



Australian Government

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

AVIATION CONSUMER PROTECTION BILL 2026 AND RELATED BILLS

SUBMISSION TO THE RURAL AND REGIONAL AFFAIRS
AND TRANSPORT COMMITTEE

24 April 2026



Australian Government

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

Introduction

The Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (the department) welcomes the opportunity to provide a submission to the Rural and Regional Affairs Transport Legislation Committee's inquiry into the package of bills comprising the:

- Aviation Consumer Protection Bill 2026 (the ACP Bill),
- Aviation Consumer Protection Levy Bill 2026 (the Levy Bill),
- Aviation Consumer Protection Levy (Collection) Bill 2026 (the Levy Collection Bill), and
- Aviation Consumer Protection (Consequential Amendments and Transitional Provisions) Bill 2026 (the Consequential Bill).

This package creates the legislative basis for the Aviation Consumer Protection Framework (the framework) and will:

- enable the Minister to make the Aviation Consumer Protections Charter (the Charter), which will set minimum standards for the provision of airline and airport services for aviation consumers,
- provide for systemic monitoring, compliance and enforcement of those standards by a regulatory function, known as the Aviation Consumer Protection Authority (ACPA), that will be established within the department,
- enable the Minister to authorise an external dispute resolution scheme, known as the Aviation Consumer Ombudsman (ACO) scheme, to provide aviation-specific complaint handling services, and
- establish the Aircraft Noise Ombudsman (ANO) as a statutory function within the department.

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. Key elements of the framework implemented through subordinate legislation include: the Charter, any exemptions from regulatory requirements for specific regulated entities, the instrument authorising the ACO, and regulations to set and collect levies to recover costs associated with the ACPA.

The framework established by this legislation delivers on four separate commitments in the *Aviation White Paper: Toward 2050* (AWP). The AWP found that the 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. In addition to providing the legal basis to establish the ACO (AWP Initiative 1) and the Charter (AWP Initiative 2), the legislation will create powers to collect and publish information from airlines and airports (AWP Initiative 3) and establish an independent ANO (AWP Initiative 32).

In developing these reforms, the Australian Government undertook an extensive consultation process, including through the Aviation Consumer Protections consultation paper¹ over September and October 2025, and two processes in 2024². These three consultations generated more than 400 submissions, many from individuals and consumer advocates emphasising the need for strong enforceable standards. Industry also recognises the need for reform but continues to emphasise that the Charter should strike an appropriate balance between setting minimum standards to support travellers that are also operationally feasible.

In parallel with the development of the legislative framework, the Interim Aviation Consumer Ombudsman undertook a review of airline complaint handling processes³ and a consumer survey⁴. The results of these initiatives, as well as complaints received by the Interim Aviation Consumer Ombudsman, strongly support the need for government intervention and reinforce the appropriateness of the approach to strengthening aviation consumer protections.

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. This finding was reinforced by the report on airline complaint handling which found that there is scope for airlines and airports to significantly improve their complaint handling processes to support better outcomes for consumers. The consumer survey further revealed that more than half of the flying public experienced a disruption in a 12-month period, with only around a third satisfied with how it was handled. People with disabilities, medical conditions or injuries faced more barriers and were even less satisfied with air travel.

Scope of the framework

The framework will regulate airlines operating domestic flights in Australia, airlines flying internationally to and from Australia, and Australian airports. The framework will apply to services offered or supplied to travellers by an airline or airport in relation to their flight, including services contracted out to third parties. This will also include airport accessibility services to ensure that travellers with accessibility needs are supported kerb-to-kerb and are able to make complaints in relation to those services.

The government intends to exempt airports with less than 1 million passengers per year from the framework. This would mean the framework would apply to the largest 14 airports in Australia, and Western Sydney International (Nancy-Bird Walton) Airport, capturing 93% of all passenger movements through Australian airports.

