The Senate

# Rural and Regional Affairs and Transport Legislation Committee

## Aviation Consumer Protection Bill 2026 and three related bills

June 2026

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| | |
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**Secretariat**
Patrick Hodder, Committee Secretary
Emma Banyer, Principal Research Officer
Tara King, Administrative Officer

PO Box 6100
Parliament House
Canberra, ACT 2600
Phone: 02 6277 3511
Email: rrat.sen@aph.gov.au
Internet:
https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport

# Abbreviations and acronyms

| | |
|---|---|
| A4ANZ | Airlines for Australia & New Zealand |
| AAA | Australian Airports Association |
| ACCC | Australian Competition and/& Consumer Commission |
| ACL | Australian Consumer Law |
| ACO | Aviation Consumer Ombudsperson |
| ACP Bill | Aviation Consumer Protection Bill |
| ACPA | Aviation Consumer Protection Authority |
| AFDO | Australian Federation of Disability Organisations |
| AHRC | Australian Human Rights Commission |
| AIPA | Australian and International Pilots Association |
| ALA | Australian Lawyers Alliance |
| ANO | Aircraft Noise Ombudsperson |
| APAC | Australia Pacific Airports Corporation |
| BARA | Board of Airline Representatives of Australia |
| BFPCA | Brisbane Flight Path Community Alliance |
| CASA | Civil Aviation Safety Authority |
| CTA | Canadian Transport Agency |
| DITRDCSA | Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts |
| EM | Explanatory Memorandum |
| IATA | International Air Transport Association |
| JEC | Justice and Equity Centre |
| QAL | Queensland Airports Limited |
| RAAA | Regional Aviation Association of Australia |
| Rex | Regional Express |

# List of recommendations

**Recommendation 1**

**3.99 The committee recommends that the bills be passed.**

# Chapter 1
# Background and provisions of the bills

## Referral and conduct of the inquiry

1.1 On 1 April 2026 the Senate referred the Aviation Consumer Protection Bill 2026, and related bills, to the Senate Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 19 June 2026.[1]

1.2 The committee called for submissions by advertising the inquiry on its website and writing to a range of interested stakeholders.

1.3 The committee received a total of 31 submissions which were published on the committee's website and are listed at Appendix 1.

1.4 The committee conducted one public hearing, in Canberra on 29 May 2026. A list of witnesses who gave evidence at the hearing is provided at Appendix 2.

## Purpose of the bills

1.5 The Aviation Consumer Protection Bill 2026 (ACP bill) was introduced alongside three related bills:

- the Aviation Consumer Protection Levy Bill 2026 (levy bill);
- the Aviation Consumer Protection Levy (Collection) Bill 2026 (levy collection bill); and
- the Aviation Consumer Protection (Consequential Amendments and Transitional Provisions) Bill 2026 (consequential amendments bill).

1.6 The ACP bill establishes an aviation consumer protection framework which will impose requirements on airlines and airport operators relating to the offer and supply of airline and airport services and establish a scheme for handling eligible complaints. It also establishes the Aircraft Noise Ombudsperson to review aircraft noise management agencies' management of aircraft noise in Australian territory.[2]

1.7 The levy bill imposes an annual levy on certain airlines and airport operators to recover the cost of activities carried out by the Aviation Consumer Protection Authority (ACPA), and the levy collection bill provides for the collection and administration of the levy.[3]

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1 *Journals of the Senate*, No. 46, 1 April 2026, p. 1665

2 Parliament of Australia, *Aviation Consumer Protection Bill 2026* (accessed 14 May 2026).

3 Parliament of Australia, *Aviation Consumer Protection Levy Bill 2026*; *Aviation Consumer Protection Levy (Collection) Bill 2026* (accessed 14 May 2026).

1.8 Finally, the consequential amendments bill amends the *Air Navigation Act 1920* to make consequential amendments and provides for transitional provisions in relation to the Aircraft Noise Ombudsperson.[4]

1.9 According to the Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts (the department):

> The framework will cover airlines operating domestic flights in Australia, airlines flying internationally to and from Australia, and Australian airports.
>
> It will apply to services including:
>
> - Airline booking requirements, check-in and boarding, lost/damaged baggage, treatment during disruptions, delays and cancellations, complaints handling, availability of refunds and passenger assistance.
> - Airport services such as parking but not retail and food services inside the airport.
> - Accessibility services for people who require assistance with their flight.
>
> The proposed framework has two parts:
>
> - Aviation Consumer Ombuds Scheme
> - Aviation Consumer Protections Charter.[5]

## Background to the legislation

1.10 Stemming from the government's 2024 Aviation White Paper, the proposed legislative regime aims to substantially improve passenger rights and complaints handling in response to a period of increased flight cancellations, delays, and inadequate complaint handling after the COVID-19 pandemic.[6]

1.11 The Aviation White Paper stated:

> Since the reopening following the COVID-19 pandemic, the aviation sector has not provided the level of service Australians expect and are entitled to. In 2023, one in every 27 domestic flights were cancelled and almost one in 3 were delayed arriving, noting some improvements in the first half of 2024.
>
> When flights are cancelled or delayed, customers have found it too difficult to enforce their consumer rights. Airlines have taken too long to respond to customer inquiries, and the industry-established Airline Customer Advocate has proven ineffective in supporting customers to resolve complaints.

4 Parliament of Australia, *Aviation Consumer Protection (Consequential Amendments and Transitional Provisions) Bill 2026* (accessed 14 May 2026).

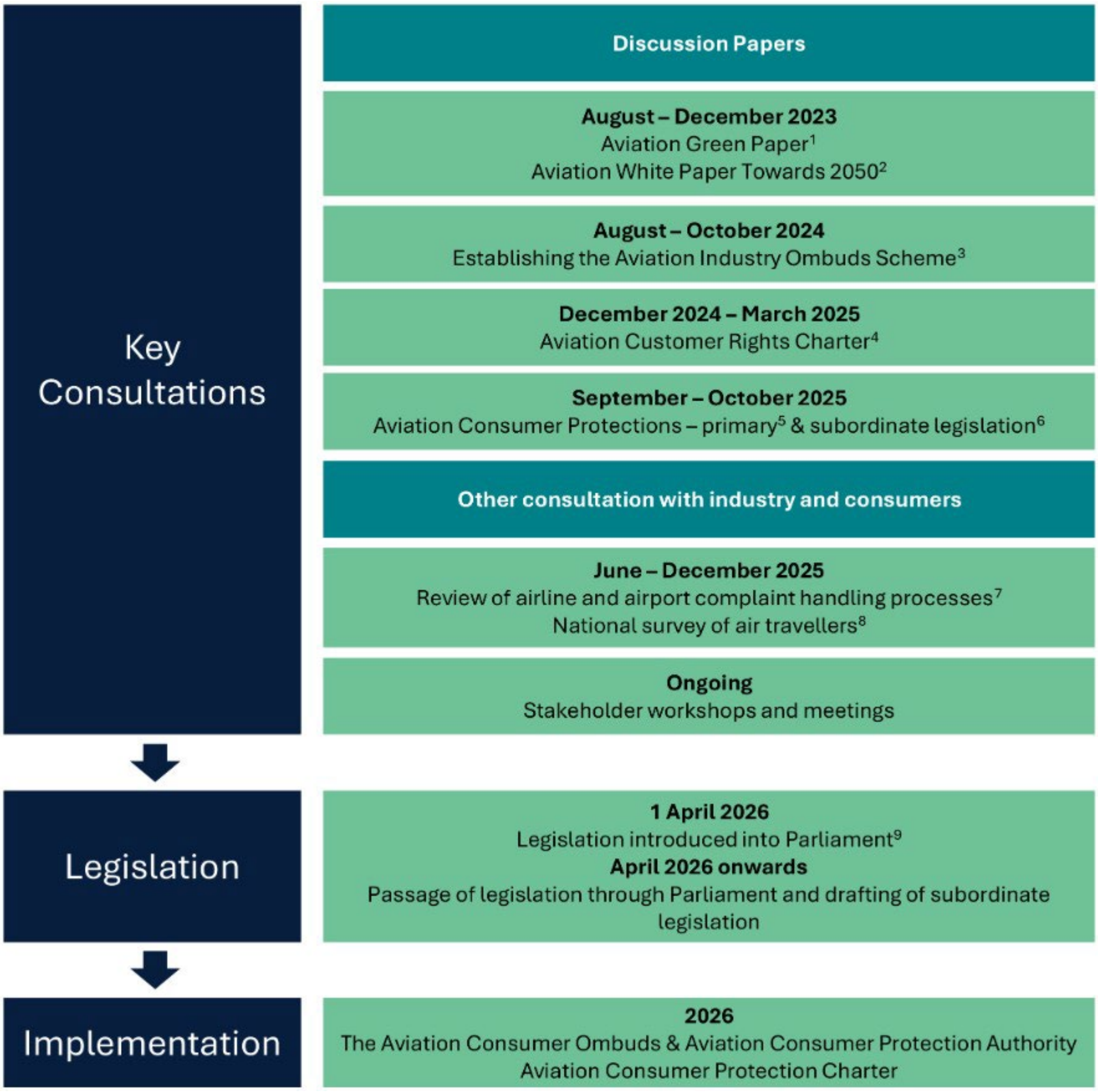
5 Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts (DITRDCSA), *Aviation Consumer Protections* (accessed 14 May 2026).

6 Jake Nelson, 'A better deal': Aviation consumer protections put to Parliament', *Australian Aviation*, 1 April 2026 (accessed 14 May 2026).

> That's why the Australian Government will strengthen the obligations of airlines and airports and the rights of aviation customers to receive the support and remedies they are entitled to.[7]

1.12 Following the Aviation White Paper, the department conducted initial consultations on the design and implementation of the ombuds scheme at the end of 2024, and on minimum consumer protections in early 2025. Further consultations were held in October 2025, before the draft legislation was introduced to Parliament in April 2026.[8]

**Figure 1.1 Consultation timeline**




*Source: DITRDCSA,* Aviation consumer ombuds scheme, Progress so far and next steps *(accessed 14 May 2026).*

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7 Australian Government, *Aviation White Paper: Towards 2050*, August 2024, p. 5 (accessed 14 May 2026).

8 DITRDCSA, *Aviation Consumer Protections*.

### Airline Passenger Protections (Pay on Delay) Bill 2024

1.13 In 2024–25—before the introduction of the government's aviation consumer protection legislation—the committee considered a private senators' bill, introduced by Coalition Senators Bridget McKenzie and Dean Smith, which would have introduced carrier obligations and an aviation industry code of conduct for the protection of airline passengers.[9]

1.14 In its report, the committee agreed with the bill's intended purpose but stated that the provisions of the bill 'duplicate work that the government already has well underway'. The committee concluded that the 'pay on delay' bill was 'not the appropriate means for improving Australian aviation' and recommended that the Senate not pass the bill.[10]

1.15 The bill lapsed in the Senate on the eve of the 48$^{th}$ Parliament on 21 July 2025.[11]

## Key provisions of the bills

### Aviation Consumer Protection Bill 2026

1.16 According to the Explanatory Memorandum (EM), the bill establishes a comprehensive statutory framework designed to improve consumer protections in the aviation sector through a combination of enforceable standards, independent dispute resolution, and regulatory oversight. The overarching purpose of the bill is set out in clause 3, which provides that the framework is intended to protect consumers in relation to airline, airport and accessibility services, improve service quality and availability, and support the fair resolution of complaints, while also advancing obligations relating to persons with disabilities and children.[12]

1.17 The bill operates alongside existing legal regimes and is not intended to displace them. Clause 8 makes clear that the framework does not limit the operation of the *Competition and Consumer Act 2010*, including the Australian Consumer Law (ACL), and that the *Civil Aviation (Carriers' Liability) Act 1959* prevails in the event of inconsistency. This reflects a policy intent that the new framework supplements, rather than replaces, existing consumer and aviation liability arrangements.[13]

1.18 Part 1 of the bill establishes the core concepts underpinning the framework, including the definitions of regulated services and entities. Clause 11 defines an

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9 Parliament of Australia, *Airline Passenger Protections (Pay on Delay) Bill 2024* (accessed 14 May 2026).

10 Senate Rural and Regional Affairs and Transport Legislation Committee, *Airline Passenger Protections (Pay on Delay) Bill 2024*, March 2025, p. 23 (accessed 14 May 2026).

11 Parliament of Australia, *Airline Passenger Protections (Pay on Delay) Bill 2024*.

12 Aviation Consumer Protection Bill 2026 Explanatory Memorandum (EM), pp. 14–16.

13 EM, pp. 2–4 and 14–16.

'airline service' as regular air transport (excludes charter services) and associated services such as booking, check-in, baggage handling and on-board services, ensuring that the framework applies to the full passenger experience rather than simply the act of carriage.[14]

1.19 Clause 12 defines airport services as consumer-facing services provided by airport operators in connection with air travel, while clause 13 establishes a separate category of airport accessibility services to capture assistance provided to passengers with disability.[15]

1.20 The concept of 'regulated entity' in clause 14 ensures that airlines, airport operators and other relevant service providers are captured, subject to constitutional limits and the making of rules by the Minister.[16]

1.21 The bill adopts a functional approach to responsibility for service delivery. Clause 16 provides that acts or omissions of contracted service providers are taken to be acts or omissions of the regulated entity where the services are supplied under a commercial arrangement, ensuring that entities remain accountable even where services are outsourced.[17]

1.22 Part 2 establishes the Aviation Consumer Protections Charter (the Charter), which is a central mechanism of the framework. Clause 20 empowers the Minister to determine Charter requirements by legislative instrument, setting minimum standards for the offering and supply of regulated services. These requirements may address matters such as information provision, service standards, complaint handling, disruptions, cancellations, baggage handling and accessibility obligations (clause 20(4)).[18]

1.23 Clause 19 imposes a statutory obligation on regulated entities to comply with the Charter and associated Standards, with non-compliance attracting potential civil penalties. Clause 21 prohibits victimisation of individuals who make complaints, thereby supporting access to the complaints framework.[19]

1.24 Part 3 establishes the Aviation Consumer Ombudsperson scheme as an independent external dispute resolution mechanism. Clause 23 enables the Minister to authorise a company to operate the scheme, subject to mandatory requirements set out in clause 24, including accessibility, independence, fairness, and industry funding. Clause 33 requires all regulated entities to join

14 EM, pp. 20–21.

15 EM, pp. 21–22.

16 EM, pp. 22–23.

17 EM, p. 24.

18 EM, pp. 27–28.

19 EM, pp. 25–26 and pp. 28–29.

the scheme, with the aim of ensuring broad access for consumers to dispute resolution.[20]

1.25 The Ombudsperson can investigate complaints, request information, mediate disputes, and make determinations about whether conduct was fair and reasonable. If needed, they may change or require actions from regulated entities to restore the complainant's position (clause 46(3)), with determinations enforceable by Federal Court injunctions (clause 50).[21]

1.26 Part 4 creates the Aircraft Noise Ombudsperson within the department. Clauses 55 and 56 authorise the role and empower reviews of how Airservices Australia and the Department of Defence handle aircraft noise complaints. This aims to improve transparency and accountability in noise management while maintaining existing complaint processes.[22]

1.27 Part 5 sets out the regulatory and enforcement powers necessary to support the framework. Clauses 65 and 69 provide powers for the Minister and Secretary to require information, documents, answers and evidence in relation to compliance and systemic issues, including disruptions and complaint handling.[23]

1.28 The bill also incorporates a range of enforcement tools, including civil penalties, infringement notices, enforceable undertakings and injunctions under clauses 72–75, consistent with the *Regulatory Powers (Standard Provisions) Act 2014*. Clause 76 introduces improvement notices as an early intervention mechanism requiring regulated entities to remedy or prevent contraventions.[24]

1.29 Finally, Parts 7 and 8 provide for review and administrative arrangements. Clause 83 establishes internal reconsideration of certain decisions, with limited merits review available through the Administrative Review Tribunal under clause 84. Clauses 86 to 88 provide for delegation of powers and the making of rules, designed to ensure administrative flexibility in implementing the framework.[25]

**Aviation Consumer Protection Levy Bill 2026**

1.30 The levy bill establishes a cost-recovery mechanism to fund the operation of the broader Aviation Consumer Protection Framework, with several key provisions underpinning its operation. A central provision is the imposition of an annual

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20 EM, pp. 29–31 and p. 36.

21 EM, pp. 43–46.

22 EM, pp. 46–48.

23 EM, pp. 50–53.

24 EM, pp. 55–57.

25 EM, pp. 61–63.

general levy on regulated entities, set out in clause 9, which provides that a levy is payable by airlines and airports for each financial year commencing on or after 1 July 2026.[26]

1.31 The levy is designed to recover the costs associated with administering and enforcing the Aviation Consumer Protection framework, including the activities of the ACPA.[27]

1.32 Clause 10 deals with how the levy amount is set. The explanatory memorandum states that the levy will be prescribed by regulations and must reflect the framework's total administration costs, while ensuring each regulated entity pays a fair share. In setting levy amounts, the Minister may consider factors such as equity, passenger volume and regulatory activity, so the levy is proportionate across the industry.[28]

1.33 Clause 11 defines and calculates 'administration costs', which determine the overall levy. The explanatory memorandum states that the Secretary must, by legislative instrument, determine the expected cost of administering the Aviation Consumer Protection Act and related legislation for each financial year, and that this must reflect effective and efficient use of public resources.[29]

1.34 Clause 10(2) gives the Minister power to exempt particular regulated entities or classes of entities from the levy where payment would be inappropriate. The regulation-making power also allows for different levy rates, nil amounts or pro-rata calculations in different circumstances, giving the scheme flexibility to respond to operational realities and changing industry conditions.[30]

1.35 Clauses 12 and 13 address liability for payment of the levy. Clause 12 provides that the levy is payable by regulated entities, while clause 13 makes clear that the Commonwealth is not legally liable to pay it, though notional internal transfers may be made to reflect equivalent contributions.[31]

### Aviation Consumer Protection Levy (Collection) Bill 2026

1.36 The levy collection bill allows regulations to prescribe when levies are due and payable and to permit payment in instalments, providing flexibility in how regulated entities meet their obligations.[32]

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26 Aviation Consumer Protection Levy Bill 2026 Explanatory Memorandum (Levy bill EM), p. 5.

