



Registered Association Number A0044196B

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17 February 2010

Mr Stephen Borthwick
General Manager, Aviation Industry Policy
Department of Infrastructure, Transport,
Regional Development and Local Government
GPO Box 594
Canberra ACT 2601

Dear Mr Borthwick

AIRLINE INDUSTRY OMBUDSMAN

I write to you in my capacity as Chair of the Australian and New Zealand Ombudsman Association (ANZOA). My letter follows contact in January 2010 between Aidan Bruford of your department and Simon Cohen, the Public Transport Ombudsman for Victoria and an ANZOA Executive Committee member. Mr Bruford suggested we write to you directly.

The reason for my letter is to provide brief comments on the Australian Government's expectation (set out in the National Aviation Policy White Paper (the White Paper)) that the airline industry establish a mechanism for consumers to have unresolved complaints examined by an independent third party, such as an industry ombudsman.

ANZOA

I have attached, for your information, an information sheet about ANZOA, outlining our objectives and membership. You will note that ANZOA membership includes most Australian and New Zealand Ombudsman, and all substantial industry ombudsman schemes.

The primary purpose of ANZOA is to act as an organisation of peers in both the private and public sectors, to share knowledge, information, initiatives and learning. We are all committed to the highest quality standards in the roles of Ombudsmen, an institution which is more than 200 years old. We also have close links with our peers in the United Kingdom through the British and Irish Ombudsman Association.

Use of the term 'Ombudsman'

While the concept of an ombudsman has proved adaptable over time, a particular concern of all ANZOA members is to make sure that the term 'ombudsman' is reserved for appropriate organisations. It is important that members of the public are not confused about what to expect when they approach an Ombudsman's office, otherwise public trust will be undermined.

We have prepared a policy statement outlining the essential criteria for describing a body as an Ombudsman (attached). The statement focuses on matters of independence, jurisdiction, powers, accessibility, procedural fairness and accountability that the community rightly expects from an ombudsman.

Establishing an airline industry ombudsman

Given the White Paper proposal, we thought it appropriate to write to you to note the following matters:

Australia and New Zealand Ombudsman Association Inc.

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- ANZOA agrees with the observation in the White Paper that improved handling of complaints, including the establishment of an independent and external dispute resolution mechanism (such as an industry ombudsman), is in the best interests of both airline commuters and airline companies.
- It is critical that the Government ensure any body established to deal with complaints that cannot be resolved by airline companies, meets the minimum requirements established by the *National Benchmarks for Industry-based Customer Dispute Resolution Services* (the National Benchmarks), published by the Commonwealth Department of Industry, Science and Tourism in 1997. I have attached a copy of the National Benchmarks.

These Benchmarks for accessibility, independence, fairness, accountability, efficiency and effectiveness have served the community well in guiding good practice for new and existing industry ombudsman schemes.

A failure to have full regard to them in establishing a new external complaints handling scheme (such as an industry ombudsman) will most likely result in compromised arrangements which will not meet the community's needs.

- Our experience is that Government may need to take a lead role in working with industry to establish an appropriate industry ombudsman. Government can act to ensure an appropriate framework, consistent with the National Benchmarks, which properly balances the needs and expectations of customers and industry. Government can also provide critical logistical and other practical support during the development of a new industry ombudsman scheme, and its early days of operation.

ANZOA is pleased to offer any assistance to industry and Government during the set-up phase of the new airline industry external dispute resolution scheme. We would also look forward, in due course, to offering ongoing support for a scheme that is established in accordance with the National Benchmarks.

If it assists, we would be happy to meet with the Department to discuss the initiative, and discuss how we can best make available our expertise, views and advice.

I am able to be contacted on 03 9649 7599 if you wish to arrange a meeting.

Yours sincerely



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Atts.

CC: The Hon Anthony Albanese MP
Leader of the House
Minister for Infrastructure, Transport, Regional Development and Local Government