“Many smaller airports do not have the staff or resources to implement or fund such measures and already face significant financial challenges,” [Mr Westaway] said. “Our recent survey data showed the typical regional airport is losing around \$200,000 a year just to keep aircraft moving and runways open, with nearly 60 per cent operating at a deficit.” “Setting a one million passenger threshold ensures the framework targets where complaints are most likely to arise, while protecting smaller community assets from disproportionate regulatory costs.”⁵

¹ Aviation Consumer Protection Consultation Paper, September 2025:

<https://www.infrastructure.gov.au/department/media/publications/aviation-consumer-protection-consultation-paper>

² Aviation Customer Rights Charter Consultation Paper, December 2024:

<https://www.infrastructure.gov.au/department/media/publications/aviation-customer-rights-charter-consultation-paper>

Aviation Industry Ombuds Scheme Consultation Paper, August 2024:

<https://www.infrastructure.gov.au/department/media/publications/aviation-industry-ombuds-scheme-consultation-paper>

³ Review of Airline and Airport Complaint Handling Processes: <https://www.infrastructure.gov.au/sites/default/files/documents/acos-summary-of-findings-airline-and-airport-complaints.pdf>

⁴ Preparing for take-off - Surveying Australians' air travel behaviour, experiences and attitudes, March 2026:

<https://www.infrastructure.gov.au/department/media/publications/preparing-take-surveying-australians-air-travel-behaviour-experiences-and-attitudes>

⁵ The Australian Airports Association, AAA welcomes regional airport protections in aviation consumer reforms, 1 April 2026:

<https://airports.asn.au/wp-content/uploads/2026/04/AAA-Media-Release-AAA-welcomes-regional-airport-protections-1-April-2026.pdf>

Interaction with other laws

The framework will complement existing general principles-based economy-wide consumer protections provided by the Australian Consumer Law (ACL), by offering aviation industry-specific protections. The aviation specific protections will provide consumers and industry with additional certainty as to what they can expect when things go wrong. The Charter standards will not limit any standards that businesses must comply with under the *Competition and Consumer Act 2010* and the ACL.

The proposed Charter standards have been informed by the Canadian *Air Passenger Protection Regulations* (APPRs) that cover inbound, outbound and domestic flights. Modelling the Charter in part on these passenger protections is designed to reduce additional regulatory burden and create international regulatory harmony, as many international airlines must already meet those obligations.

In relation to accessibility, to remove discrimination in the provision of aviation services to people with disability, airlines and airports will continue to be required to comply with the *Disability Discrimination Act 1992*, including its *Disability Standards for Accessible Public Transport 2002 (Transport Standards)* and *Disability (Access to Premises – Buildings) Standards 2010*.

Drafting of the proposed Bill package, and subsequent subordinate legislation, has and will involve consideration of consistency with Australia's international legal obligations, for example Australia's obligations under the *Montreal Convention 1999*, the *Chicago Convention 1944*, the *Convention on the Rights of the Child 1991*, and the *Conventions on the Rights of Persons with Disabilities 2008*.

The *Civil Aviation (Carriers' Liability) Act 1959* gives effect to the *Montreal Convention 1999* and establishes a liability framework, including causes of action enforceable through the courts, for the international carriage of passengers, baggage and cargo by air. Those laws create a distinct strict liability framework which sets maximum compensation limits that may be awarded by a court for the destruction, loss or injury to baggage for domestic carriage of passengers by air. The ACP framework allows for minimum consumer standards relating to flights, including baggage and delays but is not expected to include specific compensation or create a cause for action for passengers through the courts.

Compensation

The ACP framework will deliver improved remedies for travellers but not extend to mandatory compensation that is included in some international schemes. This approach is consistent with the policy position of the government, that has been clear throughout the development of the framework that a compensation scheme like the European or Canadian model is not being considered at this time.

Research has indicated that aviation compensation schemes in other countries do not necessarily improve airline performance in relation to delayed or cancelled flights,⁶ and may even incentivise airlines to cancel flights to avoid knock on delays on other flights.⁷ Additionally, compensation brings the very real risk of being factored into the ticket price for customers and potential impacts on the financial sustainability of routes, particularly regional routes.

In addition to the costs of the provision of compensation itself, consumer aviation compensation schemes can also involve high administrative overheads and long processing delays. The department has engaged regularly with Canadian officials, and we understand that the leading cause for the backlog of aviation consumer complaints in Canada has been consumers seeking financial compensation.

The approach taken in the ACP framework, and through requirements in the Charter, is to seek to resolve complaints early and efficiently. This can lower overall regulatory burden, reduce litigation risk, improve compliance clarity, and improve consumer experience and the reputation of Australia's aviation system.