27 Levy bill EM, p. 1.

28 Levy bill EM, pp. 5–6.

29 Levy bill EM, p. 6.

30 Levy bill EM, pp. 5–6.

31 Levy bill EM, p. 7.

32 Aviation Consumer Protection Levy (Collection) Bill 2026 Explanatory Memorandum (Levy collection bill EM), pp. 1, 5–6.

1.37 A statutory framework is established for late payment penalties (including a default 20 per cent annual rate, subject to regulations), with unpaid levies and penalties recoverable as debts to the Commonwealth through legal proceedings.[33]

1.38 The Secretary is given discretion to waive levies or penalties in exceptional circumstances, supported by processes for internal review and external merits review (Administrative Review Tribunal), ensuring procedural fairness and accountability.[34]

1.39 Subclause 19(2) allows the regulations to impose pecuniary penalties, not exceeding 50 penalty units, for contravening civil penalty provisions in the regulations.[35]

**Aviation Consumer Protection (Consequential Amendments and Transitional Provisions) Bill 2026**

1.40 The consequential amendments bill includes two schedules: Schedule 1 contains a consequential amendment to the *Air Navigation Act 1920* (Air Navigation Act) while Schedule 2 provides transitional provisions in relation to the Aircraft Noise Ombudsperson.

1.41 Schedule 1 amends subsection 16(2) of the Air Navigation Act to clarify that compliance with the *Aviation Consumer Protection Act 2026* and related instruments is not linked to aviation licensing, permissions or approvals under that Act—separating consumer protection requirements from the air navigation licensing framework. The amendment ensures that the new consumer protection framework operates alongside, but independently of, existing aviation safety and licensing laws, avoiding unintended regulatory overlap.[36]

1.42 Schedule 2, Item 2 provides for the management of complaints made to the non-statutory ombudsperson before commencement of the new regime. It provides that complaints made to the previous Aircraft Noise Ombudsman before commencement are taken to be complaints under the new Act, provided they remain unresolved or active at commencement. The new Aircraft Noise Ombudsperson (ANO) may continue to deal with transitioned complaints, ensuring no loss of rights or disruption for complainants during the transition to the statutory framework.[37]

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33 Levy collection bill EM, pp. 1, 5 and 6–7.

34 Levy collection bill EM, pp. 7–9.

35 Levy collection bill EM, p. 9.

36 EM, pp. 64–65. Note: the explanatory memorandum for the consequential amendments bill is provided in the same document as the EM for the primary legislation.

37 EM, p. 65.

1.43 The bill defines key terms, including 'new Act' and 'non-statutory ombudsperson' to ensure clarity and consistency in the operation of transitional arrangements. In addition, Item 3 provides that all relevant documents and records held by the former ombudsman are transferred to the new ANO, ensuring the new body is properly resourced to continue complaint handling and reviews.[38]

## Consideration by the Scrutiny of Bills Committee

1.44 The Scrutiny of Bills Committee (scrutiny committee) reported on its consideration of the bills in May 2026, outlining several concerns, including:

- That clause 9 grants Ministerial power to exempt entities from the Act, with limited constraints on ministerial discretion and inadequate safeguards.
- That the combination of exemptions and delegated regulation raises concerns about erosion of parliamentary control and the balance between Parliament and the Executive.
- That the legislative package places excessive reliance on delegated legislation for aspects of the core regulatory framework, with key elements of the Aviation Consumer Protection Charter and standards being left to legislative instruments.
- That the external dispute resolution scheme would be authorised by notifiable instrument without being subject to disallowance or meaningful parliamentary oversight.
- That the parts of the bill override a fundamental privilege against self-incrimination and the explanatory materials do not adequately justify why this is necessary, despite the inclusion of immunities.
- That the bill provides only high level principles while leaving operational detail to the Executive, creating uncertainty about how powers will be exercised and constrained.
- Potential privacy risks in the information sharing powers (clauses 44 and 80).
- Broad delegation of powers for the Aircraft Noise Ombudsman (clause 63), with insufficient justification beyond administrative efficiency.
- Concern with potential imposition of significant obligations and penalties via delegated instruments.[39]

1.45 The scrutiny committee requested further information from the Minister about the appropriateness of the Aviation Consumer Protections Charter, associated Standards and the external dispute resolution scheme being determined within delegated legislation. The scrutiny committee has also queried whether it is

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38 EM, pp. 65–66.

39 Senate Standing Committee for the Scrutiny of Bills, *Scrutiny Digest 6 of 2026*, 6 May 2026, pp. 58–72.

appropriate for a legislative instrument to exempt classes of entities (for instance, airlines or airport operators) from specific provisions in the bill.[40]

1.46 The scrutiny committee also sought further information about provisions enabling the ACO and the secretary to share information and documents with a broad range of entities, including personal information. In particular, the committee has requested examples of the types of information that may be disclosed, the entities that may receive it, and what safeguards apply to the handling and any further disclosure of such information.[41]

1.47 The Parliamentary Joint Committee on Human Rights had no comment on the bills.[42]

## Structure of the report

1.48 This report has three chapters:

- Chapter 1 outlines the referral and conduct of the inquiry, the background, purpose, and key provisions of the bills, and consideration of the bills by the Senate's scrutiny committees.
- Chapter 2 outlines the key concerns raised by:
  - the airline industry;
  - regional aviation sector;
  - pilots; and
  - airports.
- Chapter 3 incorporates evidence from:
  - consumers and consumer advocates;
  - anti-aircraft noise submitters;
  - Australia's consumer protection regulator, the Australian Competition and Consumer Commission (ACCC);
  - legal advocacy groups and
  - the Australian Federation of Disability Organisations.

1.49 Responses from government to submitter concerns are provided throughout the report and the committee's views are included at the end of each chapter.

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40 Senate Standing Committee for the Scrutiny of Bills, *Scrutiny Digest 6 of 2026*, 6 May 2026, pp. 60 and 62.

41 Senate Standing Committee for the Scrutiny of Bills, *Scrutiny Digest 6 of 2026*, 6 May 2026, p. 70.

42 Parliamentary Joint Committee on Human Rights, Bill assessments, Aviation Consumer Protection Bill 2026 (accessed 14 May 2026).

# Chapter 2
# Key issues—aviation industry

2.1 Submitters to the inquiry were broadly supportive of the government's intent to strengthen aviation consumer protection.[1] However, aviation sector submitters held several concerns with the legislation:

- Airlines and their advocates were concerned about detrimental cost impacts, misalignment between liability and operational control, and potential impacts on aviation safety, among other issues.[2]
- The regional aviation sector was concerned about the disproportionate impacts the scheme could have on smaller regional airlines and airports.[3]
- Pilots were concerned about the potential for the scheme to impact upon pilots' statutory responsibility to prioritise safety over all else.[4]
- Airports were concerned about the scope, questions over accountability and exemptions, and how the levy share would be allocated.[5]

2.2 Industry submitters also detailed issues with aspects of the scheme that will be delegated to legislative instruments, particularly the Consumer Protection Charter.

2.3 This chapter outlines aviation industry submitter concerns and government responses, then concludes with the committee's views.

2.4 Chapter 3 considers the views of consumer advocates, anti-aircraft noise groups, Australia's competition and consumer regulator, the Australian Competition and Consumer Commission (ACCC), legal, and disability advocates.

## Views of airlines and their advocates

2.5 Airlines and their advocates who submitted to the inquiry were highly critical of the bills, with Qantas saying:

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1 See for instance: Australian Airports Association, *Submission 7*, p. 7; Justice and Equity Centre, *Submission 19*, p. 8; Sydney Airport, *Submission 8*, p. 1; Airlines for Australia & New Zealand, *Submission 13*, p. 1.

2 See for instance: Qantas Group, *Submission 30*, p. 2; Virgin Australia, *Submission 15*, p. 2; Airlines for Australia & New Zealand, *Submission 13*, p. 1.

3 See for instance: Regional Aviation Association of Australia, *Submission 3*, p. 3.

4 Australian and International Pilots Association, *Submission 11*, p. 2.

5 See for instance: Australian Airports Association, *Submission 7*, pp. 1–4; Canberra Airport, *Submission 4*, p. 5; Australia Pacific Airports Corporation, *Submission 9*, p. 1; Queensland Airports Limited, *Submission 14*, [p. 4].

> … the proposed consumer protection framework, as currently drafted, poses significant risk to the very consumers it seeks to protect. Higher fares, reduced competition and unintended operational consequences are real risks if the legislation proceeds without amendment.[6]

2.6 The most pressing concerns of airlines and their advocates are outlined below, followed by the key recommendations made in their submissions.

**The need for a scheme**

2.7 Airline industry submitters were concerned about the proportionality of the scheme outlined in the Aviation Consumer Protection Bill 2026 (ACP bill) and related bills. A consistent message from these submitters was that the existing Australian Consumer Law (ACL) provides sufficient protections for consumers.[7]

2.8 For instance, the Board of Airline Representatives of Australia (BARA) questioned the need for new regulatory agencies, arguing that the system is 'already overseen by well-established bodies such as the ACCC'. BARA argued airlines have already made 'significant investments to improve their customers' experience' and have worked hard to 'respond to customers' concerns in a timely manner'.[8]

2.9 The International Air Transport Association (IATA) proposed that the scheme goes 'well beyond the rights outlined in the ACL and [the IATA] are concerned about the impacts this could have on consumer protection in other parts of the Australian economy'.[9]

2.10 Airlines for Australia & New Zealand (A4ANZ) said the scheme 'risks imposing system-wide costs and rigidity to address a relatively small number of cases', and the additional costs of the scheme 'will ultimately lead to higher airfares and higher costs for air cargo'.[10]

2.11 Qantas further argued that the framework as designed would place 'upward pressure' on fares, 'negatively impacting route viability and service frequency'; would undermine low-cost carriers; and would 'deter investment in fleet renewal' and new technologies.[11]

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6 Qantas Group, *Submission 30*, p. 1.

7 See for instance: Air transport industry, joint letter from key business and industry leaders regarding the Aviation Consumer Protection bills (received 22 April 2026), [p. 1].

8 Board of Airline Representatives of Australia, *Submission 12*, p. 1.

9 International Air Transport Association, *Submission 10*, p. 1.

10 Airlines for Australia & New Zealand, *Submission 13*, p. 1.

11 Qantas Group, *Submission 30*, p. 2.

2.12 Virgin Australia argued that the framework creates 'regulatory duplication and uncertainty', and recommended that 'primary responsibility for administration, compliance, and enforcement of the framework, Charter and ACO Scheme be conferred upon the ACCC instead of the [Aviation Consumer Protection Authority (ACPA)]'. Further, Virgin Australia submitted:

> If the Government is wedded to a dual-regulator model, Virgin Australia recommends clearly delineating responsibilities between regulators, introducing explicit rules on concurrent proceedings and forum election, clarifying interaction with other bodies and legislative regimes, and establishing formal coordination mechanisms to ensure consistency and efficiency.[12]

2.13 Qantas submitted that the aviation industry has a direct interest in reducing delays and cancellations, improving customer experiences, and 'keeping airfares sustainable and affordable'. However, the airline maintained that the proposed scheme:

> … is not appropriately calibrated to the issues it seeks to address, and risks creating significant unintended consequences for safety, consumers, industry sustainability and competition, particularly in the context of a materially improved aviation operating environment.[13]

2.14 A4ANZ contended that real numbers of escalated complaints about airlines and airports are low ('well under 0.01 per cent of passenger journeys'), and that airlines have been lifting their performance *voluntarily*, with material improvements evident since the release of the Aviation White Paper in 2024.[14]

2.15 Qantas submitted that its operational performance and customer outcomes have improved since 2024, including 'on-time performance, disruption recovery capability and customer satisfaction'.[15]

2.16 Likewise, in his opening statement for the public hearing, which was tabled, Chief Customer Officer at Virgin Australia, Mr Andrew Cleary reported:

> - Virgin Australia's cancellation rate in the 12 months to April 2026 was 1.4%—the lowest among Australia's major airlines—and significantly down from 11% in the 12 months to April 2022.
> - Alongside this we've seen customer complaints fall by 30 per cent over the same period with an average resolution time of 3.5 days and 98% resolved within 10 days.

12 Virgin Australia, *Submission 15*, p. 2 and p. 9.

13 Qantas Group, *Submission 30*, p. 2.

14 Airlines for Australia & New Zealand, *Submission 13*, p. 1.

15 Qantas Group, *Submission 30*, p. 1.

- 80 per cent of calls to our Guest Contact Centre are answered within 30 seconds.[16]

2.17 Virgin highlighted improvements in its on-time performance and number of cancellations, saying it had gone from 11 per cent cancellations 'coming out of COVID' to 1.4 per cent. Virgin has also introduced a facility that invites passengers to catch an earlier flight when their booked service may be weather-affected.[17]

2.18 Despite these new customer-friendly procedures, the committee noted that Virgin has chosen to expire $93 million worth of flight credits in mid-2026 from flights cancelled, or trips unable to be taken, during the COVID-19 pandemic. Asked why they will not *refund* these credits, Virgin stated that other sectors have expired their COVID credits and the company has already been highly flexible in how it has allowed customers to spend credits.[18]

2.19 Qantas representatives stated that Qantas COVID credits are refundable and Jetstar COVID credits, while not refundable, do not and will not expire.[19]

2.20 A4ANZ argued that the ACL is 'fit for purpose' and 'enforced by the ACCC', with its Chair, Professor Graeme Samuel AC saying, 'if you've got an ACCC administering this, why in all of heaven would you set up yet another regulator at vast cost?'[20]

2.21 Ms Lauren White, Executive General Manager of Consumer and Fair Trading at the ACCC, responded to the suggestions put forward by Professor Samuel. Ms White said that while the ACCC will take on systemic issues around consumer guarantee rights, under the Australian Consumer Guarantee law, the ACCC is not able to enforce individual consumer guarantee rights. At the same time, the ACCC receives numerous reports from consumers who are unable to access effective and timely dispute resolution. Therefore, the ACCC strongly supported a complementary scheme that would enable consumers to get their entitlements.[21]

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16 Mr Andrew Cleary, Virgin Australia, opening statement, [pp. 1–2].

17 Mr Andrew Cleary, Chief Customer Officer; and Chief Executive Officer, Velocity; Virgin Australia, *Committee Hansard*, 29 May 2026, p. 27.

18 Mr Alistair Hartley, Chief Strategy and Transformation Officer, Virgin Australia, *Committee Hansard*, 29 May 2026, pp. 28 – 29.

19 Ms Stephanie Tully, Chief Executive Officer, Jetstar, *Committee Hansard*, 29 May 2026, p. 29.

20 Mr Stephen Beckett, Chief Executive Officer, Airlines for Australia and New Zealand, *Committee Hansard*, 29 May 2026, p. 24; Prof. Graeme Samuel, Chair, Airlines for Australia and New Zealand, *Committee Hansard*, 29 May 2026, p. 31.

21 Ms Lauren White, Executive General Manager, Consumer and Fair Trading, Australian Competition and Consumer Commission, *Committee Hansard*, 29 May 2026, p. 57.

2.22 Ms White also explained that, under the ACL, consumers 'have refund rights as it relates to the airline industry', but they only have 'a private right of action'—the ACCC cannot act on behalf of a consumer in relation to enforcing ‘their individual consumer guarantee rights'.[22]

2.23 The Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (the department) submitted that the framework will complement existing consumer protections and work in concert with existing Australian disability and aviation laws.[23]

2.24 In response to the suggestion that the new legislative regime is not required, the department submitted that the government's Aviation White Paper found 'existing arrangements were not delivering the quality passenger experience expected by the government and consumers and that it was now necessary for the government to establish a more robust framework'.[24]

2.25 According to the department, surveys undertaken by the Interim Aviation Consumer Ombudsperson in 2024–25 'strongly support' an ongoing need for government intervention:

> Key findings from the consumer survey included that flight disruptions are common and Australians are dissatisfied with their handling; only 8% of people affected made a complaint with only 39% of complainants satisfied with the outcome, and only 17% satisfied with the complaint process overall. … People with disabilities, medical conditions or injuries faced more barriers and were even less satisfied with air travel.[25]

### Responsibility and accountability

2.26 A key concern of the airline industry was that responsibility for consumer outcomes under the scheme may be applied to airlines in instances where they do not have operational control. For instance, when several airlines are involved in a trip, responsibility for a poor outcome may be directed towards the booking or 'marketing carrier' (the airline with which the trip was booked), even when the problem was caused by another airline completing part of the trip.[26]

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22 Ms Lauren White, Executive General Manager, Consumer and Fair Trading, Australian Competition and Consumer Commission, *Committee Hansard*, 29 May 2026, p. 57.

23 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 4.

24 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 2.

25 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 3.

26 Airlines for Australia & New Zealand, *Submission 13*, p. 3.

2.27 A4ANZ was concerned that this could create 'legal uncertainty, evidentiary challenges and inefficiency', as well as potentially lead to 'competitive imbalance' and damage partnership arrangements between airlines.[27]

2.28 A4ANZ submitted that the framework 'expands airline liability beyond matters within operational control, particularly when combined with a broad and subjective "fair and reasonable" test'. This could lead to 'disproportionate compliance burdens' and 'inconsistent treatment of comparable circumstances' over time.[28] Qantas was similarly opposed to the broad 'fair and reasonable' test.[29]

**Membership of the scheme**

2.29 Also concerned with 'gaps in scheme membership', A4ANZ submitted that 'key participants—including travel agents, online booking platforms, Airservices Australia and most airport functions—are excluded despite their impacts on performance and contributions to flight disruptions'. Excluding these participants in the aviation ecosystem would create 'structural gaps' and misallocate responsibility to airlines for factors outside their control.[30]

2.30 Virgin Australia argued that excluding travel agents and online booking platforms from the framework would be unreasonable:

> [I]f the Framework were to operate in such a way that airlines were required to manage complaints or bear liability for travel agent conduct, this would lack a clear legal basis, be inconsistent with the requirements for third party responsibility under the ACL, and be operationally impractical.[31]

2.31 In contrast to this view, the Australian Travel Industry Association (ATIA) argued the exclusion of travel and booking agents from the scheme was appropriate as it 'reflects the established agent–principal relationship between travel agents and airlines'. ATIA maintained that:

> … airlines retain both responsibility for the service and practical control over the commercial arrangements through which agents sell airline tickets, including mechanisms such as fines, control of bookings and suspension or termination of sale rights to enforce compliance where agents do not meet airline requirements. … Importantly, consumers are protected regardless of whether they book directly with an airline or through a travel agent, as the airline remains responsible for the delivery of the service.[32]

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27 Airlines for Australia & New Zealand, *Submission 13*, p. 3.

