter fees with the remaining 25-30 per cent recovered through annual membership fees.

Appropriate Treatment of Airports and Airlines

Recommendation 5: The annual levy should be paid entirely by large airlines, as outlined in Option 1 of the consultation paper. This reflects the operational reality that the Charter is primarily focused on airline obligations and that airlines are expected to generate the vast majority of complaints under the scheme.

Airlines are subject to a broader set of standards covering booking, flight disruptions, baggage handling, and customer service, whereas airports are only directly responsible for complaint handling and Customer Service Statements. In FY25, Melbourne Airport received approximately 4,500 complaints from the more than 36 million passengers who came through the airport or a complaint rate of 0.0001 per cent. Given this, it is appropriate that large airlines bear the full cost of the annual levy. Variable per-matter fees should then be applied proportionally based on the size of the entity, with large entities paying the highest share. This approach ensures that funding contributions are aligned with each entity's role in the scheme and the volume of complaints they generate.

This structure promotes fairness, avoids cross-subsidisation between sectors, and ensures that the scheme is funded in a way that reflects its primary focus and operational demands.

Government Co-Funding or Agency Inclusion

Recommendation 6: If government agencies such as Airservices Australia and the Australian Border Force are not included as paying members of the scheme, the government should directly fund the costs associated with complaints about their services.

Excluding these agencies from both the regulatory framework and the funding model, whilst still allowing complaints about their performance to be handled under the scheme (even as ineligible complaints which still incur a charge), would place an unfair financial burden on private operators. It would effectively require airports and airlines to subsidise the cost of resolving issues they do not control.

To ensure fairness and accountability, the government should either include these agencies as full scheme members or contribute funding proportionate to the volume of complaints related to their services. This would help maintain the integrity of the scheme and ensure that its costs are shared appropriately.

Initial Implementation Funding

Recommendation 7: The government should fund the establishment and initial years of the scheme to ensure a smooth rollout and give industry time to adjust commercial arrangements.

Airports operate under long-term agreements with airlines that govern how charges are set and recovered. These agreements often span several years and cannot be easily amended to accommodate new regulatory costs. As a result, airports will face immediate compliance expenses such as system upgrades, staff training, and process changes without a mechanism to recover those costs in the short term.

Providing government funding during the establishment phase and the first two years of operation would allow the scheme to be properly resourced from day one, whilst giving industry time to renegotiate agreements and incorporate the new costs. It also provides an opportunity for regulated entities to better understand actual complaint volumes which will support their ability to budget for this new expense appropriately.

A phased funding model where the government covers the full cost in the first year, a majority in the second, and gradually transitions to full industry funding would support effective implementation and reflect the government's role in introducing the new framework. It would also align with international practice, where transitional funding is often provided during major regulatory changes.

Treatment of Ineligible Complaints and General Inquiries

Recommendation 8: The cost of handling ineligible complaints and general inquiries should be recovered through annual levies, rather than separate per-matter charges.

Whilst these contacts may not result in formal complaints, they are a legitimate part of the scheme's operations. Many arise because consumers are unclear about the process or reach out before completing internal resolution steps. In many cases, these inquiries help prevent unnecessary escalations by clarifying expectations early.

Charging separately for each ineligible matter would create unnecessary complexity and could discourage efficient complaint screening. A simpler and fairer approach is to include these costs in the annual levy, whilst maintaining per-matter fees for eligible complaints to preserve incentives for service improvement.

This model supports predictable funding, avoids administrative burden, and recognises that all contacts, whether eligible or not, reflect the broader performance and accessibility of scheme members' customer service systems.

Charter Standards - Structure and Key Provisions

Responds to Consultation Questions 4 and 5

The consultation paper proposes detailed Charter standards across six categories. We support establishing clear minimum standards but emphasise that standards must be practical, non-duplicative, and proportionate to operational realities.

Clear Definitions for Subjective Terms

Recommendation 9: The Charter includes several terms such as "dignity and respect," "reasonable time," "prominent," and "improve complaint handling systems", that are inherently subjective. Whilst these principles are important, their lack of clear definitions may lead to inconsistent interpretation and uncertainty for regulated entities.

To support consistent compliance and enforcement, these terms should be clarified through subordinate legislation or ACPA-issued guidance. For example, "dignity and respect" could be defined through observable behaviours, such as courteous communication, clear explanations, and non-discriminatory treatment. Similarly, "reasonable time" could be supported by indicative timeframes for common scenarios, helping both consumers and providers understand what is expected.

Terms like "prominent" and "improve" also benefit from clarification. "Prominent" might refer to specific placement or visibility standards for information displays, whilst "improve" could be reframed to focus on maintaining effective systems with regular review and enhancement, rather than implying constant escalation.

Providing this clarity through guidance rather than primary legislation allows for flexibility and future refinement, whilst giving industry the certainty it needs to meet its obligations confidently and consistently.

Coordination for Accessibility Services

Recommendation 10: The standard requiring airlines to coordinate with airports on accessibility services is appropriate and reflects the shared nature of these responsibilities. However, further guidance is needed to clarify how this coordination should work in practice.

