



ACCC submission

Submission in response to the Aviation Consumer Protections consultation

October 2025

Acknowledgement of country

The ACCC acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures; and to their Elders past, present and future.

Australian Competition and Consumer Commission

Land of the Ngunnawal people

23 Marcus Clarke Street, Canberra, Australian Capital Territory, 2601

© Commonwealth of Australia 2025

This work is copyright. In addition to any use permitted under the Copyright Act 1968, all material contained within this work is provided under a Creative Commons Attribution 3.0 Australia licence, with the exception of:

- the Commonwealth Coat of Arms
- the ACCC and AER logos
- any illustration, diagram, photograph or graphic over which the Australian Competition and Consumer Commission does not hold copyright, but which may be part of or contained within this publication.

The details of the relevant licence conditions are available on the Creative Commons website, as is the full legal code for the CC BY 3.0 AU licence.

Requests and inquiries concerning reproduction and rights should be addressed to the Director, Content and Digital Services, ACCC, GPO Box 3131, Canberra ACT 2601.

Important notice

The information in this publication is for general guidance only. It does not constitute legal or other professional advice, and should not be relied on as a statement of the law in any jurisdiction. Because it is intended only as a general guide, it may contain generalisations. You should obtain professional advice if you have any specific concern.

The ACCC has made every reasonable effort to provide current and accurate information, but it does not make any guarantees regarding the accuracy, currency or completeness of that information.

Parties who wish to re-publish or otherwise use the information in this publication must check this information for currency and accuracy prior to publication. This should be done prior to each publication edition, as ACCC guidance and relevant transitional legislation frequently change. Any queries parties have should be addressed to the Director, Content and Digital Services, ACCC, GPO Box 3131, Canberra ACT 2601.

ACCC October 2025

www.accc.gov.au

Contents

Introduction	3
Regulated entities	4
Regulated activities	5
Aviation Consumer Ombudsperson	6
Governance arrangements and operating procedures.....	6
Scope of the Aviation Consumer Ombudsperson.....	7
Complaints resolution process	9
Aviation Consumer Protection Authority	10
Aviation Customer Rights Charter.....	11
Funding arrangements	12

Introduction

The Australian Competition and Consumer Commission (ACCC) welcomes the opportunity to provide comment to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts' consultation paper on aviation consumer protections.

The ACCC is an independent Commonwealth statutory agency that promotes competition, fair trading and product safety for the benefit of consumers, businesses and the Australian community. 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 under a one law, multiple regulator model.

The ACCC welcomes the government's commitments to improve aviation-specific consumer protections.

As outlined in our submissions to the [Aviation Green Paper](#) and [Aviation Industry Ombuds Scheme consultation](#), over many years there has been a sustained number of consumer reports to the ACCC about the aviation sector. Consumers have reported poor customer service including poor communication, decreasing service quality, and issues in resolving disputes and obtaining redress.

While the volume of aviation-related consumer reports to the ACCC has fallen since the height of the COVID-19 period, they remain significantly above pre-COVID-19 levels. For example, the ACCC received a monthly average of 129 reports related to the conduct of airlines in 2018. Whereas in 2024, we received a monthly average of 277 reports, and a monthly average of 200 reports for the first 6 months of 2025.¹

The ACCC considers that implementing the Aviation Consumer Ombudsperson with appropriate governance arrangements to be a critical enhancement to consumer protection in the aviation sector. As set out in our submission to the consultation to the Aviation Industry Ombuds Scheme, over many years the ACCC has advocated for improved dispute resolution in the aviation sector. Ineffective dispute resolution, including that administered by the Airline Customer Advocate, has resulted in many consumers bearing the financial costs and inconvenience of poor conduct in the aviation sector. The introduction of a well-designed ombuds scheme will ensure that aviation consumers have access to accessible, fair, and effective dispute resolution. It will also mean greater efficiencies and improved effectiveness in dispute resolution, including through incentivising airlines to improve internal complaints handling.