28 Airlines for Australia & New Zealand, *Submission 13*, p. 3.

29 Qantas Group, *Submission 30*, p. 4.

30 Airlines for Australia & New Zealand, *Submission 13*, p. 5. See also: Virgin Australia, *Submission 15*, p. 11.

31 Virgin Australia, *Submission 15*, p. 5.

32 Australian Travel Industry Association, *Submission 28*, p. 2.

2.32 ATIA urged the government to clarify in the bill that clause 11 and clause 14 should not operate together in way that 'creates a pathway for rules to bring within the framework persons who act as agents in the sale of airline tickets, but do not control the delivery of airline services'.[33]

2.33 The department responded to these suggestions, stating that they were not aware of any aviation consumer protection schemes anywhere in the world that include air traffic control within their schemes. Ms Rachel Parry, Deputy Secretary, Transport Group, also stated that Airservices Australia is 'covered under other regulation and expectations set by the minister'.[34]

### Cost burden on carriers

2.34 A4ANZ submitted that the proposed funding model 'recovers almost all costs from airlines', despite the fact that drivers of disruption 'extend across the aviation ecosystem'. Arguing this is inequitable and will lead to higher prices, A4ANZ was critical that the government has not established or explained the ongoing operating costs or benefits of the scheme and has not completed a regulatory impact assessment.[35]

2.35 Qantas agreed that the framework's total costs have not been established, and no further detail has been provided on how the levy will be structured to ensure ACO costs are allocated equitably across regulated entities, limited to eligible complaints, and include 'an incentive-based component'.[36]

2.36 Mr Stephen Beckett from A4ANZ highlighted that airlines are already facing a cascade of new or increased costs at this time:

> This year alone, airlines are carrying higher fuel prices, higher airport charges, higher air service charges, a higher passenger movement charge announced in the budget and higher security and compliance costs, and further changes in the area of sustainability are yet to come. Each measure may look modest on its own, but together they drive up the cost of flying and put marginal routes at risk.
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> …

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[33] Australian Travel Industry Association, *Submission 28*, pp. 2–3.

[34] Ms Samantha Palmer, Interim Aviation Consumer Ombudsperson, Transport Group, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Committee Hansard*, 29 May 2026, p. 46; Ms Rachel Parry, Deputy Secretary, Transport Group, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Committee Hansard*, 29 May 2026, p. 48.

[35] Airlines for Australia & New Zealand, *Submission 13*, p. 4.

[36] Qantas Group, *Submission 30*, p. 6.

> Australians deserve strong passenger rights, but they also deserve affordable aviation. If we get this right, we can protect consumers without pricing them out of the market.[37]

2.37 The department submitted that, in relation to recovering the cost of the scheme through industry levies, the government 'is mindful of the current burden on industry due to the conflict in the Middle East and will make appropriate decisions in that regard'.[38]

2.38 Another concern from Qantas was that requiring low-cost carriers to adopt full-service standards could make low-cost aviation in Australia economically unviable:

> For the millions of Australians who rely on affordable fares to visit family, access employment or travel for the first time, the loss or reduction of [low-cost carrier] services would be a deeply tangible consumer harm, not an abstract regulatory consequence.[39]

2.39 The bills establish a framework for the imposition and collection of levies to recover the operating costs associated with ACPA's functions. The department submitted that the Aviation Consumer Protection Levy Bill 2026 (Levy bill) 'requires a regulated entity's contribution be a fair proportion of total levies raised'.[40]

2.40 At the hearing, the department stated that modelling it has conducted suggests airlines will pay less than $0.05 per passenger to fund the functions of the ACPA. In relation to the new Ombuds Scheme, aside from start-up funding from the government of $3.739 million in 2026–27, the costs associated with the ACO will be determined by the entity itself, because the company sets the fees and the participation of industry members incentivises them to keep costs low.[41]

2.41 Mr Ben Meagher, Assistant Secretary, Sydney Airport Slots and Consumer Aviation Reforms Branch, also stated that the department has been in consultation with the Office of Impact Analysis, which has advised that it is

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37 Mr Stephen Beckett, Chief Executive Officer, Airlines for Australia and New Zealand, *Committee Hansard*, 29 May 2026, pp. 24 and 25.

38 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 7.

39 Qantas Group, *Submission 30*, p. 7.

40 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 7.

41 Mr Ben Meagher, Assistant Secretary, Sydney Airport Slots and Consumer Aviation Reforms Branch, Domestic Aviation and Reform Division, Transport Group, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Committee Hansard*, 29 May 2026, pp. 47 and 51.

appropriate for an impact assessment to be completed 'when the charter is finalised'.[42]

### The proposed Aviation Consumer Protection Charter

2.42 As outlined in Chapter 1, the Aviation Consumer Protections Charter would be established through a legislative instrument and is designed to 'set minimum standards for the provision of airline and airport services for aviation consumers'.[43]

2.43 Several drafts have been released to stakeholders for consultation, with the December 2024 *Aviation Customer Rights Charter: Consultation Paper* (draft Rights Charter) representing the first iteration. The draft Rights Charter outlined a broad articulation of Consumer Rights, but feedback suggested stakeholders wanted more detail and clarity.[44]

2.44 The second iteration was published in the *Aviation Consumer Protections: Consultation Paper*, in September 2025 (2025 consultation paper) and articulates clearer requirements. It also renames the 'Aviation Customer Rights Charter' to 'Aviation Consumer Protection Charter'. The 2025 consultation paper explained that submissions to the December 2024 process 'sought additional clarity and detail on the proposed consumer rights, and how they should be interpreted and applied', including:

- clarity on who is responsible for communication with customers at each point in the aviation journey;
- clear definitions on what is within and outside an airline's control, and what constitutes a flight disruption, unreasonable delay and cancellation;
- ensuring airline and airport complaint processes are robust, accessible and transparent;
- greater clarity around remedies for damaged, delayed or lost baggage, including mobility aids.[45]

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42 Mr Ben Meagher, Assistant Secretary, Sydney Airport Slots and Consumer Aviation Reforms Branch, Domestic Aviation and Reform Division, Transport Group, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Committee Hansard*, 29 May 2026, p. 52.

43 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 2.

44 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Have your say: Aviation Customer Rights Charter* (accessed 26 May 2026).

45 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Aviation Consumer Protections: Consultation Paper*, September 2025, p. 18.

2.45 A third iteration was circulated to stakeholders in March 2026 and incorporates feedback from the September 2025 consultation process and Ministerial decisions. It is the subject of continuing targeted consultations.[46]

2.46 Comments on this third iteration from airlines and their supporters are outlined below.

***Prescriptiveness***

2.47 Along with individual submissions to the inquiry, the committee received an open, joint letter from the air transport industry expressing shared concerns with the legislative package. The letter described the third iteration of the draft Charter as 'overly prescriptive', saying it 'fails to strike the right balance':

> It does not reflect a set of minimum standards that all airlines can readily apply, whether they are smaller regional carriers, low-cost carriers, value-based carriers, or full-service carriers (including international carriers). Standards should not be so prescriptive or onerous that they become barriers to entry for different types of airlines and their respective business models. They should balance consumer rights and choice, and support a financially sustainable, competitive and affordable aviation sector.[47]

2.48 BARA submitted that it supports the Minister's outline of what the Charter is designed to achieve but argued this must be done in a balanced way that avoids 'inadvertent consequences which may restrict or inhibit safe, responsible and efficient operations'.[48]

2.49 IATA was concerned that the proposed Charter includes 'prescriptive provisions relating to care & assistance and rebooking / rerouting'. According to IATA, analysis of the European regulation shows 'these two categories account for approximately half of the ~AUD9Billion cost of the scheme', impacting the cost of travel. IATA suggested that a less prescriptive approach would give customers 'choice to select and pay for what they value most'.[49]

2.50 In contrast, the department submitted that the Charter seeks to 'strike a balance between clear and enforceable obligations for both consumers and service providers, whilst allowing enough flexibility for operational innovation and efficiency by airlines and airports'.[50]

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46 Advice from Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts.

47 Air transport industry, joint letter from key business and industry leaders regarding the Aviation Consumer Protection bills (received 22 April 2026), [p. 2].

48 Board of Airline Representatives of Australia, *Submission 12*, pp. 1–2.

49 International Air Transport Association, *Submission 10*, p. 2.

50 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 5.

### *Potential impacts on safety*

2.51 Industry representatives were concerned that neither the bill or the proposed Charter 'expressly recognise safety as paramount above consumer rights or interests'. A4ANZ suggested this is a 'critical omission' which may ultimately compromise safety because airlines 'may face pressure to make operational or rebooking decisions inconsistent with safety assessments'.[51]

2.52 Qantas was concerned that the current anti-victimisation provisions—which are designed to protect complainants from threats or retaliatory treatment by airlines—may unreasonably prevent airlines from making 'legitimate operational decisions':

> Decisions such as refusing carriage, imposing short-term travel restrictions, or applying no-fly bans are often taken for safety, security or behavioural reasons and may need to be made quickly in response to operational circumstances. Such operational and safety critical decisions may need to be made with respect to passengers who have recently made a complaint or intend to make a complaint. Risking characterising this as 'retaliatory' undermines the airline's ability to make decisions on regulatory, safety or operational grounds.[52]

2.53 Not all submitters involved in the transport industry were opposed to the third iteration of the Charter with ATIA submitting that it is 'generally comfortable' with this version.[53]

2.54 During the public hearing, the department responded to some of these concerns, saying the proposed charter 'reflects feedback', and:

- 'marketing airlines are only responsible to comply with the information obligations in the Charter when selling flights';
- 'only operating airlines are required to meet the operational requirements for the flights that they undertake'; and
- definitions in the scheme exclude responsibility for 'causes outside [airlines'] control', such as 'airport infrastructure failures, like baggage belts and aerobridges; decisions by security authorities … air traffic control decisions, or staffing matters that may result in delays'.[54]

2.55 The 2025 consultation paper explains that the Charter will recognise 'the practical realities of aviation industry operations … and community

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51 Airlines for Australia & New Zealand, *Submission 13*, p. 2.

52 Qantas Group, *Submission 30*, pp. 5–6.

53 Australian Travel Industry Association, *Submission 28*, p. 2.

54 Ms Samantha Palmer, Interim Aviation Consumer Ombudsperson, Transport Group, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Committee Hansard*, 29 May 2026, p. 46.

expectations that airlines would continue to prioritise safety and security as an essential aspect of air travel'.[55]

2.56 The Civil Aviation Safety Authority (CASA) argued that a dedicated aviation consumer protection regime would 'fill an important gap' in the regulatory landscape, allowing CASA to 'maintain its focus on safety outcomes, support effective inter-agency cooperation, and refer consumer matters to an appropriately empowered body'. CASA even suggested that clear consumer protections 'may indirectly support a positive safety culture by improving trust between passengers, airlines and regulators, reducing pressure on frontline staff, and encouraging transparency and accountability across the aviation system'.[56]

### Other concerns

2.57 **Definitions:** Virgin Australia submitted that the definition of 'airport services' is too narrow, and the definition of 'airline services' is too broad in the legislation, which risks capturing activities dependent on airport-controlled infrastructure and 'exposing airlines to responsibility for matters outside the control'. For instance:

> The drafting of 'regulated activities' and 'airline services' captures multiple stages of the passenger journey, including check-in, boarding, disembarkation, and baggage handling, even where these services are dependent on airport-owned infrastructure.[57]

2.58 **Failure to bind complainants:** Airlines were concerned that, under the bill as drafted, ACO determinations would bind airlines but not complainants. A4ANZ submitted the 'lack of mutuality undermines finality, increases the risk of parallel proceedings and reduces system efficiency'.[58]

2.59 **Data sharing and privacy risks:** Virgin Australia was concerned that the framework permits inter-agency data sharing without adequate safeguards.[59]

2.60 **Inadequate consultation:** A4ANZ communicated the concern of its members that 'engagement with airlines has been suboptimal' during the legislative development process, with airlines often finding out about key aspects of the scheme when they were publicly announced in the media. In addition, industry participants were not provided with an exposure draft of the bill, and the members of A4ANZ were never provided with:

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55 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Aviation Consumer Protections: Consultation Paper*, September 2025, p. 20.

56 Civil Aviation Safety Authority (CASA), *Submission 18*, p. 2.

57 Virgin Australia, *Submission 15*, p. 3.

58 Airlines for Australia & New Zealand, *Submission 13*, p. 4.

59 Virgin Australia, *Submission 15*, p. 2.

> … feedback as to why concerns relating to the scope of regulated entities, extension beyond minimum standards, prescriptiveness, complexity, cost recovery and regulatory duplication have not been adequately considered and/or addressed.[60]

2.61 Qantas similarly argued that, despite 'sustained and constructive engagement' with government on the package, 'key issues have not been sufficiently addressed in the Bills'.[61]

### Lessons from international schemes

2.62 IATA cautioned that jurisdictions where aviation consumer protection schemes have been implemented, like Canada and Europe, have been 'exposed to unintended consequences', such as:

- unreasonable litigation burden on industry;
- an *increase* in flight delays; and
- scheme costs ballooning out of control.[62]

2.63 According to IATA, when the Canadian scheme was designed, government vastly underestimated the claims workload that would result:

> In 2018, prior to the introduction of the Air Passenger Protection Regulation (APPR), the CTA estimated the steady-state cost to the Authority of implementing the regulations at CAD400k per year. By 2024, the CTA's estimate for the cost of running the scheme had increased to CAD30m. The claims backlog is currently approaching 100,000.[63]

2.64 The department emphasised that, while many proposed provisions 'have been modelled on international schemes', including Canada's, 'they have been adapted for the Australian market'. In addition, subordinate legislation, including regulations, instruments and rules, 'will provide the detail about how the framework will operate and will be informed by further consultation with stakeholders'.[64]

2.65 At the hearing, department representatives further explained that international experience, in particular Canada, showed that administering a compensation-based scheme involved high and unexpected costs. Advice from Canadian regulators was that including mandatory compensation created an incentive to

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60 Airlines for Australia & New Zealand, *Submission 13*, p. 5.

61 Qantas Group, *Submission 30*, p. 1.

62 International Air Transport Association, *Submission 10*, pp. 1–2.

63 International Air Transport Association, *Submission 10*, p. 2. See also: Air transport industry, joint letter from key business and industry leaders regarding the Aviation Consumer Protection bills (received 22 April 2026), [p. 3].

64 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 2 and p. 5.

lodge complaints, even where there was little chance of success, and that the 'pay on delay' model does not 'necessarily lead to any increased performance'.[65]

2.66 Mr Beckett told the committee that compensation-based schemes have 'driven up airfares'. He stated that these schemes have imposed additional pressures on low-cost carriers, and 'added significant strain to thin and marginal routes', with multiple low-cost carriers exiting the market in part because of the cost burden associated with a mandatory compensation scheme.[66]

2.67 However, pilots who gave evidence mentioned that certain aspects of the regime in Canada have been helpful for pilots, especially requirements being included in the pilots' flight administration manual about how and when pilots must communicate with passengers.[67]

### Key recommendations of airlines and their advocates

2.68 A4ANZ, Qantas and other airline representatives recommended that the committee not support the passage of the bills without amendments. In addition, they recommended that the complete legislative package, including the Consumer Protection Charter, costings and levy methodology be released, along with a regulatory impact analysis, before the bills progress further.[68]

2.69 The airline industry also recommended that government:

- Make safety overt and paramount in the framework.[69]
- Amend definitions of 'airport services' and 'airline services' to better align responsibility for operational matters with operational control, and limit liability to matters within an airline's control,[70] including by:
  - Amending the definition of 'related services' within the definition of 'airline services' to exclude services dependent on airport- or third-party-owned infrastructure (relating to the provision of information to passengers, check-in, baggage handling, boarding, seating, on-board services like catering, disembarking, accessibility services, lost property, et cetera).

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65 Ms Rachel Parry, Deputy Secretary, Transport Group, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Committee Hansard*, 29 May 2026, p. 54.

66 Mr Stephen Beckett, Chief Executive Officer, Airlines for Australia and New Zealand, *Committee Hansard*, 29 May 2026, p. 23.

67 Mr William Kerr, Head, Government and Regulatory Affairs, Australian and International Pilots Association, *Committee Hansard*, 29 May 2026, p. 37.

68 Airlines for Australia & New Zealand, *Submission 13*, p. 5; Qantas Group, *Submission 30*, p. 1.

69 Airlines for Australia & New Zealand, *Submission 13*, p. 2; Qantas Group, *Submission 30*, p. 3.

70 Airlines for Australia & New Zealand, *Submission 13*, p. 3; Virgin Australia, *Submission 15*, p. 2.

  - Prescribing in the rules that 'airline services' do not include services that are 'wholly or primarily reliant on airport-owned infrastructure'.
  - Including an express provision that a regulated entity is not liable for acts or omissions that are outside its control.[71]

- Remove the 'fair and reasonable' standard in relation to ACO determinations or, if it is to be retained, amend the bill to provide clearer guidance and boundaries on how the ACO is to apply this test.[72]
- Expand scheme membership to include all relevant participants, such as travel agents and online booking platforms and do not exempt smaller airports.[73] This was opposed by ATIA who instead recommended 'clause 14 be amended to make clear that travel intermediaries are not regulated entities for the purposes of the bill'.[74]
- Amend the bill to stipulate that ACO determinations are binding on complainants, once accepted, and that the ACO will not handle complaints that are being dealt with in a court, tribunal or other complaint handling body.[75]
- Ensure that anti-victimisation provisions in the legislation do not prevent airlines from making safety-related decisions, such as refusing to carry a passenger for behavioural reasons.[76]
- Limit industry funding to the ACO Scheme, so industry does not fund the Aviation Consumer Protection Authority or Aircraft Noise Ombuds Scheme.[77]
- Introduce 'explicit protections restricting disclosure [of customer data] to defined purposes with enforceable confidentiality requirements, mandating notification and consultation prior to disclosure, and requiring a formal Information Policy'.[78]
- Ensure any future changes to the Consumer Protection Charter 'be subject to consultation, transparency and regulatory impact analysis'.[79]

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71 Virgin Australia, *Submission 15*, pp. 4–5. See also: Qantas Group, *Submission 30*, pp. 3–4.