Specifically, the framework should outline what types of information need to be shared between airlines and airports to support passengers with accessibility needs, and how responsibilities are divided. For example, between passenger-specific assistance provided by airlines and general infrastructure provided by airports.

It would also be helpful to clarify how disputes over responsibility should be resolved when roles are unclear. Clear expectations will support smoother coordination, better outcomes for passengers, and more efficient complaint handling.

Complaint Handling and Customer Service Requirements

Responds to Consultation Questions 4 and 5 (Sections 5-6)

Complaint Resolution Timeframes

Recommendation 11: The proposed complaint handling standards are broadly appropriate, but some refinements would improve clarity and practicality, particularly around resolution timeframes and acknowledgement expectations.

Rather than requiring all complaints to be resolved within 30 calendar days, the standard should aim for 90 per cent resolution within that timeframe. This allows flexibility for complex cases involving multiple parties, technical investigations, or legal considerations, whilst still maintaining strong performance expectations. This requirement should also be updated to reflect business days rather than calendar days.

To support fairness, a "stop the clock" mechanism should be included, pausing the resolution timeframe when additional information is needed from the consumer or a third party, or when the consumer requests a delay due to personal circumstances. The clock should resume once the necessary information is received or the consumer confirms readiness to proceed.

Finality of ACO Determinations

Recommendation 12: Once the ACO has made a final determination and any internal review process has concluded, the matter should be considered resolved within the framework. Consumers should not be able to re-raise the same issue in other forums simply because they are dissatisfied with the outcome.

Allowing repeated claims across different bodies undermines the authority of the scheme and creates inefficiencies for both consumers and industry. Scheme members should not be subject to multiple proceedings over the same factual and legal issues.

This recommendation does not limit consumers from pursuing separate legal rights outside the scope of the ACO, such as personal injury claims or matters where the ACO has explicitly declined jurisdiction. It also does not prevent new complaints about different incidents. However, for the purposes of aviation consumer protection, ACO determinations should be treated as final to ensure clarity, fairness, and confidence in the scheme.

Customer Responsibilities in Complaint Handling

Recommendation 13: Whilst the Charter rightly focuses on obligations for airlines and airports, effective complaint resolution also depends on good faith participation from consumers. To support fair and respectful engagement, the framework should include basic customer responsibilities.

Passengers should be expected to provide accurate information when lodging complaints, respond to reasonable requests for further details, and engage in the process respectfully and in good faith. This helps ensure that complaints can be assessed and resolved efficiently.

To protect staff, the framework should also make clear that abusive or threatening behaviour such as harassment, intimidation, or violence may result in complaint handling being paused or referred to the ACO. This does not apply to expressions of frustration or dissatisfaction, but rather to conduct that compromises staff safety or the integrity of the process.

Including these provisions would help maintain a respectful and constructive environment for resolving complaints, benefiting both consumers and service providers.

Quality Assurance and Continuous Improvement

Recommendation 14: The Charter's requirement for regular monitoring and review of complaint handling systems is appropriate, but it should be framed to reflect the maturity of existing systems, particularly at major airports.

Rather than expecting constant changes, the focus should be on maintaining systems that are effective and meet Charter standards. Improvements should be made where there are clear opportunities to enhance outcomes, such as improving resolution times or increasing passenger satisfaction.

This approach recognises that well-established systems may not need major changes every year. It also ensures that resources are directed towards meaningful service improvements rather than unnecessary adjustments to processes that are already working well.

Related to the concepts of quality assurance and continuous improvement, the framework should provide for regular reviews of ACPA and AOO to ensure that the system is functioning efficiently and continuing to deliver its intended objectives for travellers.

Implementation, Enforcement, and Procedural Safeguards

Responds to Consultation Question 6

Phased Implementation

Recommendation 15: A phased implementation period of 12 to 24 months should be built into the framework to allow airports and airlines sufficient time to prepare for operational commencement.

Introducing new regulatory obligations requires coordinated planning across multiple areas. Industry will need time to revise internal procedures, develop staff training programmes, and update internal systems to meet compliance requirements. This includes updating complaint handling policies, drafting Customer Service Statements, and implementing accessibility enhancements.

Commercial agreements also need to be reviewed and renegotiated to reflect new cost structures. Many airports operate under long-term contracts with airlines, and adjusting these agreements is a lengthy and resource intensive process.

In addition, reporting systems must be developed or upgraded to support compliance monitoring, performance tracking, and integration with the ACO and ACPA. These systems are essential for ensuring transparency and accountability under the new framework.

A 12 to 24 month lead-in period will allow industry to make these adjustments without compromising service quality or financial stability. Providing flexibility for the Minister to extend the timeline if needed would further support a smooth and coordinated rollout.

Proportionate Enforcement

Recommendation 16: Enforcement activities under the Charter should begin only after the scheme has been operational for 24 months, with the initial focus placed on education and guidance.

In the first two years, the priority should be helping industry understand and implement their obligations. This includes publishing guidance materials, hosting training sessions, and offering responsive support for compliance queries. During this period, enforcement should be limited to informal engagement, with financial penalties reserved only for cases involving deliberate misconduct or serious consumer harm.

