

The background of the cover is a teal-tinted photograph of an airport lounge. In the foreground, there is a row of empty airport-style chairs. In the background, a large window looks out onto an airfield with a plane visible in the sky. The overall tone is professional and calm.

AIRLINE CUSTOMER ADVOCATE

2013 ANNUAL REPORT

1 JANUARY - 31 DECEMBER

This Annual Report contains details about the total number of Eligible Complaints received and finalised by the Airline Customer Advocate, the number of Eligible Complaints outstanding and the top five issues for each Participating Airline and corresponding percentages.

Contents

Advocate's Foreword	3
Participating airlines	4
Complaint process	4
Complaints received	4
Eligible complaints	5
Airline services	5
Complaint steps	6
Top five complaint issues	6
Top five complaint issues for individual airlines	6
Major events in 2013	7
Finalised complaints	7
Complaints outstanding	7
Time taken to finalise complaints	7
Resolving complaints	8
Telephone inquiries	8
Website	8
Customer Satisfaction	9
Appendix 1	10
Appendix 2	11

Advocate's Foreword

The Airline Customer Advocate (the Advocate) was established on 1 July 2012 to resolve complaints from the customers of the 5 participating airlines (airlines) about the services provided by the airline. These airlines are Jetstar, Qantas, Regional Express, Tigerair and Virgin Australia.

Prior to July 2012, customers of the participating airlines could only escalate an unresolved complaint to one of the state consumer protection bodies such as Fair Trading or Consumer Affairs, or the Australian Competition and Consumer Commission, who jointly administer the Australian Consumer Law. Customers also had the option of initiating often expensive legal proceedings.

Although the Advocate exists within this consumer protection context focusing on the resolution of customer disputes from dissatisfied users of airline services, it does not operate within a regulatory framework. Notwithstanding the absence of such regulation, the Advocate has assumed a vital role by ensuring Australian consumers are now provided a complaint resolution process that is accessible, quick and responsive.

For the first time, Australian consumers and other stakeholders have access to an independent report that provides a 12 month snapshot of how the airlines are performing as regards their management of customer complaints.

An airline's priority is to fly passengers safely from airport A to airport B. However, the issues raised in complaints indicate that flight delays and cancellations, refunds and fees and charges are also important to airline customers.

The dispute resolution model established by the Advocate focuses on the need for the airlines to address the dissatisfaction expressed by their customers as well as responding to the requested outcome.

The Advocate received 983 eligible complaints during the reporting period, of which 644 (69.03%) were resolved. Complaints took an average 14.9 calendar days to finalise.

Notwithstanding the overall increase in complaints, I am pleased to report an increase in the resolution of complaints from 65.97% to 69.03% and that on average, complaints continue to be finalised in less than 15 days.



Julia Lines
Airline Customer Advocate

Highlights:

- 983 eligible complaints received
- 933 complaints finalised
- 644 complaints resolved
- Average complaint timeframe was 14.9 days
- 1020 telephone inquiries

Participating airlines

Jetstar

Jetstar Airways Pty Limited is a wholly owned subsidiary of the Qantas Group and commenced operations in May 2004. It states it is a low fare, leisure carrier and carried 17,796,829 customers over the reporting period.

Qantas

Qantas was established in 1920 and states it is Australia's largest domestic and international airline. It carried 27,875,000 domestic and international passengers over the reporting period.

Regional Express

Regional Express (also known as Rex) was established in 2002. It states it is Australia's largest independent regional airline and during the reporting period it carried 1,065,527 passengers.

Virgin Australia

Virgin Australia (formerly Virgin Blue) was established in 2000 and states it is Australia's second largest airline. It carried 19,370,323 domestic and international passengers during the reporting period.

Tigerair

Tigerair (previously known as Tiger Airways) commenced operating in Australia in 2007 and relaunched as Tigerair in July 2013. In April 2013, the Australian Competition and Consumer Commission approved a proposal by Virgin Australia to buy a 60 per cent stake in Tiger Airways Australia. It states it is a budget carrier and carried 2,906,727 passengers during the reporting period.

Note: passenger number statistics were provided by the individual airlines.

Complaint process

A customer needs to submit their complaint first to the airline if they wish to complain to the Advocate about a service provided. This is because the participating airlines have agreed, as set out in their Customer Charters, to first attempt to resolve a complaint with their customer. The customer should also ask a participating airline to review the decision if a response is received and it is considered inadequate. The participating airlines therefore have two opportunities to try and resolve a customer's concerns before a customer can complain to the Advocate.

A customer lodges a complaint to the Advocate electronically via the website at www.airlinecustomeradvocate.com.au. Alternatively, a customer can contact the Advocate to request a Complaint Form be posted.

Complaints received

During the reporting period, the Advocate received 983 eligible complaints.