72 Qantas Group, *Submission 30*, p. 4.

73 Virgin Australia, *Submission 15*, p. 2 and p. 6.

74 Australian Travel Industry Association, *Submission 28*, p. 3.

75 Virgin Australia, *Submission 15*, p. 7.

76 Qantas Group, *Submission 30*, p. 5

77 Virgin Australia, *Submission 15*, p. 3.

78 Virgin Australia, *Submission 15*, p. 2.

79 Airlines for Australia & New Zealand, *Submission 13*, p. 4; Virgin Australia, *Submission 15*, p. 3.

## Views of the regional aviation sector

2.70 Aviation sector participants were concerned about the impact that the new legislative framework would have on regional airlines in particular, which generally operate on lower margins and more highly constrained conditions.

2.71 A4ANZ submitted that the current framework appears to be designed with 'full-service airline operating models' in mind and fails to take into account the diversity of different airline services around Australia, risking:

- **Disproportionate cost impacts**, particularly on carriers operating on 'thin' low-margin routes;
- **Upward pressure on airfares and air cargo prices**, as additional regulatory burdens drive up the costs for consumers;
- **Reduced competition and consumer choice**, if smaller or lower-cost operators are disadvantaged or exit routes; and
- **Heightened risk for regional connectivity**, where even modest cost increases can undermine route viability, service frequency and community connections.[80]

2.72 The Regional Aviation Association of Australia (RAAA), which was a signatory to the joint letter from the air transport industry, recommended first and foremost that regional airlines should be exempted from the scheme.[81]

2.73 The department submitted that the government 'intends to exempt airports with less than 1 million passengers per year from the framework', living the 'largest 14 airports in Australia, and Western Sydney International (Nancy-Bird Walton) Airport, capturing 93% of all passenger movements through Australian airports'.[82]

2.74 RAAA noted that small, regional airports will be exempt from the framework, noting 'their role as critical community infrastructure and limited financial and operational capacity',[83] and argued that regional airlines should enjoy the same treatment, because:

- Regional airlines and airports operate under very different conditions from capital city routes, often in remote areas with no backup aircraft, crew or engineering support.

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80 Airlines for Australia & New Zealand, *Submission 13*, p. 3. Original emphasis.

81 Regional Aviation Association of Australia, *Submission 3*, p. 1.

82 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 3.

83 Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government, *Media release: New aviation consumer protections legislation to help passengers when things go wrong*, 1 April 2026 (accessed 28 May 2026).

- Limited flight schedules on many regional routes make it hard to move passengers to alternative flights, increasing the burden of avoiding delays and cancellations while maintaining safety.
- Disruptions in regional and remote areas have greater consequences, leaving operators less able to prevent or manage delays and cancellations.
- Regional carriers are more exposed to added per-passenger costs because many routes are expensive to run, demand is low or variable, and operators are smaller.
- Regional carriers provide essential services and connectivity that should be supported by the Australian Government.
- Smaller regional carriers often have limited customer service staff and no in-house legal teams, making passenger claims more burdensome to manage.
- The failure of a regional carrier can seriously affect connectivity in regional Australia.[84]

2.75 RAAA maintained that the compulsory membership fee for the scheme would disproportionately impact regional airlines, whose 'financial viability is already precarious', while explaining that regional aviation is a 'highly price sensitive business'. According to RAAA, this additional cost burden may cause some regional carriers to 'either stop servicing [marginal] routes or even cease to be able to operate at all'.[85]

2.76 Regional Express (Rex), which operates routes that service 46 regional communities, submitted that its primary concern with the legislation is that it applies a 'one size fits all' regulatory approach, failing to differentiate between small, regional carriers, low cost airlines and full service, metropolitan airlines:

> These airlines operate under vastly different commercial models, operating conditions, and are not exposed to resource constraints in the same way that regional airlines are. The framework is designed around expectations applicable to full service domestic operators and applies those obligations uniformly across all airlines, without adequate consideration of the realities of regional aviation.[86]

2.77 Rex argued there should be 'a clear and distinct definition for regional airlines, with customer remedy obligations appropriately tailored or excluded for these operators'. Rex pointed to the government's announced intention to exclude regional airports from the scheme and suggested '[s]imilar consideration should be extended to regional airlines operating services to these exempt airports'.[87]

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84 Regional Aviation Association of Australia, *Submission 3*, p. 3.

85 Regional Aviation Association of Australia, *Submission 3*, pp. 1 and 3.

86 Regional Express, *Submission 17*, [pp. 2–3].

87 Regional Express, *Submission 17*, [p. 4].

2.78 In relation to the proposed exemption for regional airports, Regional Capitals Australia expressed concern that the flagged exemption is not guaranteed, because it is 'not locked into the legislation'. This creates uncertainty for regional airports, many of which are council-owned and operated.[88]

2.79 Regional Capitals Australia argued the exemption must be locked in, because:

- Regional airports handled about 16 per cent of Australia's domestic passenger movements in 2025.
- More than half of surveyed regional airports ran at a loss in 2024–25, with a median deficit of $192 000.
- Average operating costs were $23.31 per passenger, compared with average per-passenger revenue of $27.36.
- Aviation revenue made up 70 per cent of total revenue for surveyed regional airports, indicating limited access to non-aeronautical income.
- Security screening typically costs regional airports $6 to $8 per passenger, with annual operating costs often between $1 million and $2.5 million.
- Regional airports support essential services: 93 per cent supported [Royal Flying Doctor Service] operations, 83 per cent emergency services, 71 per cent disaster response, and 61 per cent search and rescue.[89]

2.80 In response to questions about the inclusion of small airlines in the scheme, the department stated that schemes around the world encompass the whole industry and that the government was looking to establish consumer protection for all travellers, 'irrespective of whether they're travelling on smaller airlines or larger airlines'.[90]

### Key recommendations of the regional aviation sector

2.81 Rex and RAAA argued that the legislation should not apply unilaterally to regional airlines. Existing protections under the ACL would ensure that passengers on regional airlines still enjoyed basic consumer protections, even if smaller, regional airlines were exempted.[91]

2.82 Specifically, RAAA recommended that government use 'passenger movement volume or the size of aircraft as a threshold in determining who is required to pay the tax or levy as they have done for regional airports'. RAAA suggested

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88 Regional Capitals Australia, *Submission 31*, p. 1.

89 Regional Capitals Australia, *Submission 31*, p. 2.

90 Ms Rachel Parry, Deputy Secretary, Transport Group, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Committee Hansard*, 29 May 2026, p. 47.

91 Regional Express, *Submission 17*, [p. 4]; Regional Aviation Association of Australia, *Submission 3*, p. 3.

that operators that use aircraft with 'less than 100 seats for regular air transport services or charter operations should be exempt'.[92]

2.83 Regional Capitals Australia recommended that the exclusion for airports handling one million passengers or fewer 'be made explicit, either in the legislation or in binding subordinate instruments before the framework commences'. In addition, they argued that smaller regional airports 'should not be subject to direct levy liability or indirect compliance burden through later rules, regulations, determinations or implementation design'.[93]

## View of pilots

2.84 Pilots were concerned that the bill as drafted will have unintended consequences for aviation safety.

2.85 The Australian and International Pilots Association (AIPA) noted that although the Minister had publicly declared the bill is not intended to limit the operation of the *Civil Aviation Act 1988* (Cth) and its delegated legislation (collectively, Civil Aviation Law), 'this is not abundantly clear in the language of the Bill'. While clause 8 clarifies that the bill complements and does not replace the *Competition and Consumer Act 2010* and the *Civil Aviation (Carrier's Liability) Act 1959*, 'it does not mention Civil Aviation Law'.[94]

2.86 Pilots were concerned that under clause 20—which enables the minister to make the Charter—there is no consideration of safety limitations imposed on pilots under Civil Aviation Law:

> Under Civil Aviation Law, pilots must exercise their own judgement when considering numerous factors in determining airworthiness of the aircraft as well as safe operation of flight. These considerations may give rise to a pilot making decisions that require a flight to be delayed, cancelled, diverted or disrupted. In reality, pilots must balance these considerations with the commercial pressures imposed by airline-employers to operate a flight on time.
>
> Further, a pilot-in-command must give directions necessary for safety purposes to passengers. Passengers must follow such directions.[95]

2.87 Representatives from AIPA said pilots are 'personally liable under the civil aviation legislation', so prioritising safety is 'not only a moral obligation'. Mr William Kerr, Head of Government and Regulatory Affairs at AIPA explained

92 Regional Aviation Association of Australia, *Submission 3*, p. 2.

93 Regional Capitals Australia, *Submission 31*, pp. 1–2.

94 Australian and International Pilots Association, *Submission 11*, p. 1.

95 Australian and International Pilots Association, *Submission 11*, p. 2.

that the Canadian scheme incorporates 'carve outs for safety' and it would be important that this is made clear and overt in Australia's scheme.[96]

### Key recommendations of pilots

2.88 AIPA noted that, without overt protection of safety-related decisions in the legislation itself, pilots may experience 'fear of retaliation from either consumers or airline-employers'. To prevent this AIPA recommended:

> … that the Bill and/or its explanatory memorandum be amended to clarify that:
>
> (a) the Bill is not intended to limit the operation of Civil Aviation Law;
> (b) any failure to offer a service due to safety purposes are outside the scope of the Charter and eligible complaints; and
> (c) 'safety purposes' includes any decisions taken in order to reduce risk to safety of persons and cargo, and includes safety decisions or directions made by a pilot-in-command in accordance with Civil Aviation Law.[97]

## Views of airports

2.89 Airports were generally more supportive of the legislative package than the airlines. However, like airlines, airports were concerned about the allocation of responsibility and accountability under the legislation. The Australian Airports Association (AAA) insisted that the framework 'must reflect the operational and commercial realities of a system involving airlines, airports, government agencies and contractors, each with distinct roles and levels of control'.[98]

### Responsibility/accountability

2.90 AAA argued that airports do not have a direct commercial relationship with passengers in the same way that airlines do and that airports do not control 'the primary drivers of consumer complaints, including scheduling, delays, cancellations and ticketing'. AAA suggested that the framework should incorporate a central principle that 'accountability aligns with operational control'.[99]

2.91 While airports argued that they are responsible for very few complaints compared with airlines, Mr Beckett said, 'aviation is a team sport' and disruption is not caused by airlines alone, pointing to disruptions caused by 'air traffic

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[96] Ms Disha Mehta, Senior In-House Lawyer, Australian and International Pilots Association, *Committee Hansard*, 29 May 2026, p. 37; Mr William Kerr, Head, Government and Regulatory Affairs, Australian and International Pilots Association, *Committee Hansard*, 29 May 2026, p. 37.

[97] Australian and International Pilots Association, *Submission 11*, p. 3.

[98] Australian Airports Association, *Submission 7*, p. 1.

[99] Australian Airports Association, *Submission 7*, p. 1.

control, airport failures, security screening issues, weather, or errors made by travel agents'.[100]

2.92 AAA acknowledged that, in providing 'enabling infrastructure and services', airports play an important role in the overall passenger experience. However, 'the primary consumer relationship is between the passenger and the airline, not the passenger and the airport'. Airports generally have commercial agreements with airlines, which include 'remedies for non-performance as agreed between the parties'.[101]

2.93 Professor Samuel strongly disputed this argument, saying that airports are natural monopolies and that they 'dictate to the airlines', setting contract provisions and pushing back against any liability.[102]

2.94 Australia Pacific Airports Corporation (APAC), which runs Melbourne and Launceston Airports, noted that the bill would establish 'strict deemed liability' for acts or omissions of contractors. In other words, acts of contracted service providers are taken to be acts or omissions of the regulated entity if the regulated entity has a commercial arrangement with a service provider.[103]

2.95 While not opposed to the principle underpinning this provision, APAC argued 'where a regulated entity has taken all reasonable steps to ensure compliance by its service providers, this should be treated as a mitigating factor in the application of the penalty framework'. In other words, good governance of contracted services should be rewarded.[104]

**Exclusion of government agencies from the framework**

2.96 APAC said its 'most significant concern' with the ACP bill relates to the exclusion of government agencies from the framework. APAC noted this cannot be remedied through delegated legislation and must be changed in the bill itself. Specifically, APAC argued that the bill should be amended to include government agencies 'performing passenger-facing functions', including Airservices Australia, the Australian Border Force, and the Department of Agriculture, Fisheries and Forestry—including for the purposes of monitoring and reporting on service standards and complaint data.[105]

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[100] Mr Stephen Beckett, Chief Executive Officer, Airlines for Australia and New Zealand, *Committee Hansard*, 29 May 2026, p. 24.

[101] Australian Airports Association, *Submission 7*, p. 2.

[102] Prof. Graeme Samuel, Chair, Airlines for Australia and New Zealand, *Committee Hansard*, 29 May 2026, p. 30.

[103] Australia Pacific Airports Corporation, *Submission 9*, p. 5.

[104] Australia Pacific Airports Corporation, *Submission 9*, p. 5.

[105] Australia Pacific Airports Corporation, *Submission 9*, p. 1.

2.97 APAC did not propose that government agencies be subject to 'the full enforcement and penalty regime applicable to private-sector regulated entities'. However, it recommended the legislation be amended to establish a data collection and reporting mechanism for these agencies, saying:

> Without any mechanism for the framework to capture, report on, or address complaint data relating to government agencies, the ACO and ACPA will be operating with an incomplete picture of the passenger experience. Consumer trust in the framework will be undermined if passengers discover that the entities responsible for some of their most significant frustrations are simply outside the system.[106]

2.98 Asked to comment on this issue, Chief Executive Officer of Sydney Airport, Mr Scott Charlton said the airport did not necessarily believe government agencies should be full participants in the scheme. However, the impact of their activities on airlines and airports should be taken into account by the Ombudsperson when determining complaints.[107]

### Scope of the scheme

2.99 A critical concern for airports is that the definition of 'airport service' in clause 12 'extends beyond passengers undertaking a journey to include non-travelling visitors' (drop-offs and pick-ups). AAA submitted:

> Without clearer boundaries, the framework may extend beyond its intended focus on aviation consumer protection and into general complaint handling across mixed-use environments. This is particularly relevant in large airport precincts where retail, commercial and employment activities coexist with passenger operations.[108]

2.100 Canberra Airport was especially concerned about this definitional issue, explaining that it operates mixed use precincts on airport land, 'accommodating more than 60 tenants and approximately 20 000 workers a day'—most of whom are not travelling. Canberra Airport suggested a failure to tighten the definition in subclause 12(1) to services that are provided to *passengers* only would create 'unintended administrative and regulatory challenges for both airports and the ACO'.[109]

2.101 In relation to accessibility provisions under the framework (clause 13), AAA insisted that the framework 'must maintain a clear distinction between accessibility services that are directly connected to the passenger journey and broader issues relating to general precinct access'. It should be made clear that airports are only responsible for 'infrastructure, wayfinding, and the physical

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106 Australia Pacific Airports Corporation, *Submission 9*, p. 3.

107 Mr Scott Charlton, Chief Executive Officer, Sydney Airport, *Committee Hansard*, 29 May 2026, p. 21.

108 Australian Airports Association, *Submission 7*, pp. 2–3.

109 Canberra Airport, *Submission 4*, p. 5.

accessibility of the precinct', while airlines are responsible for 'passenger-specific assistance throughout the journey'.[110]

### Operation of the ACO

2.102 Airports supported the establishment of an independent ACO. However, like airlines, airports were concerned that determinations would not be binding on complainants. According to the AAA, airports were also concerned about the potential for commercially sensitive information to be revealed throughout the complaints process.[111]

### Funding model and levy design

2.103 AAA supported the principle that the scheme should be funded by industry. However, AAA argued that the majority of consumer complaints arise from matters within airline control and:

> Without a clear and transparent methodology linking contributions to complaint volumes or regulatory effort, there is a risk that contributions may become disproportionate to the level of demand placed on the Scheme by different participants.[112]

2.104 Queensland Airports Limited (QAL) argued that the scheme should be government-funded for the first two years, 'allowing any complexities in its operation to be identified and understood before a permanent funding model is established'. After this, QAL supported industry funding, 'provided the model is proportionate and reflects the responsibility of the entities most accountable for the complaints being made'.[113]

2.105 APAC argued that the levy should include a fixed annual levy component 'borne entirely by large airlines, reflecting the operational reality that airlines are the principal service providers to passengers and will generate the overwhelming majority of the scheme's workload'. Variable per-matter fees would then be 'applied proportionally' so regulated entities, including airports, could 'contribute in line with the volume of complaints they generate'.[114]

2.106 Sydney Airport was similarly concerned about any levy funding model weighted to passenger volume and suggested that the levy structure should place greater emphasis on a variable, per-matter component. This would create

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110 Australian Airports Association, *Submission 7*, p. 4.

111 Australian Airports Association, *Submission 7*, p. 5.

112 Australian Airports Association, *Submission 7*, p. 5.

113 Queensland Airports Limited, *Submission 14*, [p. 4].

114 Australia Pacific Airports Corporation, *Submission 9*, p. 6.

a 'financial incentive to resolve issues early, efficiently and effectively' and encourage investment in better customer service.[115]

### Exemption for small, regional airports

2.107 AAA acknowledged and welcomed the government's decision to exclude airports with fewer than one million passengers per year from mandatory participation in the scheme, arguing this was a 'well calibrated policy decision that reflects a clear understanding of the diversity of Australia's airport network'.[116]

2.108 QAL, which runs Gold Coast (around six million passengers per year), Townsville (around 1.6 million passengers), Mount Isa (around 235 000 passengers), and Longreach airports (around 34 000 passengers) also supported the decision. QAL submitted:

> Resourcing is a particular challenge for regional airports such as Mount Isa and Longreach, which operate on tighter margins with leaner workforces, leaving limited capacity to absorb the additional administrative, financial or operational demands that new regulatory obligations can bring.
>
> For these airports, the requirements under the framework would have imposed a disproportionate burden relative to the problem it is designed to address.[117]

2.109 Hobart Airport, which carries just under three million customers per year, argued that mid-sized airports should face proportionate regulation as they 'do not have the same corporate scale, staffing base or systems maturity as the largest capital city gateways'.[118]

2.110 Conversely, Virgin Australia was opposed to the exemption, submitting:

> … limiting the Framework to only larger airports would leave a material part of the passenger journey outside the accountability framework, even though airport infrastructure is integral to the timely operation of flights and the customer experience. All airports should be included in the Framework, because airport-owned infrastructure and airport-controlled processes can directly cause customer delay, disruption and poor service and accessibility outcomes.[119]

### Key recommendations of airport operators

2.111 Airport operators and the AAA recommended that:

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115 Sydney Airport, *Submission 8*, p. 2.

