

## Regional Aviation Association of Australia (RAAA) submission to the Senate Inquiry into the Aviation Consumer Protections Legislation – April 2026

### Introduction

The Regional Aviation Association of Australia (RAAA) welcomes the opportunity to provide a submission to the Senate Inquiry into the Aviation Consumer Protection Legislation.

The RAAA acknowledges the Government's plan to establish an aviation consumer protection framework designed to try and improve outcomes for the travelling public, however the RAAA has concerns about the design and implementation of the new scheme, and the operational cost impacts that a new scheme and regulator will incur.

The RAAA welcomes the government's decision for regional airports to be excluded from the new scheme. However, we firmly submit that regional airlines should also be exempted from the scheme.

The inclusion of regional airlines in the scheme would result in an unfair operational burden on regional airlines, particularly as their ability to mitigate the effects of unexpected events that lead to flight delays is limited.

Recently the operating environment has been further complicated and become more challenging due to the war in the Middle East and the resulting fuel crisis impacting the Australian community.

At this challenging time, the imposition of additional costs on regional airlines raises the real possibility of adverse impacts for communities in regional and remote locations across Australia. The fuel crisis may be resolved in the near term, but the inflated cost of jet fuel and diesel will have a long tail and continue to be an impost on many for many months if not years to come.

The new Aviation Consumer Protections legislation and scheme therefore must consider the type of airline operation and the locations of operating airline to protect the vital services they provide.

Safety must also remain the industry's number one priority. Any new scheme must not compromise the world-class safety culture of the Australian aviation industry. There is a real risk that safety could be undermined by factors that put pressure on an airline operator to avoid a financial penalty as part of their day-to-day operational decision making.

### The new legislation and new scheme

The legislation provides the head of power for the new scheme, and new functions and processes that includes an Aviation Consumer Protection Authority, an Aviation Consumer Ombudsperson, and an Aircraft Noise Ombudsperson. All of these are to be funded by charging the aviation industry a compulsory 'membership fee' - effectively a new aviation tax or levy.

This will place an extra financial burden on all airlines and non-regional airports. Many smaller regional airlines financial viability is already precarious. Any additional tax or levy on industry is not supported by the RAAA. If Government does introduce the new tax or levy (membership) on operators, they would have little choice but to pass the cost onto passengers through higher ticket prices.

The RAAA believes that if the government does proceed with the new legislation and regulations the cost should be met by government through additional budget appropriation funding for its department and aviation agencies.

Importantly any new scheme must also be fair and recognise the differences between large and small airline operators and their ability to influence or manage the complexity involved in the provision of aviation services.

Regional aviation is a highly price sensitive business. Lower passenger volumes and the unique nature of the regional and often remote locations involved provide challenges in the delivery of safe and reliable air services across Australia. Contrast this to the high passenger volumes and dense route structures linking the capital cities, and the ability for a large airport or airline to effectively manage operational events or challenges, is much greater.

Regional airlines should be exempt from the tax or levy.

The government should consider using 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. The government has already agreed regional airports with less than one million passenger movements are exempt. The RAAA would urge the government to consider that operators who operate aircraft that have less than 120 seats for regular air transport services or charter operations should be exempt.

### **Regional Aviation and the Aviation Consumer Protections Legislation**

The RAAA acknowledges that the issues around passenger consumer rights, and in particular flight delays and cancellations, can be highly emotive and frustrating for members of the travelling public who are directly affected. However, delays and cancellations are often the result of unavoidable safety issues and problems which arise when servicing remote locations.

Additionally, all aviation consumers have existing legal rights and protections under existing legislation enacted through the *Competition and Consumer Act 2010* (Cth) and airlines and airports also have existing obligations for liability for loss or damage of baggage under the *Montreal Convention 1999* and the *Civil Aviation (Carriers' Liability) Act 1959* (CACL Act).

The RAAA acknowledges that the legislation is intended to ensure that aviation consumers are receiving appropriate treatment from airlines and airports in Australia. The legislation also draws attention to the governments belief that there is a need for airlines and airports to improve customer standards, make complaints processes accessible, ensure customer information is available and improve timely responses. Recent experiences have demonstrated that all airlines have made significant improvements in customer experience through improved on-time-performance as the industry has recovered from Covid.