Eligible complaints

A complaint to the Advocate is eligible if:

- a. The complaint is about a participating airline's airline services
- b. The customer has already tried to resolve the complaint directly with the participating airline by following the complaints process set out in the airline's Customer Charter, has sought a review of the response received from the participating airline, and allowed for the timeframes specified in the participating airline's Customer Charter. Alternatively the customer has not received a response within those timeframes and
- c. The complaint relates to an event or circumstances that occurred less than twelve months ago.

A person may lodge a complaint on behalf of another person who is unable to make the complaint on their own behalf, provided they have that person's authority.

A person cannot use the services of the Advocate in relation to a complaint if a claim has already been filed in a court or tribunal (whether pending or finalised) or a complaint has been lodged with a government authority in relation to the same matter.

Airline services

Customers can submit a complaint concerning the following services provided by the participating airlines.

(See definitions at www.airlinecustomeradvocate.com.au/General/Eligibility.aspx and also the participating airlines' customer charters at www.airlinecustomeradvocate.com.au/General/AirlinesCustomerCharter.aspx)

- Flight delay or cancellation
- Telephone reservation services
- Cancellation/refund request
- Fees or charges
- Special needs
- Website
- In-flight customer services
- Airport customer services
- Baggage services
- Safety
- Security
- Discrimination
- Loyalty/Frequent Flyer Program
- Airport lounge
- Terms and Conditions

Complaint steps

The Advocate receives the complaint and can ask the customer for additional information to clarify the complaint or outcome sought.

The Advocate then assigns the complaint to the case manager at the applicable participating airline within five working days after receipt. At this step, the Airline Case Manager may contact the customer to clarify any points about the complaint, or attempt resolution again directly with the customer.

The participating airline provides a written response to the Advocate within 10 working days of receipt. The Advocate can also ask the participating airline for more information within 5 working days.

The eligible customer receives a response within 20 working days from the date they lodged the complaint with the Advocate. Eligible customers are informed of the existence of alternative avenues for dispute resolution should they be dissatisfied with the outcome of the Airline Customer Advocate process.

Top five complaint issues

The table at Appendix 1 shows the top complaint issues received by the Advocate and corresponding percentages of Eligible complaints received.

- 1 Cancellation/refund request **32%**
- 2 Flight delay or cancellation **17%**
- 3 Fees or charges **12%**
- 4 Terms and conditions **12%**
- 5 Airport Customer Services **5%**

Top five complaint issues for individual airlines

The table at Appendix 2 shows the top five issues for each participating airline and corresponding percentages of eligible complaints received.

Major events in 2013

The airlines reported the following events in 2013 that may have affected complaint levels:

January

Bushfires	Tasmania
Cyclone Narelle	Pilbara (WA)
Cyclone	South east QLD and northern NSW
Severe winter weather	Europe and United Kingdom
Sabre booking and check-in system implemented	Virgin Australia

February

Ex tropical cyclone Oswald	Queensland
Cyclone Rusty	WA
Severe winter weather	North east USA/Canada

July

Earthquake	Wellington (New Zealand)
------------	--------------------------

October

Bushfires	Sydney
APEC	Denpasar (Bali) airport closed

Finalised complaints

During the reporting period, 933 complaints were finalised (94.9%), keeping up with the number of complaints received during the period.

Complaints outstanding

50 complaints were outstanding at the end of the reporting period.

Time taken to finalise complaints

The average days taken to finalise a complaint was 14.9 calendar days. This is well within the published 20 working days timeframe that the airlines have committed to.

Resolving complaints

A complaint is resolved if the customer considers the complaint is resolved, if the outcome requested by the customer in the complaint is offered by the airline and accepted by the customer, or if an offer made by an airline is accepted by the customer.

Across the airlines, almost 70% of complaints were resolved. Of the 933 complaints finalised, 644 (69.03%) were resolved.

Telephone inquiries

Customers who are thinking about making a complaint can call the Advocate's toll free inquiry number 1800 813 129. Information is offered about accessing the Advocate's service and its role in resolving unresolved complaints.

During the reporting period, the Advocate received 1020 telephone inquiries.

Customers are provided information about how to resolve their complaint with an airline directly, or assisted with lodging an eligible complaint with the Advocate. Customers can also request a Complaint Form if that is a customer's preferred method of lodging their complaint. Other consumers can be referred to an Australian Consumer Law regulatory body if their concern is about a non participating airline, or another appropriate complaint handling body if the complaint is not about an airline service.

Website

The Airline Customer Advocate website is at www.airlinecustomeradvocate.com.au/General/Default.aspx

There were 18,424 visits during the reporting period.

The website contains the Customer Charters of the participating airlines and also links to each of their online complaint forms. There is also information about the Advocate including its Mission Statement and Customer Service Charter and Privacy Statement. It also includes information for consumers regarding complaints about other airlines who do not participate in the scheme.

The website contains the online form for lodging a complaint electronically. If an Eligible customer cannot lodge a complaint online, they can call or write to the Advocate to request a Complaint Form which can be returned and lodged by post or fax.

A complaint number is automatically generated and emailed to the email address included on the form. A customer can track the progress of their complaint at any time and if required, also lodge additional documentation.