⁶ Hinnerk Gnutzmann and Piotr Śpiewanowski, *Air Passenger Rights at the Crossroads: Economic Impact of the Proposed EC261 Reform*, October 2025: <https://apra-eu.com/wp-content/uploads/2025/11/Economic-Impact-of-the-Proposed-EC261-Reform.pdf>

⁷ *Airlines For Europe: 70% of cancelled* flights could be saved with changes to passenger rights legislation (EU261)*, 23 May 2025: <https://a4e.eu/publications/70-of-cancelled-flights-could-be-saved-with-chnges-to-passenger-rights-legislation-eu261/>

Considering the level of aviation competition and the critical nature of regional routes in Australia, the government considers that an ombudsperson scheme with enforceable consumer standards is more suited to the Australian market. As a scheme funded by industry, the ACO governance structure will also incentivise efficiency in the operation of the scheme and minimise the potential impacts of the scheme on ticket prices.

Aviation Consumer Protections Charter

The ACP Bill will provide for the Charter to be made. Consultation with stakeholders is continuing and will inform development of the Charter, including through an Impact Assessment.

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.

While many proposed provisions have been modelled on international schemes such as the Canadian APPRs, they have been adapted for the Australian market.

Minimum obligations

The Charter will improve consumer protections across the aviation environment as it will set clear minimum obligations regulated entities must comply with, overseen by an independent dispute resolution body, and enforced by a regulator. The Charter intends to set the minimum, not maximum ceilings. Airlines remain free to exceed these standards in how they deliver services and compete on quality offerings if they wish. It is proposed that airports will need to comply with the complaints handling and customer service statement requirements while also supporting passengers with accessibility needs through the obligation for airlines to coordinate with airports to support their effective journeys. The Charter aims to ensure aviation consumers benefit from clear and consistent protections. This includes clear booking information, receiving timely and fair information and remedies when their flight is disrupted, significantly delayed or cancelled along with access to effective dispute resolution.

Aviation Consumer Ombudsperson scheme

ACO governance

The Aviation Consumer Ombudsperson (ACO) will be independent of government, with the scheme to be established and operated by a not-for-profit company. The ACP Bill provides that the board of the ACO company must comprise of an equal number of directors with industry and consumer experience, ensuring the interests of consumers and industry are considered equally in the operation of the ACO scheme. All regulated entities will be required to join that company, and it will be subject to rules approved by the government. The ACO's dispute resolution scheme governance structure has been informed by Australian and New Zealand benchmarks and key practices for industry-based customer dispute resolution.⁸ This design followed strong feedback during consultation from stakeholders including CHOICE and the ACCC.

“Appropriate governance arrangements are the foundation of any effective dispute resolution scheme. Without a credible structure, no amount of detail elsewhere will make the system work. While other matters can be refined over time, if the governance is weak the scheme will be set up to fail. The ineffective airline customer advocate demonstrates this clearly.”⁹

⁸ Key Practices for Industry-based Customer Dispute Resolution, March 2015: <https://treasury.gov.au/publication/key-practices-for-industry-based-customer-dispute-resolution>

⁹ CHOICE, Submission on the aviation consumer protection consultation paper, 29 September 2025: <https://www.infrastructure.gov.au/sites/default/files/documents/acp-choice.pdf>

ACO authorisation

The legislation will establish a framework, including a range of mandatory requirements and conditions that must be met for the Minister to authorise an entity to act as the ACO. This model builds on existing successful models for establishing ombuds functions like the Telecommunications Industry Ombudsman (TIO) and the Australian Financial Complaints Authority (AFCA). This approach will establish the ACO as an independent entity which provides a fair, accessible and trusted avenue for resolving escalated aviation consumer complaints.

Funding the ACO

The ACO will fund its operations through fees from industry members, allowing them to directly influence fees and operational costs to ensure efficiency and keep costs as low as possible. This approach exists in other ombuds schemes like the TIO and AFCA. The legislation establishes safeguards in relation to ACO funding as part of the authorisation of the ACO to ensure that its funding model is aligned with the policy objectives for the framework. These safeguards include a requirement to demonstrate how the ACO would be funded as part of the authorisation process and the ability for the Minister to give the ACO directions to ensure the scheme is sufficiently financed.

Regulating the Aviation Consumer Protection Framework

The ACP Bill also establishes the basis to regulate compliance with the requirements of the legislation. Regulatory oversight is necessary to keep airlines and airports accountable for the Charter requirements and ensure the framework is effective. The ACP Bill establishes the range of enforcement and compliance tools to ensure that regulated entities are complying with the Charter and the ACO scheme. The use of these powers would be proportionate to the nature of any breach.