We note the government is still considering the governance arrangements for the ombuds scheme. We consider that the Aviation Consumer Ombudsperson should be modelled on comparable and effective ombuds schemes, such as the Telecommunications Industry

¹ Note that the reports data also includes:

- reports where consumers have enquired about their rights on an issue (as opposed to making a complaint about an airline's conduct).
- reports where consumers are complaining about conduct that would not give rise to a breach of the ACL or the CCA.
- reports where an airline, airport or travel intermediary is perceived to be responsible for parts of the aviation supply chain they do not control.
- reports involving issues arising with airline bookings made through travel agents or other intermediaries, where the cause of the consumer's issue may lie with the airline, the intermediary, neither, or both.

Ombudsman (TIO). If the governance and design of the Aviation Consumer Ombudsperson does not adhere to these existing models, there is a risk that the reforms will not achieve their policy objective which could further undermine consumer confidence in the aviation sector.

The ACCC reiterates our view set out in our submission to the [Aviation Industry Ombuds Scheme consultation](#) that a properly constituted regulator would likely be needed to ensure compliance with the proposed Aviation Industry Ombuds Scheme. The government's proposal to establish a new Aviation Consumer Protection Authority could achieve this function.

We agree with the government's position that the aviation consumer protection framework should be funded through levies on regulated entities. A well-designed industry-funded model would create the right incentives for airlines and airports to invest in improved customer service and internal dispute resolution processes.

Regulated entities

The ACCC supports the aviation consumer protection framework applying to proposed regulated entities outlined in the consultation paper, namely:

- airlines operating domestic flights
- airlines flying internationally from Australia
- airlines flying internationally to Australia
- Australian airlines flying internationally, and
- Australian airports.

We consider this scope would ensure there are uniform and consistent consumer protections for all aviation passengers.

We also note the government is considering the appropriateness of whether to adjust the scope of the framework through subordinate legislation to exclude inbound international flights and/or all international flights by Australian airlines from the scope of the framework. The ACCC supports the inclusion of both categories of flights into the framework.

Excluding inbound international flights would add complexity and would likely create consumer confusion. Consumer complaints can often relate to the conduct of airlines on both the inbound and outbound legs of an international flight, and it would add significant complexity to the framework if complaints related to inbound flights were excluded. For example, it would be an undesirable and inconsistent outcome if an Australian consumer could have a complaint heard by the Aviation Consumer Ombudsperson related to their outbound flight but not their inbound flight operated by the same airline.

We also note that there may be significant challenges for consumers based in Australia to access internal and external dispute resolution processes in overseas jurisdictions, including in countries where English is not an official language.

The consultation paper notes there may be 'duplication or confusion' caused if an international inbound flight that is captured by the Australian framework is already covered by another international scheme. However, we consider it would be preferable to include all types of flights in the legislative framework, but have the framework also include measures to address potential overlap of aviation consumer protection frameworks.

For example, as noted in the consultation paper, Canada’s Air Passenger Protection Regulations (APPR) applies to both outbound and inbound international flights. A consumer on a disrupted flight from the European Union to Canada has access to either the Canadian or the European Union’s EU261 scheme to seek redress. The Canadian Transportation Agency’s guidelines states that a passenger has the right to seek redress under the regime of their choice and can only receive redress under the APPR if they have not already received redress for the same delay or cancellation.² Canadian airlines also note this approach in their policies and terms of carriage. For example, Air Canada’s policy states a consumer whose flight was disrupted, “cannot receive compensation under one passenger rights regime if [they] were already compensated under another regime.”³

Regulated activities

The ACCC supports the proposal that the regulatory framework would be limited to matters involving a direct consumer relationship with an airline in the provision of an airline service or with an airport in the provision of airport service, as well as airline accessibility services. However we note that the consultation paper proposes that this would still include flights booked through a travel agent or intermediary, with respect to the airline’s activities not the agent’s activities.⁴ We consider this inclusion is essential.

The concept of “direct consumer relationship” aligns with comparable ombuds schemes, with the Australian Financial Complaints Authority (AFCA) able to consider a complaint if it broadly arises from a “customer relationship”.⁵

While travel agents may be an out-of-scope entity for the framework, as stated in our [submission](#) to the consultation on the design of the Aviation Industry Ombuds Scheme, we strongly consider the Aviation Consumer Ombudsperson should be able to handle complaints about airlines where their flight was booked through a travel agent or intermediary.