Customer Satisfaction

Eligible customers are surveyed after a complaint is closed. The surveys assist the Advocate to know about what it is doing well and where it needs to improve its service. During the reporting period, 208 (21.16%) customers responded to the survey. Of these customers, 174 (83.65%) had their complaint resolved and the remaining 34 (16.35%) were customers whose complaint was unresolved.

Overall, 92.3% of customers strongly agreed or agreed they were treated fairly, with respect and honesty, and 76.4% strongly agreed or agreed the Advocate was independent in all its interactions. Overall 82.7% of customers agreed or strongly agreed their complaint was managed in a timely way and 89.9% agreed or strongly agreed it was easy to use the Airline Customer Advocate Service.

Written feedback received regarding resolved complaints:

- Thank you very much for your help in sorting out this very long drawn out issue. It seems that (airline) needs to be pushed by outside authorities like yours to do what is expected of them.
- Thank you so much for pursuing this matter on our behalf. Your persistent advocacy in the face of earlier rebuffs from the airline has been greatly appreciated.
- I hope this service remains funded as it saved me from going to court.
- Thank you very much for your involvement...It is beyond doubt that the result would have been very different prior to the establishment of the advocacy service.
- You perform a valuable role in maintaining a balance and integrity in this process. And as the airlines are squeezed financially, I believe this role will become evermore important.

Written feedback received regarding unresolved complaints:

- This is now resolved thanks in no small way to your efforts.
- I want to thank you for your prompt response and efforts in regard to my complaint with (airline). Although I did not receive a favourable response from (airline), your organisation provided me with an alternative avenue to complain ... at least I received a response which I never directly received from (airline).
- As you know, I am not happy with the response from (airline)... but I would like to thank you very much for your efforts on my behalf. I really appreciated the way you took my issue seriously and your multiple efforts to deal with it and the way you kept me informed throughout.

Appendix 1

Top 5 complaint issues

Reporting Period : 1 January-31 December 2013

Airline (Number complaints per 100,000 passengers* carried)	Cancellation/ Refund request	Flight delay or cancellation	Fees or charges	Terms and Conditions	Airport customer services
	32%	17%	12%	12%	5%
Jetstar	Cancellation/ Refund request 0.93 per '00000	Flight delay or cancellation 0.44 per '00000	Fees or charges 0.4 per '00000	Terms and Conditions 0.45 per '00000	Airport customer services 0.12 per '00000
Tiger Airways	Cancellation/ Refund request 4.58 per '00000	Flight delay or cancellation 1.82 per '00000	Fees or charges 1.1 per '00000	Terms and Conditions 1.44 per '00000	Airport customer services 1.07 per '00000
Virgin Australia	Cancellation/ Refund request 0.55 per '00000	Flight delay or cancellation 0.41 per '00000	Fees or charges 0.2 per '00000	Terms and Conditions 0.14 per '00000	Airport customer services 0.09 per '00000
Qantas	Cancellation/ Refund request 0.18 per '00000	Flight delay or cancellation 0.14 per '00000	Fees or charges 0.13 per '00000	Terms and Conditions 0.09 per '00000	Airport customer services 0.03 per '00000
Regional Express	Cancellation/ Refund request 0.19 per '00000	Flight delay or cancellation 0.09 per '00000	Fees or charges 0.28 per '00000	Terms and Conditions 0.09 per '00000	0

*Passenger numbers as provided by individual Airline (0 means no complaints)

Appendix 2

Individual Airlines Top 5 complaint issues

Reporting Period : 1 January-31 December 2013

Airline (Number complaints per 100,000 passengers* carried)	1	2	3	4	5
Regional Express	Fees or charges 0.28 per '00000	Cancellation/ Refund request 0.19 per '00000	Loyalty/Frequent flyer program 0.09 per '00000	Terms and Conditions 0.09 per '00000	Flight delay or cancellation 0.09 per '00000
Qantas	Cancellation/ Refund request 0.18 per '00000	Flight delay or cancellation 0.14 per '00000	Fees or charges 0.13 per '00000	Loyalty/Frequent flyer program 0.1 per '00000	Terms and Conditions 0.09 per '00000
Tiger Airways	Cancellation/ Refund request 4.58 per '00000	Flight delay or cancellation 1.82 per '00000	Terms and Conditions 1.44 per '00000	Fees or charges 1.1 per '00000	Airport customer services 1.07 per '00000
Virgin Australia	Cancellation/ Refund request 0.55 per '00000	Flight delay or cancellation 0.41 per '00000	Fees or charges 0.2 per '00000	Loyalty/Frequent flyer program 0.17 per '00000	Terms and Conditions 0.14 per '00000
Jetstar	Cancellation/ Refund request 0.93 per '00000	Terms and Conditions 0.45 per '00000	Flight delay or cancellation 0.44 per '00000	Fees or charges 0.4 per '00000	Website 0.15 per '00000

*Passenger numbers as provided by individual Airline (0 means no complaints)