116 Australian Airports Association, *Submission 7*, p. 1.

117 Queensland Airports Limited, *Submission 14*, [p. 1].

118 Hobart Airport, *Submission 6*, [pp. 1 and 4].

119 Virgin Australia, *Submission 15*, p. 6.

- Responsibility provisions (including clauses 11 and 16) be clarified to 'ensure accountability remains aligned with operational control in practice, including in circumstances involving shared or indirect impacts'.[120]
- The definition of 'airport service' in clause 12 'be refined to more clearly limit its application to services directly connected to the passenger journey or a defined consumer transaction' and that the framework 'provide clear guidance on the treatment of complaints involving multi-party or flow-on impacts'.[121]
- The framework be amended to clarify the delineation of accessibility responsibilities between airports and airlines, including through guidance or refinement of clauses 12 and 13, to ensure complaints are directed to the appropriate entity.[122]
- The scheme be amended to specify 'rules for triage and referral of misdirected complaints, including when timeframes commence and how privacy and consent are managed for information transfer' and incorporate 'stop the clock' provisions when resolution of a complaint depends on third-party cooperation.[123]
- The bill be amended to include 'a reasonable steps defence' to the deemed attribution contractor conduct under clause 16, which would ensure regulated entities that take reasonable steps to ensure contracted services comply with the Charter are not subject to maximum penalties.[124]
- Information gathering and sharing powers (clauses 39–44) include explicit safeguards for commercially sensitive information, including notification requirements prior to disclosure.[125]
- The bill be amended to require the ACPA to 'collect and publish data on service performance and complaints relating to government agencies performing passenger-facing functions, or include these agencies within the monitoring and reporting framework under Part 5'.[126]
- The scheme 'apply equally to services provided by government entities', like Airservices Australia, Australian Border Force, and customs. However, should this not be the case 'the effects of these services on non-government

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120 Australian Airports Association, *Submission 7*, p. 2.

121 Australian Airports Association, *Submission 7*, p. 4. See also: Canberra Airport, *Submission 4*, p. 5.

122 Australian Airports Association, *Submission 7*, p. 4.

123 Hobart Airport, *Submission 6*, [p. 3].

124 Australia Pacific Airports Corporation, *Submission 9*, pp. 5–6.

125 Australian Airports Association, *Submission 7*, p. 5. See also: Australia Pacific Airports Corporation, *Submission 9*, p. 8.

126 Australia Pacific Airports Corporation, *Submission 9*, p. 4.

entities subject to the regime—such as airports and airlines—should be considered if a complaint is raised'.[127]

- Airport contributions be clearly limited and proportionate to [airports'] role in generating Scheme activity, consistent with the principle that cost should follow causation'. AAA recommended:
  - levy design be explicitly linked to complaint volumes and regulatory effort
  - funding arrangements ensure entities are not required to subsidise activity driven by other participants
  - the federal government provides clarity on the intended funding model, including any activity-based components, prior to implementation.[128]
- Only airlines be required to pay annual general levies, with airports contributing on a 'per-complaint or per-referral' basis.[129]
- Implementation timelines should 'allow for a phased transition beyond the default 12-month commencement period' to enable 'a more effective and orderly transition' to the new scheme.[130]
- Government should co-fund the initial stages of the scheme's establishment.[131]

2.112 APAC recommended the ACP bill include a requirement for 'an independent review of the Act within three years', looking at 'the proportionality of obligations on different classes of regulated entities, the fairness of the levy apportionment, and the effectiveness of the complaint-handling and enforcement framework'.[132]

2.113 Canberra Airport suggested a review be conducted *within 12 months* to facilitate a process for entities that generate very few complaints to be exempted from certain levies under clause 35.[133]

## Committee view

2.114 The committee supports the development of the Aviation Consumer Protection Framework that would be established by these bills. Both historical and recent customer surveys indicate that passengers remain deeply unsatisfied with their experiences of air travel where significant delays, cancellations, and poor

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127 Sydney Airport, *Submission 8*, p. 1.

128 Australian Airports Association, *Submission 7*, p. 6. See also: Queensland Airports Limited, *Submission 14*, [p. 4]; Australia Pacific Airports Corporation, *Submission 9*, p. 2.

129 Canberra Airport, *Submission 4*, p. 10.

130 Australian Airports Association, *Submission 7*, p. 6.

131 Hobart Airport, *Submission 6*, [pp. 7–8].

132 Australia Pacific Airports Corporation, *Submission 9*, p. 2.

133 Canberra Airport, *Submission 4*, p. 8.

customer service are common. For passengers with disability, experiences are even worse.

2.115 The committee heard evidence that Virgin intends to proceed with allowing approximately $90 million in travel credits to expire on 30 June. It is the view of the committee that Virgin should either refund these travel credits to its customers or remove the expiry date on these credits.

2.116 This legislative package aims to address a long-standing gap in the regulatory landscape and strikes the right balance between providing meaningful protections for passengers while maintaining a competitive and sustainable aviation sector.

2.117 The committee understands that airlines, in particular, would prefer to maintain the status quo. However, the committee does not agree that existing mechanisms provide sufficient protection for passengers.

2.118 The committee acknowledges that Australia has a strong consumer protection framework in the Australian Consumer Law (ACL). However, as representatives from the Australian Competition and Consumer Commission (ACCC) outlined during the hearing, there is currently no mechanism for most people to secure a remedy when things go wrong. Unlike the proposed Aviation Consumer Ombudsperson (ACO), the ACCC cannot investigate or resolve individual disputes and does not provide legal advice to individual consumers.

2.119 Seeking meaningful redress for specific breaches of the ACL in relation to air travel would generally necessitate individual court action, which is too costly for most travellers and serves as a strong disincentive.

2.120 The Aviation Consumer Protection Charter will set minimum standards that scheme participants must meet when providing services in Australia, including minimum accessibility requirements. The ACO will provide an accessible, affordable pathway for consumers to escalate complaints that are not effectively dealt with by airline or airports. This kind of ombuds model works well in other sectors, including telecommunications and financial services.

2.121 The committee understands concerns raised by airports and airlines that they do not want to be held liable for factors that are beyond their control. We are satisfied that the bills provide sufficient flexibility for the Charter, Standards and Rules to ensure that this does not occur.

2.122 The committee does not support arguments that government entities like Airservices Australia should be included in the framework, noting that cancellations and delays caused by air traffic control would not make an airline liable under the proposed legislative package.

2.123 As the Senate's committee for rural and regional affairs, we are highly sympathetic to concerns about the impact of the scheme on regional aviation businesses and small, regional airports. We understand the pressures facing regional aviation and the need for governments to support this critical infrastructure.

2.124 It is the committee's view that all airlines and airports should aim to meet the minimum standards set out in the Charter, once the final version has been adopted. However, the committee supports the government's intention to exempt regional airports from contributing to the cost of the scheme, noting many of these low-volume aerodromes are council-owned and operated, and operate at a loss.

2.125 We agree that small, regional airlines should not face a disproportionate burden from participating in the scheme. The committee would support a tiered membership fee structure that recognises the size and limitations of these businesses, and the important role they play in connecting regional and remote communities. The Charter, Standards, and Rules should all be drafted in a way that acknowledges that small, regional aviation businesses may be less able to avoid or rectify impacts on consumers, such as those caused by unavoidable cancellations or delays. This is common sense and would represent a pragmatic approach to developing the subordinate legislation.

2.126 The committee acknowledges concerns about potential impacts on safety but is confident that Australia's aviation laws give absolute primacy to safety considerations, and that this will not be undermined by the new consumer protection regime. Once again, subordinate legislation, guidelines and other documents relevant to the administration of the scheme provide an opportunity to re-state that **safety always comes first**.

2.127 In relation to detailed, specific suggestions about the Charter and the operation of the scheme, the committee encourages the government to continue consulting with industry and other stakeholders to ensure the scheme is designed to be both fair and effective.

# Chapter 3
# Key issues—consumer advocates and others

3.1 Consumer groups and advocates supported legislating a scheme but held concerns about the proposed Aviation Consumer Protection Authority's (ACPA) independence and scope, about exemptions or 'carve-outs' in the legislation, and/or broadly argued that the scheme should be strengthened.[1]

3.2 Submitters against aircraft noise were concerned that the bills provide a strong consumer protection framework for customers who fly, while creating a weak administrative framework for complaints about the impacts of aircraft noise.[2]

3.3 Australia's existing consumer protection regulator, the Australian Competition and Consumer Commission (ACCC), strongly supported the bills and the establishment of the Aviation Consumer Ombuds Scheme (ACO), but was concerned about exemptions and to ensure the scheme achieves its aims.[3]

3.4 Submitters from the legal sector questioned the potential for regulatory overlap and jurisdictional confusion and argued against core aspects of the scheme being left to delegated legislation.[4]

3.5 The Australian Federation of Disability Organisations (AFDO) outlined definitional concerns, potential conflict between legislative regimes, suggestions to strengthen the role of the ACPA, and the need for a 'no wrong door' policy for complaints related to accessibility.[5]

3.6 The views of these groups are detailed in this chapter, followed by the committee's views and recommendation.

## Views of consumer groups and advocates

3.7 Consumer advocacy group, CHOICE, submitted that the 'reforms are long overdue' and 'should force airlines to provide fair remedies for cancellations and

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1 See for instance: CHOICE, *Submission 29*, [p. 1]; Mr Adam Glezer, Owner, Consumer Champion, *Committee Hansard*, 29 May 2026, pp. 7 and 11.

2 See for instance: Brisbane Flight Path Community Alliance, *Submission 21*, p. 3; East Melbourne Group, *Submission 20*, [p. 2].

3 Australian Competition and Consumer Commission (ACCC), *Submission 2*, pp. 1–3.

4 See for instance: Australian Lawyers Alliance, *Submission 26*, [p. 5]; Justice and Equity Centre, *Submission 19*, p. 11.

5 Australian Federation of Disability Organisations, *Submission 1*, pp. 10–11.

delays, provided the final version of the Aviation Consumer Protections Charter is strong'.[6]

3.8 Mr Andrew Kelly from CHOICE explained that his organisation has heard 'horror stories from travellers for many years' with the pandemic exposing 'gaps in Australia's lax aviation consumer protections'. Unresolved complaints had nowhere to go but the 'dismal industry-funded Airline Customer Advocate, which received a Shonky award from CHOICE for being little more than an email forwarding service for consumers'.[7]

3.9 Mr Kelly welcomed and supported the bills. He reported that consumers are often 'given the run-around by airlines when trying to access a remedy for a delayed or cancelled flight' and are often not provided with a reason for the delay or cancellation. Mr Kelly argued that 'this information asymmetry gives airlines significant power' because consumers are not given the necessary information to know what remedy they are entitled to.[8]

3.10 CHOICE was, however, concerned about a few aspects of the bills, including that the new regulator would sit within the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (the department). CHOICE argued it should instead be established within the ACCC, because the regulator 'should be free from ministerial direction and influence on daily decisions'.[9]

3.11 CHOICE was also concerned about the exemption power in the Aviation Consumer Protection Bill 2026 (ACP bill), which enables the minister to exempt entities or groups of entities from 'the entire framework, without conditions or time limits', which has the potential to 'significantly undermine consumer protections'.[10]

3.12 Mr Kelly suggested that 'guardrails like time limits or conditions should be imposed on any exclusions', and any proposed exclusions should be 'open to public consultation prior to being granted'.[11]

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6 CHOICE, *Submission 29*, [p. 1].

7 Mr Andrew Kelly, Director, Campaigns and Communications, CHOICE, *Committee Hansard*, 29 May 2026, p. 7.

8 Mr Andrew Kelly, Director, Campaigns and Communications, CHOICE, *Committee Hansard*, 29 May 2026, p. 7.

9 CHOICE, *Submission 29*, [p. 1]; Mr Andrew Kelly, Director, Campaigns and Communications, CHOICE, *Committee Hansard*, 29 May 2026, p. 8.

10 CHOICE, *Submission 29*, [p. 1].

11 Mr Andrew Kelly, Director, Campaigns and Communications, CHOICE, *Committee Hansard*, 29 May 2026, p. 8.

3.13 Mr Adam Glezer, owner of Consumer Champion, told the committee that 'some elements of the draft charter are a step in the right direction'. For instance, the proposal to allow consumers to be rebooked onto 'alternative flights, including with competing airlines'. However, Mr Glezer argued that more reform is needed to adequately protect Australian consumers, including:

- clarifying the meaning of certain terms in the Charter, such as 'reasonable efforts, best efforts and reasonable time';
- incorporating a mechanism for financial compensation 'where cancellations, significant delays or involuntary bumping occur within an airline's control', which he saw as critical if the legislative regime is to deter 'this type of behaviour from airlines'; and
- incorporating a refund guarantee, 'regardless of reason', because 'if consumers pay for a service that is not delivered, they should receive their money back'.[12]

3.14 Mr Glezer was also keen to ensure that the regime included a simple, accessible list of rights for aviation consumers. He said that something similar was recently introduced in the United States, which requires airlines to provide a one-page document that sets out 'in layman's terms' the main rights that consumers have regarding matters such as refunds and cancellations.[13]

3.15 Mr Glezer noted that Australian airlines already operate under strong consumer protection regimes in other countries, which begs the question of why these protections are not yet available for Australian consumers.[14]

3.16 Private citizen, Mr Michael Sanderson, was concerned that industry underwriting of the scheme would weaken its culture, create 'dependency', and 'erode substantive independence in practice'. As such, Mr Sanderson recommended that industry funding 'be confined to penalties for proven misconduct, repeat breach, delay and systemic failure'.[15]

3.17 As outlined in Chapter 2, the department researched and considered international models, including those that include a 'pay on delay' mechanism. These schemes were found to dramatically increase costs while not necessarily resulting in better on-time performance or better conditions for consumers. They can also 'involve high administrative overheads and long processing delays'.[16]

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12 Mr Adam Glezer, Owner, Consumer Champion, *Committee Hansard*, 29 May 2026, pp. 7 and 9.

13 Mr Adam Glezer, Owner, Consumer Champion, *Committee Hansard*, 29 May 2026, p. 11.

14 Mr Adam Glezer, Owner, Consumer Champion, *Committee Hansard*, 29 May 2026, p. 9.

15 Mr Michael Sanderson, *Submission 22*, p. 6.

16 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 4; see also Mr Ben Meagher, Assistant Secretary, Sydney Airport Slots and Consumer Aviation Reforms Branch, Domestic Aviation and Reform Division, Transport Group,

3.18 Mr Stephen Beckett from A4ANZ also reported on the growth of 'the complaint agent' in Europe, who advertise services where they assist consumers to lodge complaints, while taking a percentage of the compensation paid. Mr Beckett warned the committee that this 'drives more people to complain' because it is so easy for consumers, even if they are not particularly unhappy, to give a complaint to an agent to lodge. He also noted that the ability of consumers to access and use AI assistance was facilitating a substantial growth in the number of complaints being lodged across multiple industries.[17]

### Key recommendations of consumer groups and advocates

3.19 If an exemption power must be included, CHOICE suggested it should only be applied where 'the net public benefit substantially outweighs the impact on consumers, and that appropriate timeframes and conditions are imposed in all circumstances'.[18]

3.20 CHOICE also recommended a statutory review be conducted within three years of commencement 'to consider how the regulator is performing'.[19]

3.21 Mr Glezer's key recommendations were that the scheme should incorporate a mechanism for financial compensation for delays and cancellations 'within an airline's control' and a refund guarantee, 'regardless of the reason'.[20]

## Views of anti-noise advocates

3.22 Some submitters focused on the transitional provisions for the Aircraft Noise Ombudsperson (ANO) in Schedule 2 of the Aviation Consumer Protection (Consequential Amendments and Transitional Provisions) Bill 2026 (consequential amendments bill). This included the Brisbane Flight Path Community Alliance (BFPCA)—a peak community advocacy group that represents residents and businesses in Greater Brisbane who are adversely affected by Brisbane Airport's flight paths—and East Melbourne Group, which represents around 5000 noise-affected residents in Melbourne.[21]

3.23 BFPCA was concerned that provisions relating to the ANO had been included within a consumer protection framework 'that does not recognise noise affected

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Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Committee Hansard*, 29 May 2026, p. 54;

17 Mr Stephen Beckett, Chief Executive Officer, Airlines for Australia and New Zealand, *Committee Hansard*, 29 May 2026, p. 31.

