

AIRLINE CUSTOMER ADVOCATE

1 January-31December

2016

Annual Report

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 5 issues for each Participating Airline and corresponding percentages.

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Advocate's Foreword

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

The Advocate is an aviation industry funded dispute resolution scheme. This funding model is typical of the many diverse and long established industry specific resolution schemes across Australia that partner with consumers.

The Advocate provides an informal process to resolve complaints that accords with an airline's customer charter, as well as its conditions of carriage and any applicable laws including international conventions that define an airline's liability in prescribed circumstances such as lost baggage. The Australian Consumer Law also protects airline customers.

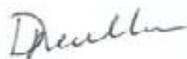
Australian airline customers took more flights domestically and internationally overall in 2016 as total passenger numbers across all the participating airlines increased to 73,174,402 (up over 3%) from 70,345,808 in 2015.

The Advocate received 1,055 eligible complaints. This represents a decrease of 12.2% from the previous year (1,204) with refund requests, flight delays and cancellations and fees and charges still representing the biggest areas for customer dissatisfaction.

Resolution rates decreased to just under 52% (51.27%) and 1,465 telephone inquiries were received.

I am pleased to report that average complaint finalisation timeframes decreased from 16.2 to 14 calendar days. This improvement corresponded with 89.6% of customers agreeing or strongly agreeing their complaint was managed in a timely way.

84.65% of customers agree or strongly agree the Advocate was independent during all of its interactions.



Dave Nathan
Airline Customer Advocate
05 June 2017

Highlights

- **1055 complaints received**
- **1038 complaints finalised**
- **541 complaints resolved**
- **Average complaint finalised in 14 calendar days**
- **1465 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 19,420,150 customers over the reporting period.

Qantas

Qantas was established in 1920 and states it is Australia's largest domestic and international airline. It carried 28,393,000 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 1,156,373 passengers.

Virgin Australia

Virgin Australia was established in 2000 and states it is Australia's second largest airline. It carried 19,812,064 domestic and international passengers during the reporting period.

Tigerair

Tigerair Australia commenced operating in Australia in November 2007 and is a wholly-owned subsidiary of the Virgin Australia group. It states it is a low cost carrier and carried 4,392,275 passengers during the reporting period.

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

The complaints submitted to the Airline Customer Advocate, which are contained within this Annual Report, do not necessarily reflect the overall performance of each individual airline. For information regarding on-time performance and cancellation rates for the 2016 reporting period, please use this [link](#).

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.

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 12 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 <http://www.airlinecustomeradvocate.com.au/General/Eligibility.aspx> and also the participating airlines' customer charters at <http://www.airlinecustomeradvocate.com.au/General/AirlinesCustomerCharter.aspx>)

- Flight delay or cancellation
- Telephone reservation services
- 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 5 complaint issues as selected by customers and the corresponding percentages of eligible complaints received.

1	Refund request	31%
2	Flight delay or cancellation	25%
3	Baggage services	11%
4	Fees or Charges	9%
5	Airport Customer Service	6%

Top five complaint issues for each participating airline

The table at Appendix 2 shows the top 5 complaint issues for each participating airline as selected by customers and the corresponding percentages of eligible complaints received.

Major events in 2016

These are the weather events reported by the airlines that may have affected complaint levels:

June

Substantial impact from single runway operations in SYD due high winds.

August

Volcanic ash Cloud – Bali

September

Volcanic ash Cloud– Bali

Finalised complaints

During the reporting period, 1,038 complaints were finalised (98.38%), keeping up with the number of complaints received.

Complaints outstanding

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

Time taken to finalise complaints

The average number of days taken to finalise a complaint was 14 calendar days. This is well within the published 20 working days timeframe that the participating 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 participating airlines, almost 52% of complaints were resolved. Of the 1,038 complaints finalised, 541 (51.27%) 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 to facilitate the resolution of complaints.

During the reporting period, the Advocate received 1,465 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

There were 75,964 visits during the reporting period. This represents a 278% increase on 2015 (27,308).