Deferring formal enforcement allows time for industry to build internal capability, refine systems, and adjust to new standards. It also gives regulators the opportunity to observe how the framework operates in practice and make any necessary clarifications.

After the initial period, enforcement can gradually escalate in line with a proportionate model, starting with informal engagement and progressing to formal compliance actions and penalties where appropriate. This approach supports a fair and constructive transition whilst maintaining accountability over time.

Procedural Fairness in Public Reporting

Recommendation 17: Public reporting by the ACO or ACPA should be subject to clear procedural fairness safeguards. Before any member-specific information is published, regulated entities must be given adequate notice and an opportunity to review and respond. This ensures accuracy, transparency, and fairness in how performance data is presented.

Certain types of information should be protected from public disclosure, including commercially sensitive material (such as proprietary processes or contracts), operationally sensitive data (such as security procedures), and personal information about staff. Regulated entities must have the ability to designate such content as confidential, with a clear process for assessment and protection.

To maintain trust and integrity in the scheme, members should be able to submit written responses to published data, and those responses should be published alongside the original material with equal prominence. This balanced approach supports accountability whilst respecting legitimate confidentiality concerns.

Airport Accessibility Services - Detailed Framework

Responds to Consultation Question 3

Defining Airport Accessibility Services

Recommendation 18: Provide detailed definitions of airport accessibility services in subordinate legislation with clear examples, distinguishing from airline services and government agency services.

To ensure clarity and consistency in implementation, the definition of airport accessibility services should specify the types of support provided to passengers with accessibility needs throughout their journey. This includes services offered before security screening, within the terminal, during boarding and arrival, and in coordination with ground transport.

The definition should distinguish between services that fall under airport responsibility and those managed by airlines, government agencies, or third-party tenants. This will help avoid confusion, ensure appropriate complaint handling, and support effective delivery of accessibility services across all touchpoints of the passenger experience.

A clear and inclusive definition will also assist in aligning responsibilities across stakeholders and provide a reliable basis for consumer protection and regulatory oversight.

Responsibility Determination Rules

Recommendation 19: Establish clear default rules determining responsibility when both airports and airlines could plausibly be accountable for accessibility services.

We support the framework's recognition that accessibility services are essential to the passenger experience, even when there is no direct consumer relationship. However, the delivery of these services involves a range of actors, airports, airlines, and third-party providers, each with distinct roles. To ensure fair and effective complaint handling, the scheme must reflect these operational realities.

Accessibility infrastructure provided by airports, such as wheelchair availability at terminal entrances, accessible toilets, and wayfinding signage, is generally available to all passengers and should fall under airport responsibility. Conversely, when a passenger books specific assistance through an airline (e.g. meet-and-assist services or priority boarding), the airline should remain accountable, even if the service is physically delivered by airport staff or contractors. Airlines must ensure that contracted services meet expected standards.

Alignment with Disability Standards

Recommendation 20: As aviation-specific disability standards are being co-designed under the Disability Discrimination Act 1992, it is important that the Charter's accessibility provisions are aligned with these standards to avoid confusion, duplication, or conflicting obligations.

Government agencies should ensure internal coordination across portfolios so that the Charter and disability standards work together as a coherent framework. This will help regulated entities understand their responsibilities clearly, streamline compliance, and support consistent interpretation and enforcement. Alignment should be achieved before finalising subordinate legislation to ensure clarity for both consumers and service providers.

Conclusion

The proposed aviation consumer protection framework represents a significant step towards improving the passenger experience in Australia. Melbourne Airport is aligned with this objective and is committed to supporting the creation of a scheme that delivers greater transparency, accountability, and more effective dispute resolution for travellers. The success of this reform, however, will be determined not by its intent, but by the practicality and fairness of its design.

For this framework to possess the credibility and effectiveness that Australian travellers deserve, it must be built upon an honest and complete understanding of the aviation ecosystem. The passenger journey does not begin at the check-in counter and end at the boarding gate; it is a complex, interconnected process in which government agencies like the Australian Border Force, Department of Agriculture, Fisheries and Forestry and, Airservices Australia play a direct and unavoidable role. To support public confidence and appropriate accountability, these agencies should be included in the scheme for the purposes of monitoring and reporting.

Equally fundamental to the scheme's integrity is a funding model grounded in equity and proportionality. A principled approach requires that financial contributions are aligned with the entities that generate the scheme's workload. This not only ensures fairness but also creates a clear commercial imperative for service improvement and investment in internal complaint handling, which is the most efficient outcome for both consumers and industry. Our recommendations for a 'user pays' model, a pragmatic implementation timeline, and a lean governance structure are all designed to ensure the framework is sustainable and delivers maximum value.

Melbourne Airport is eager to continue its collaborative engagement with the Government and our industry partners to refine these critical proposals. We firmly believe that the challenges outlined in our submission are not insurmountable obstacles, but opportunities to strengthen the framework. By working together to address these foundational issues of scope, funding, and governance, we can collectively build a world-class consumer protection scheme that genuinely serves the interests of the travelling public while supporting a vibrant, competitive, and sustainable aviation sector for decades to come.