18 CHOICE, *Submission 29*, [p. 2].

19 CHOICE, *Submission 29*, [p. 1].

20 Mr Adam Glezer, Owner, Consumer Champion, *Committee Hansard*, 29 May 2026, p. 7.

21 Brisbane Flight Path Community Alliance, *Submission 21*, p. 3; East Melbourne Group, *Submission 20*, p. 1.

residents as participants', creating a 'fundamental contradiction'. In essence, BFPCA said the ANO framework 'manages grievance without resolving it'.[22]

3.24 BFPCA argued that an ANO embedded within the department and subject to ministerial direction would lack 'institutional separation, authority, and enforcement powers' that a genuinely independent ombudsperson should have. Further, BFPCA stated that the legislation contains 'no meaningful consequences for the harms caused by aircraft noise' and 'no enforceable standards, no duties to minimise impacts, and no mechanisms to trigger corrective action'.[23]

3.25 It was BFPCA's view that the placement of the ANO within the department represents 'a form of legislative co-location, in which an existing administrative function has been incorporated into a convenient statutory vehicle':

> The ANO sits within the Department that administers aviation policy, oversees Airservices Australia, and is responsible for the broader regulatory architecture governing airspace design and flight path allocation. It operates within the same institutional environment, under the same executive authority, and subject to the same policy imperatives that shape the conduct it is intended to review.
>
> This is not a marginal limitation—it is a structural constraint that defines the limits of what the ANO can credibly do.[24]

3.26 In contrast, East Melbourne Group did not oppose locating the ANO in the department. However, it said the bills contain a 'critical gap'—review powers without any enforcement mechanisms. Under the legislation, the new ANO can only review the *handling* of noise complaints by Airservices Australia and the Department of Defence. It cannot resolve them or make binding determinations, despite the fact that the same legislation provides that facility in relation to consumer complaints.[25]

3.27 East Melbourne Group submitted:

> This creates a two-tiered system within the same legislative package: passengers with flight delay complaints get a binding determination enforceable in court, while residents suffering from aircraft noise get a review and a recommendation that carries no legal weight.
>
> This disparity is not defensible. Aircraft noise is a significant and documented harm affecting communities under flight paths. It affects sleep,

22 Brisbane Flight Path Community Alliance, *Submission 21*, p. 3.

23 Brisbane Flight Path Community Alliance, *Submission 21*, p. 3.

24 Brisbane Flight Path Community Alliance, *Submission 21*, p. 8.

25 East Melbourne Group, *Submission 20*, [pp. 1–2].

> health and amenity. Communities deserve the same recourse as airline passengers.[26]

3.28 Anti-noise advocate, Ms Karilyn Beiers, was concerned that the legislation does not *require* the Minister to establish the ANO or require the Ombudsperson to conduct reviews: the use of the word 'may' in the relevant provisions provides a concerning level of discretion.[27]

3.29 Ms Beiers noted that the bill does not remove the primary function for noise complaints from Airservices Australia and does not establish a new, more powerful and more independent aircraft noise complaints authority. It simply moves an existing function out of Airservices Australia and into the department.[28]

3.30 Mr Sanderson submitted that the proposed ANO lacks a 'coherent public purpose' and suggested that it could:

> … easily become an instrument of complaint management rather than a source of real redress. If it mainly reviews process, reassures the public and moderates' expectations without materially changing outcomes, it will not be a serious answer. It will be an administrative device for absorbing anger while the underlying problem remains.
>
> Parliament should not accept a symbolic aircraft noise body built to project concern without delivering meaningful corrective force.[29]

3.31 In its submission, the department clarified that the existing ANO function in Airservices Australia 'is not supported by any legislation'. Further, the current organisational arrangement 'potentially undermines public confidence in its findings and recommendations due to the potential for conflicts'. The consequential amendments bill legislates the function of the ANO and makes it independent of Airservices Australia, while not making any substantial change to its activities.[30]

### Key recommendations of anti-noise advocates

3.32 BFPCA recommended 'targeted legislative reform' to:

- explicitly recognise noise-affected communities within the scope and purpose of the Act;
- establish the ANO as an independent statutory office with appropriate powers and safeguards;

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26 East Melbourne Group, *Submission 20*, [p. 2].

27 Ms Karilyn Beiers, *Submission 24*, p. 2.

28 Ms Karilyn Beiers, *Submission 24*, p. 3.

29 Mr Michael Sanderson, *Submission 22*, pp. 7–8.

30 Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Submission 16*, p. 7.

- introduce enforceable obligations to minimise aircraft noise impacts, supported by measurable standards;
- extend oversight to all relevant decision-makers, including [the Civil Aviation Safety Authority (CASA)];
- provide clear pathways for community recourse, including review, mitigation, and compensation mechanisms; and
- embed a coherent policy framework grounded in public health evidence, transparency, and accountability.[31]

3.33 East Melbourne Group recommended the bill be amended to allow the ANO to make recommendations that are binding on Airservices Australia and the Department of Defence. It also recommended that non-compliance be subject to enforcement through the new aviation consumer regulator or judicial process.[32]

## Views of the consumer protection regulator

3.34 The ACCC 'strongly' supported the introduction of the ACO, which will 'help ensure that consumers will have accessible, fair and effective dispute resolution for disputes with airlines and airports'. However, it did note that the proposed ACPA 'would need to be appropriately resourced'.[33]

3.35 The ACCC was concerned that the proposed ministerial exemption power is too broad and suggested that the exemption provisions 'could be enhanced by limiting the possible reasons that an entity might be granted an exemption'. This would ensure more 'uniform protections' for consumers and more consistent obligations on the industry.[34]

3.36 It was the ACCC's view that most of the concerns about the financial burden of the scheme on smaller airlines and airports could be 'adequately ameliorated by the exemptions from annual levies contemplated by the Aviation Consumer Protection Levy Bill 2026'. The ACCC noted that, under similar ombuds schemes, small service providers are covered by the rules, while being protected from undue financial burden by tiered funding arrangements.[35]

3.37 In line with a recommendation from CHOICE, the ACCC recommended that ministerial exemption powers be confined and that ministerial exemptions be time-limited and subject to conditions, such as an obligation to notify the Minister if the conditions under which the exemption was granted no longer exist. The ACCC argued:

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31 Brisbane Flight Path Community Alliance, *Submission 21*, p. 4.

32 East Melbourne Group, *Submission 20*, [p. 3].

33 Australian Competition and Consumer Commission, *Submission 2*, p. 2.

34 Australian Competition and Consumer Commission, *Submission 2*, p. 2.

35 Australian Competition and Consumer Commission, *Submission 2*, p. 3.

> It is important that the framework continues to cover the widest scope of entities, that entities are covered to the fullest extent possible, and that there is ongoing evaluation of whether specific exemptions remain appropriate.[36]

3.38 Another concern was that the bill does not currently incorporate a statutory review mechanism. The ACCC argued that periodic reviews of the operation of the scheme would:

- ensure it 'remains fit for purpose and effectively addresses community needs and objectives';
- provide opportunity to identify areas for improvement; and
- identify and resolve 'any potential unintended consequences arising from the design of the framework'.[37]

3.39 In its December 2024 *Aviation Customer Rights Charter Consultation Paper*, the Interim Aviation Industry Ombudsperson signalled the government's intention to use surveys to measure the effectiveness of the Charter and to review the Charter every three years.[38]

### Key recommendations of the consumer protection regulator

3.40 The ACCC recommended that:

- the ministerial exemption powers be confined and ministerial exemptions be time-limited and subject to conditions; and
- the bill include a formal statutory review mechanism, 'to enable holistic review of the framework at an appropriate point in the future', such as three years from commencement.[39]

3.41 Legal advocacy groups also supported periodic reviews of the legislation to ensure it is fit for purpose.[40]

## Views of legal advocates

3.42 Legal advocates were supportive of the government's aim of establishing an aviation consumer protection framework, with Ms Victoria Roy from the Australian Lawyers Alliance (ALA) saying, 'for too long, Australian air passengers have not had a simple, affordable and accessible way to enforce the limited consumer rights they have'.[41] However, legal advocates held concerns

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36 Australian Competition and Consumer Commission, *Submission 2*, pp. 2–3.

37 Australian Competition and Consumer Commission, *Submission 2*, p. 4.

38 Interim Aviation Industry Ombuds Scheme, *Aviation Customer Rights Charter Consultation Paper*, December 2024, p. 5 (accessed 5 June 2025).

39 Australian Competition and Consumer Commission, *Submission 2*, pp. 2–3.

40 See for instance: Justice and Equity Centre, *Submission 19*, p. 12.

41 Ms Victoria Roy, Chair, Travel Law Special Interest Group, Australian Lawyers Alliance, *Committee Hansard*, 29 May 2026, p. 2.

around jurisdictional confusion, definitions within the bills, exclusion provisions, and the inclusion of key aspects of the scheme in delegated legislation. Their views and key recommendations are outlined in this section.

### Crossover with existing mechanisms

3.43 The primary concern of the Australian Human Rights Commission (AHRC) was the 'unresolved regulatory overlap in complaints handling' between the new ACO and the AHRC, which has 'long-standing complaints jurisdiction under federal discrimination law, including in relation to aviation services'. According to AHRC, the bill 'does not clearly address' how the new scheme will sit alongside existing anti-discrimination complaint mechanisms.[42]

3.44 AHRC contended that a failure to clarify 'clear boundaries' and 'coordination mechanisms' in the bill 'creates a real risk that the same complaint could be pursued in multiple jurisdictions', leading to 'duplication, inefficiencies and confusion for consumers, regulators and industry'.[43]

3.45 Australia's Disability Discrimination Commissioner, Ms Rosemary Kayess, told the committee that air travel is critical to maintaining family ties, participating in the community and employment, enjoying leisure and recreation, and accessing health services. She stated that 'air travel should be a dignified experience for all people'. However, people with disability experience significant barriers to accessing air travel and are 'generally less satisfied with their experience'. As such, Ms Kayess suggested that the new framework should be 'guided by human rights principles'.[44]

3.46 The Law Council of Australia (LCA) supported the objectives of the bills but was concerned that the framework 'introduces multiple institutional actors with overlapping responsibilities, alongside existing regulators with concurrent jurisdiction, which risks creating confusion for both consumers and regulated entities'. LCA suggested this could be remedied through the publication of guidance.[45]

### Delegation of substantive consumer protections to subordinate legislation

3.47 LCA was concerned that the bill delegates 'all substantive consumer protections to the Aviation Consumer Protections Charter and Standards', limiting parliamentary oversight of the core components of the framework. LCA submitted:

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42 Australian Human Rights Commission, *Submission 25*, p. 1.

43 Australian Human Rights Commission, *Submission 25*, p. 1.

44 Ms Rosemary Kayess, Disability Discrimination Commissioner, Australian Human Rights Commission, *Committee Hansard*, 29 May 2026, p. 1.

45 Law Council of Australia, *Submission 27*, pp. 2–3.

> … significant matters dealing with substantive policy issues should be included in primary legislation rather than delegated legislation. Consumer entitlements, standards of treatment, accessibility protections and complaint handling obligations are substantive policy questions, not technical details, and they warrant parliamentary determination.[46]

3.48 Ms Kirsten Webb from LCA argued that leaving the Charter to delegated legislation represents a failure to include minimum consumer protections in the legislation.[47] Further, LCA argued if it is not to be included in the primary legislation, a draft Charter with minimum mandatory requirements should be made available for broad public consultation.[48]

3.49 The department stated that all similar international schemes that they were aware of put the detail of the obligations in delegated legislation. For instance, in Canada, where the framework has been in place since 2019, the details in the subordinate legislation have already been reviewed and updated.[49]

**Enhancing protections for consumers with disability**

3.50 The Justice and Equity Centre's (JEC) primary concerns with the bill revolved around the legislation's aim of enhancing accessibility of air travel. For instance, JEC was concerned that existing language in the framework which refers to 'preventing discrimination' may not be well suited to 'promoting accessibility', and argued these references be reframed 'using positive, rights-based language'. JEC also argued that 'disability aids' need to be 'explicitly and comprehensively included in the scope of the Charter', because:

> Disability aids are not a subset of baggage. They are essential to mobility and independence. When they are damaged or lost, the consequences are far more serious than for ordinary baggage.[50]

3.51 LCA noted that the bill 'identifies accessibility and children's rights as statutory objects' but does not guarantee that the Charter or Standards will include these.[51]

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46 Law Council of Australia, *Submission 27*, pp. 2 and 5–6.

47 Ms Kirsten Webb, Partner, Law Council of Australia, *Committee Hansard*, 29 May 2026, p. 5.

48 Law Council of Australia, *Submission 27*, p. 2. The committee notes that drafts of the proposed Charter *have* been made available for consultation, including the second draft in September 2025, as outlined in Chapter 1 of this report. A third draft is the subject of continuing targeted consultations but was not publicly available at the time of drafting this report.

49 Mr Ben Meagher, Assistant Secretary, Sydney Airport Slots and Consumer Aviation Reforms Branch, Domestic Aviation and Reform Division, Transport Group, Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, *Committee Hansard*, 29 May 2026, p. 54.

50 Justice and Equity Centre, *Submission 19*, p. 9.; Ms Sheetal Balakrishnan, Senior Solicitor, Justice and Equity Centre, *Committee Hansard*, 29 May 2026, p. 8.

51 Law Council of Australia, *Submission 27*, p. 3.

**Establishment and design of the scheme**

3.52 Like some consumer advocates, JEC was critical of the use of the word 'may' in relation to establishing the Charter and the ACO, arguing that the bill should *require* the minister to establish these key features of the scheme.[52]

3.53 ALA, LCA, and JEC were all concerned about clause 9 (the minister's broad exemption power), and opposed to the proposed exemption of regional airports, with JEC stating that around one third of Australia's population live outside capital cities, including many people with disability, and for these people aviation is an essential service:

> … people with disability are disproportionately affected by failures in air travel services. That impact increases on regional routes and at smaller airports, where alternatives are limited or non-existent.
>
> All consumers should be afforded equal protection under the Framework, regardless of where they are travelling. Broad exemptions risk fragmenting the Framework and entrenching uneven protections based on location.[53]

3.54 ALA argued that the scheme should apply to 'all commercial airports' and 'all passengers travelling within, to or from Australia'. Excluding airports with fewer than 1 million passengers would disproportionately impact regional passengers, who often rely on air travel for critical medical appointments. It would also create a 'two-tier system of rights', introduce complexity and uncertainty, undermine the 'objective of a simple and accessible framework', and create gaps in coverage, reducing 'the accountability of airlines operating in those markets'.[54]

3.55 Instead of exempting small airports or airlines, JEC suggested a 'tiered membership model to account for variations in the size and operations of regulated entities'.[55]

3.56 JEC proposed several definitional changes, including:

- a more inclusive definition of 'accessibility service', including the meaning of 'adjustments';
- inclusion of on-board facilities and in-flight information or entertainment in the definition of an 'airline service';
- inclusion of security screening services under the definition of an 'airport service' (this is further discussed under 'Views of disability advocates', below); and

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52 Justice and Equity Centre, *Submission 19*, p. 10. See also: Ms Karilyn Beiers, *Submission 24*, p. 2.

53 Australian Lawyers Alliance, *Submission 26*, [p. 5]; Law Council of Australia, *Submission 27*, p. 2; Justice and Equity Centre, *Submission 19*, p. 11.

54 Australian Lawyers Alliance, *Submission 26*, [p. 5].

55 Ms Sheetal Balakrishnan, Senior Solicitor, Justice and Equity Centre, *Committee Hansard*, 29 May 2026, p. 11.

- a clearer definition of 'rights or entitlements', that links to the Convention on the Rights of Persons with Disabilities, and the Convention on the Rights of the Child.[56]

3.57 ALA was concerned that the bill does not clearly exclude passenger personal injury claims from the jurisdiction of the ACO and argued that this should be corrected.[57]

3.58 In relation to the ACO, JEC was concerned about ensuring that the Board governing this entity be truly representative of consumers, including by requiring 'at least two consumer directors with lived experience of disability and/or recognised representatives of people with disability'. In addition, JEC cautioned that the bills do not currently expressly require the scheme to be accessible to people disability. This could be corrected with a change to the explanatory memorandum.[58]

**Merits review and remedies**

3.59 JEC noted that clauses 46 and 48 'currently adopt formalistic elements of a merits review style determination process' when a 'fair and reasonable in all the circumstances' decision-making approach would be more appropriate, as used in other Australian ombuds schemes.[59]

3.60 In relation to remedies, JEC noted that subclause 46(4) currently limits the ACO to remedies aimed at placing the complainant in a position where 'the unfairness or unreasonableness no longer exists'. Instead, JEC suggested remedies under the scheme should be fair and reasonable and advance the objects of the Scheme. This would allow remedies to be imposed that seek to address systemic issues, not simply 'undo the effects of individual unfairness'.[60]

3.61 ALA submitted that 'passengers should be entitled to compensation for unreasonable delay within the airline's control' and suggested this be expressly and clearly included under clause 46, with the ACO empowered to make

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56 Justice and Equity Centre, *Submission 19*, pp. 13–15. See also: Australian Human Rights Commission, *Submission 25*, Attachment 1 (*Aviation Consumer Protections: primary legislation consultation*, Submission to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, 14 October 2025), p. 4.

57 Australian Lawyers Alliance, *Submission 26*, [p. 4].

58 Justice and Equity Centre, *Submission 19*, pp. 15–17.

59 Justice and Equity Centre, *Submission 19*, p. 21.

60 Justice and Equity Centre, *Submission 19*, p. 22.

binding determinations awarding compensation.[61] LCA also supported consideration of the inclusion of provisions for monetary compensation.[62]

### Civil penalties

3.62 LCA was concerned that the bill imposes 'significant civil penalties' for breaches of Charter requirements, when those requirements have not yet been determined. LCA commented:

> These penalties are modelled on the *Competition and Consumer Act 2010* (Cth) and are among the most significant in Commonwealth regulatory legislation. The intended scope and operation of provisions attracting penalties of this magnitude must be unambiguous, and the obligations to which they attach must be sufficiently defined to enable regulated entities to understand what is required of them and the consequences of non-compliance.[63]

3.63 In particular, LCA noted that the parliament 'is being asked to enact this enforcement framework for obligations whose content is not yet known'. However, this could be corrected through careful timing of commencement provisions.[64]

### Key recommendations of legal advocates

3.64 AHRC recommended 'including protections against duplication' in the legislation 'by clearly designating the Ombudsperson's main jurisdiction'. LCA recommended the publication of 'consolidated, plain language guidance' on entitlements and complaint pathways to support the legislation.[65]

3.65 LCA recommended that 'core consumer protections be prescribed in primary legislation', rather than legislative instruments, saying:

> … at a minimum, core consumer entitlements and minimum standards be specified in the primary legislation, with the detailed, technical and operational requirements reserved for the Charter and Standards. This would establish a stable, democratically legitimate foundation for the framework, and would allow Parliament, consumers and regulated entities to assess the scope and adequacy of the protections being put in place.[66]

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61 Australian Lawyers Alliance, *Submission 26*, [p. 4].

62 Law Council of Australia, *Submission 27*, p. 2.

63 Law Council of Australia, *Submission 27*, pp. 3 and 10.

64 Law Council of Australia, *Submission 27*, p. 10.

65 Australian Human Rights Commission, *Submission 25*, Attachment 1 (*Aviation Consumer Protections: primary legislation consultation*, Submission to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, 14 October 2025), p. 4; Law Council of Australia, *Submission 27*, pp. 2–3.