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 a 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, 202 (19.5) customers responded to the survey. Of these customers, 157 (77.72%) had their complaint resolved and the remaining 45 (22.28%) were customers whose complaint was unresolved.

Overall, 91.08% of customers strongly agreed or agreed they were treated fairly, with respect and honesty and 84.65% strongly agreed or agreed the Advocate was independent in all its interactions. Overall 89.60% of customers agreed or strongly agreed their complaint was managed in a timely way and 93.56% agreed or strongly agreed it was easy to use the Airline Customer Advocate service.

Written feedback received regarding resolved complaints:

Thanks for your advocacy assistance.... . Thanks again for your advocacy efforts.

Thank you so much for sorting this issue out for me. I am very pleased with the outcome and you have relieved a lot of stress.

Thanking you again for handling my case. It was really a pleasant experience – so nice and smoothly. Highly appreciate your effort.

Thanks you so much for your assistance with this. I am grateful for your help and accept the resolution.

Thanks you so much for taking the time to investigate my complaint and for contacting virgin Australia on my behalf, and so quickly. I am delighted with the outcome. I appreciate that someone has taken the time to review my complaint and take it seriously..

Written feedback received regarding unresolved complaints:

Nevertheless, your support and effort was most appreciated by me and I am very grateful for the concern and interest you have shown with regard to this matter.

I can't thank you enough for assisting me with this complaint, although I'm unsatisfied with their answer.

Thanks for trying...You guys honestly provide a very helpful service that I hope I don't ever have to use again!

Appendix 1

Top 5 Complaint Issues

Airline (Number complaints per 100,000 passengers* carried)	Refund request 31%	Flight delay or cancellation 25%	Baggage services 11%	Fees or charges 9%	Airport customer services 6%
Regional Express	Refund request 0.09 per '00000	Flight delay or cancellation 0.09 per '00000	0	0	Airport customer services 0.09 per '00000
Qantas	Refund request 0.25 per '00000	Flight delay or cancellation 0.21 per '00000	Baggage services 0.1 per '00000	Fees or charges 0.11 per '00000	Airport customer services 0.05 per '00000
Tigerair	Refund request 1.23 per '00000	Flight delay or cancellation 1.07 per '00000	Baggage services 0.39 per '00000	Fees or charges 0.23 per '00000	Airport customer services 0.27 per '00000
Virgin Australia	Refund request 0.58 per '00000	Flight delay or cancellation 0.29 per '00000	Baggage services 0.24 per '00000	Fees or charges 0.14 per '00000	Airport customer services 0.1 per '00000
Jetstar	Refund request 0.42 per '00000	Flight delay or cancellation 0.49 per '00000	Baggage services 0.14 per '00000	Fees or charges 0.12 per '00000	Airport customer services 0.06 per '00000

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

Appendix 2

Individual Airlines Top 5 Complaint Issues

Airline (Number complaints per 100,000 passengers* carried)	1	2	3	4	5
Regional Express	Flight delay or cancellation 0.09 per '00000	Airport customer services 0.09 per '00000	Refund request 0.09 per '00000	0	0
Qantas	Refund request 0.25 per '00000	Flight delay or cancellation 0.21 per '00000	Fees or charges 0.11 per '00000	Loyalty/Frequent flyer program 0.1 per '00000	Baggage services 0.1 per '00000
Tigerair	Refund request 1.23 per '00000	Flight delay or cancellation 1.07 per '00000	Baggage services 0.39 per '00000	Airport customer services 0.27 per '00000	Fees or charges 0.23 per '00000
Virgin Australia	Refund request 0.58 per '00000	Flight delay or cancellation 0.29 per '00000	Baggage services 0.24 per '00000	Fees or charges 0.14 per '00000	Loyalty/Frequent flyer program 0.11 per '00000
Jetstar	Flight delay or cancellation 0.49 per '00000	Refund request 0.42 per '00000	Baggage services 0.14 per '00000	Fees or charges 0.12 per '00000	Airport customer services 0.06 per '00000

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