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Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Committee Secretary

ACCC submission – Senate Rural and Regional Affairs and Transport Legislation Committee inquiry into the Aviation Consumer Protection Bill 2026 and three related bills

The Australian Competition and Consumer Commission (**ACCC**) welcomes the opportunity to provide a submission to the Senate Rural and Regional Affairs and Transport Legislation Committee inquiry into the Aviation Consumer Protection Bill 2026 and three related bills.

The ACCC strongly supports the introduction of the Aviation Consumer Ombuds Scheme, as provided by Aviation Consumer Protection Bill 2026 (the **Bill**). The ACCC considers the proposed Aviation Consumer Ombuds Scheme will help ensure that consumers will have accessible, fair and effective dispute resolution for disputes with airlines and airports.

The ACCC is an independent Commonwealth statutory agency that promotes competition, ensures fair trading, protects consumers, and regulates national infrastructure and concentrated markets for the benefit of all people across Australia. The ACCC's primary responsibilities are to enforce compliance with the competition, consumer protection, fair trading and product safety provisions of the *Competition and Consumer Act 2010* (**CCA**), regulate national infrastructure and undertake market studies. The CCA also contains the Australian Consumer Law (**ACL**), which is enforced by state and territory ACL regulators alongside the ACCC.

The Bill proposes to establish an overarching Aviation Consumer Protection Framework, including by:

- enabling the Minister for Infrastructure, Transport, Regional Development and Local Government (the **Minister**) to make an Aviation Consumer Protections Charter, which will set minimum standards for airline and airport services for aviation consumers
- enabling the Minister to authorise an external dispute resolution scheme to provide aviation-specific complaint handling services (the **Aviation Consumer Ombuds Scheme**), which will be operated independently and overseen by the Aviation Consumer Ombudsperson, and
- providing that the Aviation Consumer Protection Authority (**ACPA**), within the Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts (the **Department**), monitors and enforces compliance by airlines and airports with the still to be made Charter, and compliance by the airlines and airports in joining the Aviation Consumer Ombuds Scheme.

The ACCC has long advocated for improved dispute resolution in the aviation sector. As outlined in our submissions to the Aviation Green Paper, Aviation Industry Ombuds Scheme consultation and Aviation Consumer Protections consultation, the ACCC has received a sustained number of consumer reports about the aviation sector over many years. Consumers have reported poor customer service, including poor communication, decreasing service quality, and issues in resolving disputes and obtaining redress.

The introduction of a well-designed ombuds scheme, modelled on comparable and effective ombuds schemes like the Telecommunications Industry Ombudsman (**TIO**) and Australian Financial Complaints Authority (**AFCA**), will facilitate improved dispute resolution and promote consumer confidence in the aviation sector. The introduction of the Aviation Consumer Ombuds Scheme will also mean greater efficiencies and improved effectiveness in dispute resolution, including through incentivising airlines to improve internal complaints handling and overall service levels.

The Aviation Consumer Ombuds Scheme as proposed in the Bill borrows many features from the AFCA and TIO schemes, which the ACCC supports. In this respect, it also has many features that the ACCC recommended in our submissions to the Aviation Industry Ombuds Scheme consultation and Aviation Consumer Protections consultation.

Ensuring that the scheme is overseen by a regulator like the ACPA is needed to ensure compliance with the proposed ombuds scheme requirements, which will provide further certainty to aviation consumers. The ACCC considers the powers contain in the Bill for the regulator to investigate and enquire into issues, and the range of compliance and enforcement tools to address non-compliance with the aviation consumer protection framework as provide in the Bill are also necessary for the regulator to be effective in this role. We also note such a regulator would need to be appropriately resourced.

Overall, the ACCC supports the Bill. However, we recommend the following amendments to help ensure the Aviation Consumer Ombuds Scheme, and overarching consumer protection framework, remains effective and continues to meet their objectives into the future.

Exemptions for specified persons or from particular requirements

The proposed framework includes the ability for the Minister to provide exemptions to particular entities. We note that this is intended to accommodate differences across the aviation sector, such as if an airline were to enter voluntary administration, or where it is needed to ensure ongoing service delivery to regional and remote communities.

The ACCC acknowledges that granting exemptions may be appropriate in specific and limited circumstances, such as to ensure that the framework's requirements do not materially threaten ongoing service delivery to regional and remote communities.