“The ACCC considers that a properly constituted and appropriately resourced regulator is important to ensure member compliance with the proposed ombuds scheme requirements, including determinations made by the Aviation Consumer Ombudsperson.”¹⁰

While some stakeholders suggested the ACCC could be the regulator for the ACP Framework, a stand-alone regulator has been proposed to ensure compliance with the new aviation specific consumer standards. The ACCC will continue to be responsible for cross-sector consumer laws, rather than administering industry-specific frameworks like the ACP.

“There are a number of effective sector-specific consumer protection regulators operating in Australia, which play a complementary role with the ACCC’s economy-wide regulation of consumer protection.”¹¹

There will be an ongoing need for both the ACPA and ACO to liaise with other regulators and government agencies, including the ACCC and state/territory ACL regulators. To support this, the ACP Bill includes provisions to allow the ACO and ACPA to refer matters to a more suitable body.

¹⁰ ACCC, Submission in response to the Aviation Consumer Protections consultation, October 2025 :

www.infrastructure.gov.au/sites/default/files/documents/acp-australian-competition-and-consumer-commission-acc.pdf

¹¹ ACCC, Submission in response to the Aviation Consumer Protections consultation, October 2025 :

www.infrastructure.gov.au/sites/default/files/documents/acp-australian-competition-and-consumer-commission-acc.pdf

ACPA Cost Recovery Arrangements

The ACPA will be a small regulator with a targeted remit focused on monitoring and systemic non-compliance. The Levy Bill and the Levy Collection Bill establish a framework for the imposition and collection of levies to recover the operating costs associated with ACPA's functions. The amount of the levy will be determined in accordance with the Bill framework, with the Secretary responsible for determining the total operating costs of the ACPA to be recovered.

The Levy Bill requires a regulated entity's contribution be a fair proportion of total levies raised.¹² The government has stated its intention that both airlines and airports would be subject to levies, with an intention to exempt airports handling fewer than one million passengers per year from the framework.¹³ This means most regional and all rural airports will not be subject to the levy.

The proposed levy arrangements align with the Australian Government Charging Framework (AGCF), including principles of proportionality, transparency and cost-reflectivity by ensuring that those benefitting from the regulatory services contribute to its cost. Before setting or changing the levies, the AGCF requires the Government to undertake the preparation and publication of a Cost Recovery Implementation Statement (CRIS), which will outline the activities being funded and the basis on which levy amounts are determined. Preparing the CRIS is intended to support stakeholder engagement and document how charges are efficient, proportionate and consistent with the AGCF. Final levy design settings will be settled through the levy regulations, which are expected to be subject to an exposure draft process, and a CRIS.

While the levy bills enable the government to recover the costs of operating the regulatory function through industry levies, the government has stated it is mindful of the current burden on industry due to the conflict in the Middle East and will make appropriate decisions in that regard.

Aircraft Noise Ombudsperson (ANO)

The ACP Bill establishes an independent ANO function within the department to conduct investigative reviews into how Airservices Australia and the Department of Defence handled aircraft noise complaints, the community consultation processes regarding changes affecting aircraft noise, and how aircraft noise information is presented and distributed. This is consistent with the commitment made in the AWP to separate the ANO function from the entities it reviews.

The current ANO function administered by Airservices Australia is not supported by any legislation. The current organisational arrangement for the ANO potentially undermines public confidence in its findings and recommendations due to the potential for conflicts. In the process of making this function independent of Airservices Australia, the government has codified its role and functions in legislation, but there is no change to functions.

Conclusion

The 2024 AWP found that reform was needed to deliver a fairer aviation sector that delivers a better passenger experience. Through three separate consultation processes, the feedback from consumers remains that the need for these reforms has not diminished. The experience of the office of the Interim Aviation Consumer Ombudsperson showed that complaints from aviation consumers continued to rise in 2025.

¹² Levy Bill s10(3)(b).

¹³ Media Release - New aviation consumer protections legislation to help passengers when things go wrong:
<https://minister.infrastructure.gov.au/c-king/media-release/new-aviation-consumer-protections-legislation-help-passengers-when-things-go-wrong>

The framework in these Bills strikes an appropriate balance between providing meaningful protections for passengers while maintaining a competitive and sustainable aviation sector.