The RAAA notes that the purpose of the legislation and the new regulations are to ensure that aviation consumers are protected and improved, however all regional airlines across Australia always strive for these same outcomes such as the right to:

- 1. Be treated with dignity and respect, in an accessible and inclusive environment*
- 2. Accurate, timely and accessible information and customer service*
- 3. Prompt and fair remedies and support during and after cancellations, delays, and disruptions*

4. *Safe and timely baggage handling and fair remedies for damage and delays*
5. *The protection of their personal information*
6. *Provide feedback, make complaints, and exercise their rights without retribution*

The RAAA agrees with these high-level outcomes however caution needs to be applied to the specific details that will be covered in the legislation and subsequent regulations.

The RAAA submits that given the following factors, that operators who operate on regional routes using aircraft with less than 100 seats must be excluded from the legislation because:

1. The operating conditions of regional airlines and regional airports are materially different to those of airlines operating between capital city airports. Many regional carriers operate aircraft into remote locations where there are no back up aircraft or crew available, and no engineering services available.
2. Many regional routes are serviced by a very limited flight schedule meaning passengers cannot easily be transferred to alternate flights to avoid delays. In these circumstances, regional carriers face a significantly higher burden in attempting to ensure flights are not delayed or cancelled, whilst also ensuring flights are operated safely.
3. The consequences of destabilising events are vastly magnified when they occur in regional and remote locations, with the result that there is less ability for operators to mitigate or avoid cancellations or delays in those locations in many instances.
4. Given the prohibitive costs associated with operating some regional routes, the lower or inconsistent demand on some routes and the size of businesses operating regional flights, regional carriers are more sensitive to any additional per passenger costs.
5. Regional carriers provide critical services and connectivity which should be fostered and supported by the Federal Government.
6. Regional carriers often have limited customer service staff and do not employ in house legal departments meaning the management of passenger claims would be disproportionately burdensome for smaller operators.
7. The failure of regional carriers can have a significant effect on the connectivity of regional locations within Australia. This was recently demonstrated during the administration of Rex.

There is a real risk that if costs are increased on some regional routes, including by imposing costs associated with flight cancellations or delays, that regional carriers will either stop servicing the routes or even cease to be able to operate at all.

Given the factors outlined, and the importance of preserving and supporting the regional aviation industry in Australia, the RAAA firmly believes that the legislation should not apply unilaterally to regional airlines.

To exclude regional airlines will not deprive consumers who have purchased tickets for carriage on regional flights of a benefit. There is an existing regime under the Australian Consumer Law which will continue to apply, and which ensures consumers are adequately protected.

The RAAA has specific concerns with several of the proposed requirements. Many are impractical for a regional airline and would be difficult to deliver as they may place an administrative burden on the regional airline where they do not have the capacity, through staff and/or IT systems.

### ***Preparing for take-off Survey – Surveying Australian air travel behaviour, experiences, and attitudes***

The RAAA has reviewed the Department of Infrastructure, Regional Development, Communications, Sport and the Arts (DITRDCSA) survey into Australian air travel behaviour, experiences, and attitudes.

Consumer surveys into consumer sentiment and stakeholder satisfaction are valuable tools to understand the efficiency and effectiveness of a company and the services they provide.

The *Preparing for Take-off* survey makes for interesting reading and is useful in this context to understand consumers expectations of airlines and passenger experiences with cancellations and delays. It also highlights the passenger sensitivities about delays, the desire for more reliable services and expectations around transparency.

However, the survey does not explore the context for delays or link any delays or cancellations to specific causal factors like weather air traffic control, airport infrastructure issues, or aircraft serviceability issues. Additionally, it does not quantify the impacts on regional routes, impact on airfares, consequences for competition or, importantly, the cost of the legislation and the regulation of the consumer protections. The survey measures feelings and not causes. It does not demonstrate how or if the legislation will fix the issues, and it does not consider the unintended consequences.