66 Law Council of Australia, *Submission 27*, pp. 2 and 6.

3.66 LCA also recommended that 'accessibility standards and protections for children, including unaccompanied minors, be mandatory requirements under the Charter'.[67]

3.67 Instead of exempting regional airports from the scheme, JEC suggested the government should 'consider alternative approaches' which would allow small airports to participate in the framework while protecting them from undue financial burden. JEC also recommended the exemption power being narrowed to:

- prohibit exemptions from 'compliance with accessibility-related Charter requirements' and 'complaints about airport accessibility services';
- require any accessibility-related exemptions to be time-limited; and
- require the minister to 'expressly consider the impact' of any exemptions on people with disability.[68]

3.68 In relation to the ACO, JEC recommended:

- clause 32 be amended to clarify the meaning of 'referral', require consent before referral is made by the ACO to another entity, and require the scheme to work cooperatively with other bodies;
- clause 34(3) be amended to require a public register of scheme participants and complaints made to be published online; and
- the explanatory memorandum be amended to clarify the circumstances under which consumers may make direct complaints to the ACO, rather than going through the relevant airline or airport first.[69]

3.69 In relation to ACO determinations, JEC recommended the bill be amended to replace merits review principles with a 'fair and reasonable in all the circumstances' approach; and that subclause 46(4) be amended to permit the ACO to provide remedies 'it considers fair and reasonable in all the circumstances, having regard to advancing the objects of the Scheme and the Framework'. It also recommended subclause 47(2) be amended to specify that written reasons for determinations:

- set out the findings on material questions of fact;
- refer to the evidence or other material on which the findings are based; and
- explain the reasons for the decision.[70]

3.70 ALA recommended the bill be amended to enable the ACO to make binding determinations awarding compensation, and:

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67 Law Council of Australia, *Submission 27*, p. 3.

68 Justice and Equity Centre, *Submission 19*, p. 11.

69 Justice and Equity Centre, *Submission 19*, pp. 17–19.

70 Justice and Equity Centre, *Submission 19*, pp. 22–23.

- make binding decisions to compensate damage occasioned by delay; and
- award monetary losses flowing from cancellations and delays, including consequential loss.[71]

3.71 AHRC recommended that the framework 'should include a legislated requirement for procedural accommodations to be provided to enable access to justice on an equal basis with others'.[72]

3.72 In relation to the application of civil penalties, LCA recommended the bill:

> … either incorporate minimum substantive obligations in the primary legislation, or require, at a minimum, that the Charter and Standards be made and be subject to meaningful public consultation before the civil penalty provisions in section 19 come into force.[73]

## Views of disability advocates

3.73 The Australian Federation of Disability Organisations (AFDO) welcomed the development of the legislative framework and noted that the department had accepted some of the key changes recommended by AFDO in previous consultation processes. However, AFDO remained concerned about a number of aspects of the ACP bill.[74]

### Definitions and coverage

3.74 AFDO was concerned that the definition of 'airport service' currently includes a need for relevant services to be 'paid for directly by a consumer'. According to AFDO, this same requirement was not included in the definition of an 'airline service', following advocacy by the organisation. AFDO argued that limiting coverage of airport services to those that are directly paid for by consumer would create a 'marked and unnecessary distinction between services offered or supplied by an airline, and services offered or supplied by an airport'.[75]

3.75 This concern was shared by LCA and ALA, with ALA recommending that eligibility for the scheme be determined by 'whether the individual is a passenger, rather than by a contractual relationship'.[76]

3.76 Should the definition of 'airport service' remain limited to services paid for directly by a consumer, AFDO cautioned that airports that do not charge any

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[71] Australian Lawyers Alliance, *Submission 26*, [p. 4].

[72] Australian Human Rights Commission, *Submission 25*, Attachment 1 (*Aviation Consumer Protections: primary legislation consultation*, Submission to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, 14 October 2025), p. 4.

[73] Law Council of Australia, *Submission 27*, p. 11.

[74] Australian Federation of Disability Organisations, *Submission 1*, p. 9.

[75] Australian Federation of Disability Organisations, *Submission 1*, pp. 12–13.

[76] Law Council of Australia, *Submission 27*, p. 2; Australian Lawyers Alliance, *Submission 26*, [p. 2].

pickup or drop-off fees may not be obliged to abide by accessibility standards and requirements, and argued:

> The Framework must allow 'consumers' (as that term is used in clause 17) the ability to make a complaint about these, and any other services, offered or supplied by an airport for purposes connected with, or incidental to, transportation of the person or another person by regular air transport.[77]

3.77 In its September 2025 *Aviation Consumer Protections Consultation Paper*—which includes the second iteration of the draft Charter—the department said government is 'considering specifying airport accessibility services as a distinct regulated activity under the framework, that would not require a direct consumer relationship'.[78]

3.78 Like aviation industry submitters, AFDO was concerned about the exclusion of airport security services from the framework. AFDO noted that security services are generally contracted by airports to third party providers and function under requirements determined by the Department of Home Affairs. It questioned why 'consumer harm arising at screening points' should be considered outside of the bill's purpose and argued that the explanatory memorandum does not provide sufficient explanation for this omission.[79]

3.79 According to AFDO, 'for people with disability security screening can involve additional stress and uncertainty, including because processes may not be accessible, consistent or appropriately communicated'. AFDO argued that security screening 'is part of the passenger experience', is compulsory, and is often 'one of the most intrusive … passenger interactions' in the system:

> How security screening is conducted affects dignity, accessibility and stress, particularly for people with disability. There is currently inconsistency and variability in screening practices so improving screening is a necessary passenger experience reform. These services continue to be the source of significant issues resulting in complaints for people with disability.[80]

### Possible conflict with disability discrimination legislation

3.80 A further concern outlined by AFDO was that the ministerial power to make rules under this legislation could conflict with the new, aviation-specific disability standards that are being developed under the *Disability Discrimination Act 1992* (Cth). To avoid a conflict, AFDO suggested the minister be required to

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77 Australian Federation of Disability Organisations, *Submission 1*, pp. 13–14.

78 Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts, *Aviation Consumer Protections Consultation Paper*, September 2025, p. 9 (accessed 5 June 2026).

79 Australian Federation of Disability Organisations, *Submission 1*, p. 15.

80 Australian Federation of Disability Organisations, *Submission 1*, p. 16.

consult with the Attorney-General when making rules related to accessibility, and ensure any rules be consistent with the Disability Discrimination Act.[81]

**ACPA 'own motion power'**

3.81 The bill allows the regulator to conduct 'own motion' inquiries into aspects of the scheme or systemic problems and emerging issues. However, the bill does not place any obligation on ACPA to undertake systemic monitoring, compliance or enforcement functions and does not give the minister the power to direct the ACPA to undertake specific inquiries. AFDO suggested this be changed.[82]

3.82 AFDO also argued that ACPA should be expressly required to consider the 'quality, rigour, transparency, and accessibility of the complaints handling processes' for scheme participants. Further, the framework should include requirements for airline and airport complaint processes to comply with Australian Standard AS 10002:2022, *Guidelines for complaint management in organizations*.[83]

**Jurisdictional confusion**

3.83 Like the AHRC, AFDO was concerned about confusion and the need to establish a framework for cooperation and coordination between regulators. AFDO advocated the need for a 'no wrong door' complaints process, which acknowledges that it is hard for people to know where they should direct a complaint:

> Agencies must work collaboratively to help people find the right complaint pathway and avoid people getting stuck, frustrated, or lost on a 'referral roundabout'. To the extent possible, complaints that fall outside an agency's area of responsibility need to be recorded as a complaint and resolved by assisting the person to access the correct complaint pathway as seamlessly as possible.[84]

**Key recommendations of disability advocates**

3.84 AFDO made a number of recommendations, including:

- That the ACP bill clarifies that the term 'consumer' in the bill, including in the definition of 'airport service' in clause 12, 'bears the same meaning and is used in the same context as the term is used in clause 17'; clause 13 is amended to remove the requirement that the service must be 'paid for directly by a consumer'; and the definition of 'airport service' expressly excludes airport accessibility services.

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81 Australian Federation of Disability Organisations, *Submission 1*, pp. 17–18.

82 Australian Federation of Disability Organisations, *Submission 1*, p. 21.

83 Australian Federation of Disability Organisations, *Submission 1*, pp. 22–23.

84 Australian Federation of Disability Organisations, *Submission 1*, p. 26.

- That passenger security screening services are expressly included as an 'airport service' covered by the framework. Legal advocates, including JEC and AHRC also recommended security screening services be included.[85]
- That the minister's power to make rules is exercised following consultation with the Attorney-General, or the minister responsible for section 31 of the Disability Discrimination Act.
- That the definition of 'Australian airline' is amended to remove the possibility that airlines could change their 'principal place of business or principal place of residence to limit their obligations' under the legislation.
- That the bill be amended to create a positive obligation on ACPA to 'undertake systemic monitoring, compliance and enforcement functions' and 'mandate compliance with AS 10002:2022 for complaint handling by airlines and airports, including accessibility, staff training, and performance monitoring'.
- That, in respect of ACO, the bill be amended to implement a 'no wrong door' approach to complaints, ensuring seamless referrals and cooperation between the ACO and the Australian Human Rights Commission and avoiding confusion.[86]

## Committee view

3.85 The committee thanks consumer groups, anti-aircraft noise advocates, legal organisations, and the Australian Federation of Disability Organisations (AFDO) for their contributions to the inquiry and their involvement in ongoing consultation around the design of the scheme.

3.86 The framework established by the bills strikes a careful balance, seeking to resolve complaints early and efficiently without placing undue pressure on the sustainability of aviation businesses. A clear set of minimum requirements will create certainty for businesses and the travelling public and ultimately boost the reputation of Australia's aviation system.

3.87 The committee does not support proposals that the scheme be amended to incorporate mandatory compensation, or 'pay on delay' requirements. International experience shows these schemes add complexity and cost to the system without necessarily bringing about improvements for consumers. Australia's scheme is designed to incentivise scheme members to improve their practices and prioritises efficient and effective resolution of complaints.

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85 Justice and Equity Centre, *Submission 19*, pp. 13–15; Australian Human Rights Commission, *Submission 25*, Attachment 1 (*Aviation Consumer Protections: primary legislation consultation*, Submission to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, 14 October 2025), p. 4.

86 Australian Federation of Disability Organisations, *Submission 1*, pp. 10–11.

3.88 The committee sees merit in the idea of creating a simple handout that outlines consumers' basic rights and what they can expect. This is something that the department could consider as it finalises the Charter.

3.89 A major concern for submitters from several different sectors was the broad exemption power in clause 9. Submitters cautioned that too many carve-outs would weaken the framework and leave certain classes of consumers without its protections.

3.90 The committee agrees that the exemption power should be used cautiously, with consideration given to any impacts on people with disability, and that time limits and conditions should be considered in relation to specific exemptions. It will also be important to review the outcome of any exemptions that are enacted.

3.91 The committee notes concerns raised by the Justice and Equity Centre and AFDO in relation to definitions, including of 'adjustments' and 'accessibility service'. There may be some scope to further refine some of the definitions in the bills or provide additional explanation in the bills' explanatory materials.

3.92 The committee understands disability advocates remain concerned about the requirement within the framework that 'airport services' and 'airline services' are defined as those where there is a 'direct consumer relationship'. However, we note advice that government is considering specific treatment for airport accessibility services and understand this can be clarified in subordinate legislation or explanatory materials.

3.93 On a related matter, the committee has considered recommendations that security screening services be included in the scheme but believes the protection of people's rights in relation to these services is better advanced through other means, such as antidiscrimination legislation.

3.94 In relation to AFDO's concerns about a potential conflict between this scheme and the new, aviation-specific disability standards that are being developed under the *Disability Discrimination Act 1992*, the committee agrees that government should ensure any delegated legislation created under this package, now or in future, is consistent with the Disability Discrimination Act.

3.95 The committee understands concerns raised by the Australian Human Rights Commission and others about crossover between the new aviation consumer protection framework and existing antidiscrimination protections. It will be beneficial for all parties involved to publish guidance around the most appropriate vehicle to pursue specific complaints, depending on their nature.

3.96 It may also be beneficial to give further consideration to the best way to enable seamless referrals, information sharing and communication between the Aviation Consumer Ombudsperson and the Australian Human Rights Commission.

3.97 Finally, a number of submitters, including the ACCC, have recommended statutory reviews of the operation of the framework, for instance every three years. The committee notes that government intends to use surveys to measure the effectiveness of the Charter and has indicated it will review the Charter every three years.

3.98 Whether or not reviews of the framework are legislated, the committee agrees that it will be important to monitor the performance of the scheme and make adjustments if required.

**Recommendation 1**

**3.99 The committee recommends that the bills be passed.**

**Senator Glenn Sterle**
**Chair**

# Coalition Senators' Dissenting Report

## Introduction

1.1 The Coalition supports stronger consumer protections for Australian airline passengers.

1.2 Australians deserve affordable, reliable and safe air services, timely refunds and fair treatment when travel plans are disrupted, particularly when they have paid for a service that is not delivered as promised.

1.3 There has been a step change in poor performance and reliability by Australia's major domestic airlines post-COVID, with persistently high levels of flight cancellations and delays, despite charging higher airfares.

1.4 That this has occurred under the Albanese Government's period in office is not a coincidence. The Parliament has previously examined the close relationship between the Prime Minister, the Government and Qantas which saw the Government reject increased flights from Qatar Airways to protect Qantas. Under this Government two regional airlines have collapsed, further reducing competition on routes and to destinations dominated by the duopoly of Qantas Group and Virgin Australia.

1.5 Coalition Senators do not support the Committee views as expressed by Government Senators in paragraphs 2.122, 2.125 and 3.87.

1.6 Coalition Senators agree with witnesses who have argued convincingly that where failures of Airservices Australia management to adequately staff air traffic control towers results in cancellation or delays of flights, the regulator should indeed be covered by the Aviation Consumer Protection framework and should be required to compensate or reimburse impacted consumers of aviation services.

1.7 While agreeing that all airports and airlines should aim to comply with the proposed Charter, Coalition Senators do not agree small regional airlines should be required to contribute to the cost of funding the Government's proposed regulatory regime.

1.8 And recognising the evidence presented that the proposed Charter is unlikely to sufficiently incentivise improved on-time performance and reliability, Coalition Senators agree the bills are deficient in not including a mechanism for compensation or 'pay on delay' requirements.

## Why legislated consumer protections are now necessary

1.9 There has been a step change in poor performance and reliability by Australia's major domestic airlines post-COVID.

1.10 In the Albanese Government's first term, Bureau of Infrastructure and Transport Research Economics (BITRE) data shows flight cancellations averaged 3.3 per cent—more than twice the 1.5 per cent long term average rate of cancellations pre-COVID. Over the same period 27.9 per cent of flights were delayed, substantially higher than the 17.5 per cent long-term average pre-COVID.[1]

1.11 In total, 53 013 flights were cancelled in the first term of the Albanese Government and more than 427 000 flights delayed. This represents almost one in three domestic flights (30.3 per cent) cancelled or delayed. The Government has done little to address this chronic poor performance and these bills and the Minister's draft proposed Charter are unlikely to force improved behaviour.

1.12 At the peak of airline poor reliability and on-time performance, in December 2023, two out of every five flights were either cancelled or delayed, comprising 5 per cent of flights cancelled and 36.4 per cent delayed.

1.13 At the same time airline service standards were declining, airlines were smashing customers with higher airfares: 35 per cent more for economy and 72 per cent more for best discounted airfares in December 2023, since the election of the Albanese Government. Through the period August to November 2024, BITRE data shows economy airfares peaked at more than 50 per cent higher than when Labor came to office.[2]

1.14 The evidence presented to the committee demonstrates widespread concern regarding the design of the proposed framework, the absence of key legislative safeguards, the lack of cost transparency and the significant reliance on future regulations that Parliament has not yet seen.

1.15 Coalition Senators are particularly concerned that the Government has promoted the legislation as a major reform to aviation consumer protections when the bills do not establish a compensation scheme for passengers affected by delays, cancellations or lost baggage.

1.16 Instead, the legislation establishes a new regulatory scheme comprising a new Aviation Consumer Protection regulator, a new Aviation Consumer Ombuds Scheme, a new levy regime and a future Aviation Consumer Protections Charter, the final requirements of which remain unknown.

1.17 Coalition Senators note that many of the protections likely to be included in the Charter to address flight delays and cancellations are services already routinely provided by major airlines following significant delays or cancellations,

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1 Data from Bureau of Infrastructure and Transport Research Economics (BITRE), *Aviation: Domestic airline on time performance monthly reports*, series June 2022 through April 2025; BITRE, *Aviation: Domestic airline on time performance, December 2019*, p. 1.

2 Data from Bureau of Infrastructure and Transport Research Economics (BITRE), *Aviation: Domestic airline on time performance monthly reports*.

including rebooking, accommodation, meals, refunds and customer communications.

1.18 As a result, the Coalition questions whether the substantial bureaucracy created by these bills is proportionate to the benefits likely to be achieved.

1.19 The committee received evidence that approximately 10 000 complaints are received across airlines and airports from more than 100 million passenger journeys annually. While every complaint should be taken seriously, there are concerns the Government has not demonstrated the proposed new regulatory regime is justified by the lack of ambition with respect to consumer protections.

1.20 Coalition Senators are further concerned this legislation in response to the post-COVID poor performance of the aviation duopoly—Qantas Group and Virgin Australia (98.8 per cent)—is being extended beyond the large carriers and may capture small regional operators for which the Government has presented no evidence of high rates of cancellations and delays, nor have these airlines played a role in creating the level of consumer concerns that have prompted government intervention.

1.21 The Coalition considers that the bills, in their current form, represent too high a cost for too little improvement in outcomes for the Australian traveller.

1.22 For these reasons, we recommend that the Senate not pass the bills until substantial amendments identified by stakeholders and outlined in this report have been addressed.

## Consumer expectations have not been met

1.23 Australians have become increasingly frustrated with airline performance since the COVID-19 pandemic.

1.24 For many Australians, a delayed or cancelled flight is more than an inconvenience. It can mean missing a family event, a medical appointment, a business commitment, a funeral or a long-planned holiday. Consumers rightly expect airlines to deliver the service for which they have paid.