However, to ensure that the needs of consumers and aviation sector participants are appropriately balanced, the ACCC suggests that the effectiveness of the proposed exemption provisions could be enhanced by limiting the possible reasons that an entity might be granted an exemption. This will support uniform protections for aviation consumers and consistent obligations on airlines and airports.

The ACCC also suggests that any exemptions granted by the Minister should be time limited, particularly noting that the relevant circumstances that might initially warrant an exemption may change as the market and individual business circumstances change over time.

There should also be an ability for conditions to be placed upon any exemption where appropriate. For example, a condition which would require the exempted entity to notify the

Minister where its annual revenue or passenger volumes exceed a specified amount, or which stipulates that the exemption will expire upon a specific event. This would ensure that an exemption would continue to serve the purposes for which it was granted.

While the Bill would allow the Minister to impose conditions on exemptions granted from some requirements, the ACCC recommends that this should be an ability that is available across all exemption powers in the Bill. Any checks and balances for potential exemptions should be consistent across both the exemptions from particular requirements, and those which might exclude entities from the operation of the framework as a whole.

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.

Where concerns about the financial burden on small airlines and airports arise, we consider that in the majority of cases, these can be adequately ameliorated by the exemptions from annual levies contemplated by the Aviation Consumer Protection Levy Bill 2026. As noted in our submission to the Aviation Industry Ombuds Scheme consultation, small telecommunications and internet service providers and small financial service providers, including mortgage brokers, are covered by the TIO and AFCA schemes, respectively. Concerns regarding the financial burden on these entities are effectively dealt with by the funding arrangements for these schemes, including tiered structures for fixed fees and a free number of complaints before complaints handling fees are imposed.[1]

Statutory review of the Bill

While the design of the Aviation Consumer Ombuds Scheme, and associated regulatory functions, are based on existing external dispute resolution schemes, the ACCC notes that these schemes are overseen by long established and independent regulators (namely, the Australian Securities and Investments Commission and the Australian Communications and Media Authority).

Additionally, the Bill will allow the Minister to establish an Aviation Consumer Protections Charter via legislative instrument, which will be a new articulation of minimum standards for airline and airport services.

It will be important to monitor the effectiveness of the framework in improving the consumer aviation experience in accessing airport services and travelling with airlines in Australia, to determine whether the framework is meeting its stated objectives and whether further regulatory intervention is needed in the sector.

For these reasons, the ACCC recommends the Bill should include a formal statutory review mechanism, to enable a holistic review of the framework at an appropriate point in the future (for example, three years from the date the framework takes effect, with periodic reviews thereafter). This will assist in:

- ensuring that the operation of the framework, including the Aviation Consumer Ombuds Scheme, Aviation Consumer Rights Charter, and associated regulatory powers, remains fit for purpose and effectively addresses community needs and objectives.

[1] For example, AFCA has a "user-pays" model, with a single annual registration fee, no complaints fees for the first 5 complaints against a member, and additional fees based on the number of complaints against the member and the stage at which each complaint was resolved.

- identifying potential areas for improvement once there has been an opportunity to test the operation of the framework in practice, or necessary updates to reflect changes in business practices and/or community expectations.
- identifying and resolving any potential unintended consequences arising from the design of the framework, to ensure that the framework remains workable for consumers, regulated entities, and the Aviation Consumer Ombuds Person and ACPA.

Similar formal review mechanisms are also included in the establishing legislation for comparable external dispute resolution schemes, including both the TIO and AFCA.[2]

Review timelines formalised in the establishing legislation will provide greater transparency and accountability for the framework, and increased confidence and certainty for aviation consumers, aviation sector participants, and other stakeholders.

If you have any questions regarding this submission, please contact Lauren White, A/g Executive General Manager, Consumer and Fair Trading Division on (03) 9290 1898.

Yours sincerely

[redacted]

Gina Cass-Gottlieb
Chair

[2] The *Telecommunications (Consumer Protection and Service Standards) Act 1999* required the TIO to conduct a review of the TIO scheme within 3 years after commencement, and within every 5 years thereafter. The *Treasury Laws Amendment (Putting Consumers First – Establishment of the Australian Financial Complaints Authority) Act 2018* required the Minister to cause a review of the AFCA scheme as soon as practicable 18 months after the AFCA scheme began receiving complaints.