It is well understood and accepted that customer satisfaction scores on a scale of 0% to 100% that a score above 70% is deemed to be a good result or a satisfactory outcome. Scores between 80% to 90% being seen excellent results.

It is important to note that the survey does demonstrate that regional and remote airlines are already considered among the best scoring highly across the subject areas evaluated.

The survey also highlights that *'Australian's were satisfied with their airlines performance on their most recent flight (77%) and any flight in the last 12 months (77%)'*. This is compared to Canada with 75%, United Kingdom with 84% and the USA with 69-74%.

The survey results show that only 6% were dissatisfied and 2% were very dissatisfied with their last flight (results Table 7).

There were also some excellent scores for most larger Australian airports. Half of the passengers surveyed (44%) did not experience any disruption with another 43% only experiencing a slight delay.

With scores like these for the existing levels of customer satisfaction it is not clear or easy to understand what problem the government is trying to fix here. What customer satisfaction score do they want to see? The new legislation seems to be a solution looking for a problem that does not appear to be there. Everyone who works in aviation always strives for the best outcome for their customers. They rely on their customers for their business success!

## Key Factors Influencing Delays or Cancellations in Regional Aviation

There are numerous reasons for flight delays and flight cancellations by regional airlines in Australia. These can be stand-alone factors or, in some instances, a combination of factors that result in major flight delays or flight cancellations.

### Weather

The safe carriage of a flight is very much dependent on the prevailing weather conditions at the departing aerodrome location, the flight route to be flown and at the destination aerodrome. Adverse weather outcomes are flight planned when possible, however the changeability of weather as a natural phenomenon cannot be fully predicted or accounted for. It is well recognised both internationally and in Australia that weather is one of the highest contributing factors to flight delays and flight cancellations.

Regional carriers, which tend to operate smaller aircraft into more remote airports, face an increased burden of responding to weather conditions than larger airlines which operate larger aircraft between capital cities.

Where weather conditions prevent safe operation of aircraft, flights cannot operate and need to be cancelled or delayed. This is entirely outside the control of the airline.

### Air Traffic Control (Airservices Australia)

Airservices Australia (Airservices) is the Government owned organisation that solely provides air traffic control services across 11-percent of the world's airspace including over mainland Australia.

Airservices Australia and the air traffic control services they provide are a critical part of the safe and efficient function of the aviation network. They have a key influence on the ability for any airline to maintain safe, efficient, and on-time operations. Operational air traffic control decisions by Airservices at any of Australia's capital city airports flow through to all other regional airports and the airlines that provide services to and from those locations. Sydney airport is the hub of the entire Australian network. Any delay at Sydney regardless of the reason will impact other airports and airlines across Australia.

Enroute air traffic volumes and constrained airport traffic capacity can also require an airline to slow down in flight to delay the arrival time and better sequence the airline traffic into the arrival aerodrome.

Some regional airlines only operate one or two services a day or week into or out of a regional aerodrome or remote community. Appropriately they will be as flexible and accommodating with their passengers' needs as much as they can, however many regional flights 'hub' through larger regional cities or major city airports and the regional airline can be impacted by the late arrival of passengers onboard other in-bound flights. When this occurs, it is outside the influence of our members airlines' operations as they can be very much constrained by the operations of another airline or airport capacity constraint.

### Airport infrastructure

There are many factors that relate directly to an aerodrome, its infrastructure and the daily operations that can contribute to flight delays. Some of these include:

- Planned runway and taxi-way maintenance works.
- Unplanned runway pavement failures requiring immediate repair.
- Aerobridge mechanical failures or other gate issues
- Foreign Object Debris (FOD) on runways and/or taxiways
- Airport security screening delays
- Baggage handling delays or equipment breakdowns
- Ground handling services provider delays/issues.
- Booking systems/computer outages
- Fuel supply, refuelling delays, and distribution infrastructure issues.

These issues are particularly relevant to regional carriers who operate to remote airports which usually have a single runway and limited other services.

#### **Passenger management issues**

- Passenger late check-ins and no shows
- Passengers fail to board.
- Disruptive passengers
- Medical emergencies landside and airside
- Terminal issues with security/ fire alarms evacuations.