1.25 Ms Rosemary Kayess, Australia's Disability Discrimination Commissioner gave evidence that air travel is critical to enable people to maintain family ties, participate as active members of the community, access employment opportunities and health services. Yet people with disabilities continue to experience barriers throughout the aviation journey and are generally less satisfied with their travel experience than other passengers.[3]

1.26 The evidence before the committee demonstrated that flight delays and cancellations remain significant. Pre-COVID, the long term average delayed

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[3] Ms Rosemary Kayess, Disability Discrimination Commissioner, Australian Human Rights Commission, *Committee Hansard*, 29 May 2026, p. 1.

flights was 17.8 per cent with 1.5 per cent of flights cancelled. In 2025, one in four flights were cancelled or delayed (23.1 per cent delayed and 2.5 per cent cancelled).[4]

1.27 While there have been improvements, major airline performance remains below pre-pandemic averages.

1.28 The Government has repeatedly stated that these reforms respond to consumer concerns. However, the legislation does not establish a direct compensation scheme for passengers affected by lengthy delays, cancellations or baggage failures when the issue is within the airlines control:

> What happens if they're going to a family member's funeral or wedding and it's the airline's fault and they miss it? They've got to be compensated.[5]

1.29 Instead, the bills establish a framework that largely formalises assistance measures already provided by airlines in many circumstances, including:

- rebooking arrangements;
- accommodation assistance;
- meal vouchers;
- refunds; and
- customer communication obligations.

1.30 The reality is a small number of complaints are made in relation to the number of passengers that fly. The department's own independently commissioned review of airline and airport complaint handling processes noted that 'there were approximately 10,000 relevant complaints escalated [in 2024]' across airlines and Australian airports.[6]

1.31 According to BITRE data, around 100 644,000 passengers travelled on Australia's domestic and international Regular Public Transport airlines services in 2024.[7] While these figures are not directly comparable because the complaint total included airports as well as airlines, they indicate that complaints make up under 0.01 per cent of passenger journeys.[8]

1.32 While every complaint represents a consumer whose expectations were not met, these figures raise legitimate questions about whether the Government's proposed regulatory response is proportionate to the scale of the problem identified.

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4 BITRE, *Airline on Time Performance, 2025 Calendar Year*, Table 1.

5 Mr Adam Glezer, Owner, Consumer Champion, *Committee Hansard*, 29 May 2026, p. 9.

6 Department of Infrastructure, Transport, Cities and Regional Development, *Review of Airline and Airport Complaint Handling Processes: Summary of Findings*, 2024, [p. 5].

7 Qantas, *Submission 30*, p. 2.

8 Airlines for Australia & New Zealand, *Submission 13*, p. 1.

## Failure to consider direct passenger compensation

1.33 Coalition Senators remain concerned that the Government has dismissed direct compensation models without providing a compelling policy rationale.

1.34 The majority report says overseas schemes 'add complexity and cost to the system without necessarily bringing about improvements for consumers'.[9] However, the Coalition notes that increased complaint volumes may reflect stronger consumer awareness of passenger rights and greater confidence in seeking compensation when airlines fail to deliver the service that consumers have paid for.

1.35 In the 47th Parliament, Senators Bridget McKenzie and Dean Smith introduced the Airline Passenger Protection (Pay on Delay) Bill.

1.36 That Bill proposed a compensation model based on international passenger rights frameworks operating in jurisdictions including the European Union, Canada and the United Kingdom.

1.37 The purpose of that legislation was not merely to compensate passengers for inconvenience but to create stronger commercial incentives for airlines to improve performance.

1.38 Throughout the inquiry, stakeholders and consumer advocates repeatedly noted that the Government's proposed framework does not create comparable incentives.

1.39 Consumers may incorrectly assume the legislation creates compensation rights when it does not.

## Excessive reliance on delegated legislation

1.40 A recurring concern throughout the inquiry was the extent to which key aspects of the framework have been deferred to subordinate legislation.

1.41 The bills establish broad legislative architecture but leave critical matters to future ministerial determination, including:

- Charter obligations;
- service standards;
- exemptions;
- levy arrangements; and
- complaint handling procedures.

1.42 Stakeholders repeatedly argued that Parliament is being asked to approve a framework without visibility of its most important operational elements and its impact on regulated entities, especially small regional airlines.

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9 Paragraph 3.87.

1.43 This level of uncertainty could have been overcome with the implementation of an Exposure Draft that would have resulted in greater industry engagement prior to the bills being introduction into Parliament.

1.44 This omission has led to a high degree of dissatisfaction from key stakeholders include the Board of Airline Representatives of Australia (BARA) and Airlines for Australia & New Zealand (A4ANZ) who stated:

> The process of engaging and consulting with our sector on these changes more broadly has been outside of orthodox practices of standard government engagement with respect to major policy change.[10]
>
> A4ANZ and its members submit that engagement with airlines has been suboptimal.[11]

## Accountability gaps within the framework

1.45 The proposed framework does not consistently align accountability with operational responsibility, with the Australian Airports Association stating in its submission to the inquiry, 'where this principle is not maintained, there is a risk of misallocated responsibility, inefficient complaint handling and ultimately poorer outcomes for consumers'.[12]

1.46 Consumers are primarily concerned with obtaining a timely resolution when something goes wrong, regardless of whether the underlying cause rests with an airline, airport or government agency:

> Far too often, consumers are given the run-around by airlines when trying to access a remedy for a delayed or cancelled flight. Travellers are often not even given a reason why their flight has been delayed or cancelled.[13]

1.47 The committee received evidence that many passenger disruptions arise from factors outside the direct control of airlines, including:

- air traffic management;
- security screening;
- border processing;
- airport infrastructure constraints; and
- government-operated services.

1.48 The bills do not adequately address accountability where disruptions arise from entities that are not regulated under the framework, including government

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10 Board of Airline Representatives of Australia, *Submission 12*, [p. 3].

11 Airlines for Australia & New Zealand, *Submission 13*, p. 5.

12 Australian Airports Association, *Submission 7*, p. 1.

13 Mr Andrew Kelly, Director, Campaigns and Communications, CHOICE, *Committee Hansard*, 29 May 2026, p. 7.

entities that are expressly excluded from the Aviation Consumer Protection regime.

1.49 Sydney Airport submitted that 'in order to achieve the regime's objective of ensuring accountability for positive passenger outcomes, it should apply equally to services provided by government entities as well as non-government entities'.[14]

1.50 Airservices Australia plays a significant role in passenger outcomes through its management of air traffic flow, airspace operations and network constraints, all of which can contribute to delays and cancellations that are outside the control of airlines and airports.

**Recommendation 1**

**1.51 Accountability should follow operational responsibility and, accordingly, Coalition Senators recommend Airservices Australia should be included as a regulated entity under the framework.**

## Regional Australia must not bear additional costs

1.52 Regional aviation plays a critical role in connecting rural, regional and remote communities. For many regional Australians, aviation is not a discretionary service. It is essential infrastructure that provides access to healthcare, education, employment, family connections and business opportunities.

1.53 Evidence provided to the committee highlighted concerns that additional compliance costs may disproportionately affect regional operators who are already operating on 'thin', low-margin routes.

1.54 While the Government's intent is to exempt airports handling fewer than one million passengers per year from the framework, as stated in Minister King's media release of 1 April 2026, the Coalition shares the view of Regional Capitals Australia (RCA) that there is insufficient certainty for regional airports and the councils that own and operate them.

1.55 Regional airports handled about 16 per cent of Australia's domestic passenger movement in 2026. The exemption should therefore be 'locked' into the legislation to provide certainty and protect regional airports from future regulatory expansion.[15]

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14 Sydney Airport, *Submission 8*, p. 1.

15 Regional Capitals Australia, *Submission 31*, p. 1.

**Recommendation 2**

**1.56 Coalition Senators recommend that regional airports handling one million passengers or fewer per year be excluded from the aviation consumer protection framework and associated levy arrangements.**

1.57 Similarly regional airlines who provide critical services and connectivity to rural, regional and remote communities remain subject to this proposed legislation.

1.58 Any increase in compliance and regulatory costs associated with this legislation will have unintended consequences such as:

- upward pressure on airfares and air cargo prices;
- reduced competition and consumer choice;
- heightened risk for regional connectivity;
- job losses; and
- reduced investment in aviation services, fleet renewal and regional route development.

1.59 Regional Australians already face some of the highest aviation costs in the country and any additional regulatory costs imposed on airlines and airports are likely to be borne by passengers through higher fares, reduced service frequencies or diminished competition.

**Recommendation 3**

**1.60 Coalition Senators recommend that small regional airlines be excluded from the aviation consumer protection framework and associated levy arrangements.**

## No costings

1.61 The Government has not publicly released a Regulatory Impact Assessment examining the costs and benefits of the proposed reforms.

1.62 The bills establish:

- a new Aviation Consumer Protection Authority;
- a new Ombuds Scheme;
- a new levy framework;
- new regulatory obligations; and
- new compliance requirements.

1.63 The committee has not been provided with sufficient evidence demonstrating the overall economic impact of the reforms on airlines, airports and consumers, with many stakeholders disappointed with the 'one-size-fits-all' regulatory approach:

> Under the current drafting, regional airlines such as Rex are captured under the same definition as a domestic airline operating between major metropolitan centres, including low cost and full-service carriers.[16]

1.64 This represents a significant deficiency in the policy development process and, if we are unaware of costs, how can we assess the impact on ticket prices?

## Lack of a statutory review mechanism

1.65 Given the scale of the reforms and the reliance on delegated legislation, it is surprising the bills do not include a statutory review requirement.

1.66 A mandatory independent review would allow Parliament to assess:

- consumer outcomes;
- compliance costs;
- aviation safety impacts;
- regional aviation impacts; and
- effectiveness of complaint resolution mechanisms.

1.67 As it stands the framework enables the Minister to introduce or vary Charter requirements and standards but is silent as to whether amendments to the Charter would be subject to further consultation.[17]

1.68 Without such a review, Parliament may have limited visibility over whether the framework remains fit for purpose and is achieving its objectives.

**Recommendation 4**

**1.69 Coalition Senators Recommend a robust statutory review of the scheme be undertaken after it has been operating for 12 months, with further reviews to occur every three years after the commencement of the Act.**

## Aircraft Noise Ombudsperson

1.70 The role of the Aircraft Noise Ombudsperson (ANO) should be to provide independent oversight of aircraft noise management and ensure that communities affected by aviation noise have confidence that their concerns are being heard.

1.71 However, the Coalition is concerned that Part 4 of the Aviation Consumer Protection Bill 2026 establishes the existing ANO as a statutory function within the department. This is the same department that administers aviation policy, oversees Airservices Australia and operates under Ministerial direction.

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16 Regional Express, *Submission 17*, [p. 3].

17 Virgin Australia, *Submission 15*, p. 12.

1.72 In effect, the Aircraft Noise Ombudsperson would be 'subject to the same chain of authority that governs the agencies whose conduct it reviews'.[18]

1.73 As noted by the Brisbane Flight Path Community Alliance (BFPCA), 'Noise-affected residents are not recognised within the Act's core definitions or rights-based protections, despite being the primary constituency of the ANO'.[19] This contradiction arises because the bill defines a 'consumer' as a person who acquires or uses regulated aviation services, as described in clause 12 of the bill.

1.74 Evidence provided by the BFPCA, highlights ongoing dissatisfaction with aircraft noise management arrangements, transparency of decision-making and the limited ability of communities to obtain meaningful outcomes from existing complaint processes.[20]

1.75 Coalition Senators are concerned that the proposed arrangement risks further blurring the distinction between consumer protection issues and aircraft noise management matters or, as the BFPCA states, the framework protects passengers in the air while excluding communities on the ground.

1.76 Relocating the ANO into a new bureaucratic framework does little to improve accountability or public confidence. Without stronger reporting requirements, enhanced investigative powers and clearer mechanisms to hold decision-makers accountable, there is a risk the reforms will create the appearance of action without delivering meaningful improvements for affected communities.

**Recommendation 5**

**1.77 Coalition Senators recommend that Part 4 of the Aviation Consumer Protection Bill 2026 be removed and redrafted to ensure that the Aircraft Noise Ombudsperson remains an independent statutory body.**

## Conclusion

1.78 We all support stronger consumer protections and recognise the need to restore public confidence in Australia's aviation sector.

1.79 However, the bills in their current form do not adequately address the concerns of Australians who have experienced delays, cancellations, lost baggage or poor communication after paying for a service that was not delivered as expected.

1.80 The framework does not provide direct passenger compensation, relies heavily on delegated legislation, creates accountability gaps, imposes uncertain regulatory costs and fails to sufficiently recognise the importance of aviation safety.

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18 Brisbane Flight Path Community Alliance, *Submission 21*, p. 9.

19 Brisbane Flight Path Community Alliance, *Submission 21*, p. 8.

20 Brisbane Flight Path Community Alliance, *Submission 21.*

1.81 Government remains captured by monopolistic airlines to the determent of the Australian traveller.

1.82 In summary, the Government has failed to properly identify the source of the problem which is that significant delays, cancellations and customer complaints have overwhelmingly been associated with the airline duopoly that exists in Australian aviation.

1.83 It is therefore reasonable to ask why the Government has chosen to extend the regulatory framework beyond the major airlines that have been the primary source of consumer complaints.

1.84 Instead, the Government has adopted a one-size-fits-all regulatory framework that risks imposing disproportionate compliance burdens on regional aviation operators who played no meaningful role in creating the problems the legislation seeks to address.

1.85 This approach risks undermining regional aviation services while delivering little additional benefit to consumers.

1.86 The Coalition believes consumers deserve stronger protections, greater transparency and better outcomes when flights do not operate as scheduled. However, consumers also deserve legislation that is effective, proportionate and targeted at the source of the problem.

**Senator Ross Cadell**
**Deputy Chair**

**Senator the Hon Richard Colbeck**
**Member**

**Senator Bridget McKenzie**
**Participating Member**

# Appendix 1
# Submissions and additional information

**Submissions**

**1** Australian Federation of Disability Organisations
**2** Australian Competition & Consumer Commission
**3** Regional Aviation Association of Australia
**4** Canberra Airport
**5** Brisbane Airport Corporation
**6** Hobart Airport
**7** Australian Airports Association
**8** Sydney Airport
**9** Australia Pacific Airports Corporation
**10** International Air Transport Association
**11** Australian & International Pilots Association
**12** Board of Airline Representatives of Australia
**13** Airlines for Australia & New Zealand
**14** Queensland Airports Limited
**15** Virgin Australia
**16** Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts
**17** Regional Express
**18** Civil Aviation Safety Authority
**19** Justice and Equity Centre
**20** East Melbourne Group
**21** Brisbane Flight Path Community Alliance
**22** Mr Michael Sanderson
**23** Mr Rob Cooper
**24** Ms Karilyn Beiers
**25** Australian Human Rights Commission
- Attachment

**26** Australian Lawyers Alliance
- 4 Attachments

**27** Law Council of Australia
**28** Australian Travel Industry Association
**29** CHOICE
**30** Qantas Group
**31** Regional Capitals Australia

### Additional Information

**1** Air transport industry, joint letter from key business and industry leaders regarding the Aviation Consumer Protection bills (received 22 April 2026)

**2** Australian Travel Industry Association, response to evidence provided by airlines, public hearing, 29 May 2026 (received 9 June 2026)

### Answer to Question on Notice

**1** Australian Competition and Consumer Commission, response to question on notice, public hearing 29 May 2026 (received 4 June 2026)

**2** Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, response to question on notice, public hearing 29 May 2026 (received 5 June 2026)

**3** Virgin Australia, response to questions on notice, public hearing 29 May 2026 (received 9 June 2026)

**4** Qantas, response to questions on notice, public hearing 29 May 2026 (received 11 June 2026)

**5** Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, response to written questions from Senator McKenzie (received 11 June 2026)

### Tabled Documents

**1** Virgin Australia, Opening statement, tabled by Mr Andrew Cleary, public hearing, 29 May 2026

**2** Extract from Virgin Australia, Code of Conduct, 'Communications', tabled by Senator Josh Dolega, public hearing, 29 May 2026

# Appendix 2
# Public hearings

**Friday 29 May 2026**
Committee Room 2S3, Parliament House
Canberra, ACT

*Australian Lawyers Alliance (via videoconference)*
- Ms Victoria Roy, Travel Law Special Interest Group

*Law Council of Australia (via videoconference)*
- Ms Kirsten Webb, Partner

*Australian Human Rights Commission (via videoconference)*
- Ms Rosemary Kayess, Disability Discrimination Commissioner
- Ms Rachel Holt, Senior Executive, Investigation and Conciliation Service

*CHOICE (via videoconference)*
- Mr Andrew Kelly, Director, Campaigns and Communications
- Mr Morgan Campbell, Head, Policy and Government Relations

*Consumer Champion*
- Mr Adam Glezer, Owner

*Justice and Equity Centre (via videoconference)*
- Ms Sheetal Balakrishnan, Senior Solicitor

*Australian Airports Association*
- Mr Simon Westaway, Chief Executive Officer (via videoconference)
- Ms Natalie Heazlewood, Head, Policy and Advocacy

*Canberra Airport*
- Mr Stephen Byron AM, Chief Executive Officer
- Mr Michael Thomson, Head, Aviation

*Sydney Airport*
- Mr Scott Charlton, Chief Executive Officer
- Ms Leanne Geraghty, General Manager, Passenger Experience and Terminal Operations

*Airlines for Australia & New Zealand*
- Professor Graeme Samuel AC, Chair (via videoconference)
- Mr Stephen Beckett, Chief Executive Officer

*Board of Airline Representatives of Australia*

- Mr Stephen Pearse, Executive Director

*Qantas Group*

- Mr Markus Svensson, Chief Executive Officer, Qantas Domestic
- Ms Stephanie Tully, Chief Executive Officer, Jetstar

*Virgin Australia*

- Mr Andrew Cleary, Chief Customer Officer; and CEO of Velocity
- Mr Alistair Hartley, Chief Strategy and Transformation Officer
- Mrs Rebecca Walker, General Manager, Legal
- Ms Alison Judith Dunn, General Manager, Product and Customer Strategy

*Australian & International Pilots Association*

- Mr William Kerr, Head of Government and Regulatory Affairs
- Ms Disha Mehta, Senior In-House Lawyer

*Regional Aviation Association of Australia*

- Mr Rob Walker, Chief Executive Officer

*Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts*

- Ms Rachel Parry, Deputy Secretary, Transport Group
- Ms Samantha Palmer, Interim Aviation Consumer Ombudsperson, Transport Group
- Ms Jennifer Stace, First Assistant Secretary, Domestic Aviation and Reform Division, Transport Group
- Mr Ben Meagher, Assistant Secretary, Sydney Airport Slots and Consumer Aviation Reforms Branch, Domestic Aviation and Reform Division, Transport Group

*Australian Competition & Consumer Commission (via videoconference)*

- Ms Lauren White, Executive General Manager, Consumer and Fair Trading