## Conclusion

Regional aviation provides critical services in Australia. Many routes are serviced by small operators, operating smaller aircraft into regional or remote airports in circumstances where the operator has a very limited ability to control flight cancellations or delays. Requiring regional airlines who service these routes to be covered by the new legislation and scheme will be financially burdensome and has the potential to reduce the ability of operators to service particular routes.

The question of which airlines will be required to be covered by the legislation needs to be well considered in the context of the problem that it is trying to address. This includes looking very closely at the potential for unintended consequences or unfavourable outcomes from the legislation and new scheme.

Safety must also remain the industry's number one priority. Any legislation must not threaten or compromise the world-class safety culture of the Australian aviation industry. There is a real risk that safety could be undermined by factors that put pressure on an operator to avoid a financial penalty as part of their day-to-day operational decision making.

Funding the new Aviation Consumer Protection Authority, an Aviation Consumer Ombudsperson, and an Aircraft Noise Ombudsperson by charging the aviation industry a 'compulsory membership' is a new tax or levy. This will place an extra financial burden on all airlines. Many smaller regional airlines financial viability is precarious, and any additional levy or tax is not supported by the RAAA in any way.

If Government did introduce the new tax or levy operators would have little choice but to pass this onto the fare paying passengers through higher ticket prices.

The imposition of any additional cost burdens on regional airlines raises a real possibility for adverse impacts for communities in regional and remote locations across Australia. Any legislation should consider the size of the airline operation and the locations they operate to protect the services provided to regional and remote communities across Australia.

The RAAA firmly submits that given all the factors above, any Aviation Consumer Protections legislation should not apply unilaterally to all airline operators. We firmly submit that regional aviation should be exempted from any such scheme. The legislation and resulting regulations need to focus only on specific issues that they are intended to address. It should not be a catch-all approach resulting in unintended consequences for regional aviation organisations and the communities that our members provide vital services to.

## About the RAAA and regional aviation

The Regional Aviation Association of Australia (RAAA) is a not-for-profit organisation formed in 1980 to protect, represent, and promote the combined interests of its regional aviation organisations across Australia.

Airline members include Alliance, Airnorth, Link Airways, Marooomba, Nexus, QantasLink, Rex, Sharp Airlines, Skytrans, Skippers and Virgin Australia Regional Airlines (VARA). Other members include airports, engineering and flight training organisations, finance and insurance companies and government entities. RAAA's members operate successful, and in most cases, growing businesses providing employment and economic sustainability within regional and remote areas of Australia.

The RAAA has approximately 130 members who together directly employ over 10,000 people, many in regional areas. On an annual basis, the RAAA's Air Operator Certificate (AOC) members jointly turnover more than \$1.5 billion, carry well more than two million passengers and move over 23 million kilograms of freight. Our regional airport members also provide and manage critical infrastructure across Australia.<sup>1</sup>

The RAAA's members provide critical connectivity services between regional communities and city centres which enables those living in remote and regional locations to access services such as healthcare and education. It also facilitates the delivery of services to regional communities including emergency medical or disaster relief services, transport of FIFO workers and the delivery of cargo and mail. Given the geography of Australia and the proportion of Australians residing in remote or regional locations, the regional aviation sector is vital to ensuring Australians can access the services they need.

In addition, regional aviation is critical to the Australian economy, acting as an enabler to the mining, oil and gas, construction, manufacturing, and higher education industries. More than 60,000 Australians work more than 350km from their usual place of residence, with many workers in the mining, oil and gas industries working in very remote areas. The Aviation White Paper notes that there are already limited services available on regional routes and decreasing competition on those routes, and that while 278 regional aerodromes were serviced in Australia in 1984, only 163 were serviced in 2021.

COVID-19 severely impacted the regional aviation sector. Since the 1990s more than twenty regional airlines in Australia have gone out of business. Many regional routes in Australia continue to be operated on an unprofitable basis and some require both State and Federal Government subsidies to maintain continuity of service.

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<sup>1</sup> <https://raaa.com.au/>