The Aviation Consumer Ombudsperson should be able to make binding decisions on airlines regarding how they deal with consumers who have booked through a travel agent or intermediary. For example, a direction that the airline provide a necessary remedy directly to a consumer, rather than through the agent, where there are issues with the agent passing on the remedy to the consumer. After reimbursing the consumer, the airline can pursue its own remedies against the travel agent, where the agent may have contributed to the problem.

² Canadian Transportation Agency, 2022, [Flight delays and cancellations: a guide](#), accessed 14 September 2025

³ Air Canada, 2022, [Long Delay and Flight Cancellation Notice](#), accessed 14 September 2025

⁴ Department of Infrastructure, Transport, Regional Development, Communications and the Arts, 2025, [The Aviation Industry Ombuds Scheme—Consultation paper](#), pages 16 and 26.

⁵ Australian Financial Complaints Authority, 2024, [Complaint resolution scheme rules](#), accessed 15 September 2025

Aviation Consumer Ombudsperson

Governance arrangements and operating procedures

The ACCC's [submission](#) to the consultation on the design of the Aviation Industry Ombuds Scheme contains our views on the design of an aviation ombuds scheme, which we reiterate for this consultation. We also make the following additional points in light of the proposals in the current consultation paper.

We note the government is considering the governance arrangements of the Aviation Consumer Ombudsperson. In order to be effective, the ACCC considers the governance arrangements and operating procedures of the Aviation Consumer Ombudsperson should be modelled on those for the Telecommunications Industry Ombudsman:

- There is a legislative obligation that participants in the telecommunications industry must be members of an approved dispute resolution scheme, and the TIO is the sole approved scheme under the legislation.⁶ The TIO is operated by the Telecommunications Industry Ombudsman Limited (TIO Limited), a company limited by guarantee, with telecommunications service providers entering into contractual arrangements with this entity via membership of the company, under which they agree to comply with the TIO scheme. One of the benefits of this model is that it is to a significant degree self-enforcing as an entity could be removed from membership for non-compliance with these contractual arrangements.
- The TIO is required to adhere to the Federal Government's Benchmarks for Industry-Based Customer Dispute Resolution.⁷ The Benchmarks are accessibility, independence, fairness, accountability, efficiency and effectiveness. The TIO and comparable ombuds schemes operating in Australia have been set up following these Benchmarks and are regularly reviewed against them. The Benchmarks are also contained in the establishing primary legislation for the TIO and the Minister must have regard to them when making legislative instruments with respect to the scheme.⁸ The Benchmarks are also codified in the establishing legislation for AFCA.⁹
- The Constitution of TIO Limited sets out the roles and responsibilities of the TIO Board of Directors and the powers that the TIO may exercise in relation to the scheme.¹⁰ The [TIO Board](#) is chaired by an Independent Director, and contains a balanced mix of Directors with industry and consumer experience, an Independent Director with not-for-profit governance experience and an Independent Director with commercial governance experience. The Board is responsible for appointing the Ombudsman. The Board also appoints Directors and the Independent Chair (as recommended by the Nominations

⁶ Section 128, *Telecommunications (Consumer Protection and Service Standards) Act 1999*

⁷ The Treasury, 2015, [Benchmarks for Industry-based Customer Dispute Resolution](#), accessed 11 September 2025

⁸ Section 128, *Telecommunications (Consumer Protection and Service Standards) Act 1999*

⁹ Section 1051A, *Corporations Act 2011*

¹⁰ Telecommunications Industry Ombudsman Limited, 2020, [Constitution of Telecommunications Industry Ombudsman Limited ACN 057 634 787](#)

Committee) when vacancies arise. The Board has to follow specific procedures including informing Federal Ministers before appointing the Independent Chair.

- The TIO has its remit and processes set, within the bounds of establishing legislation, by the TIO Board through its [Terms of Reference](#), rather than through legislation. This allows greater flexibility to keep the operating rules up to date with changes in the industry and operating environment. The TIO also publicly consults on any material or significant proposed changes to its operational terms of reference or rules before implementing any amendments.
- The *Telecommunications (Consumer Protection and Service Standards) Act 1999* requires an independent review of the TIO be conducted every five years.¹¹

Through this governance model, the TIO has an established record of providing fair, independent, and effective dispute resolution to consumers.

We consider the effectiveness of the Aviation Consumer Ombudsperson will depend on its governance and operating model. While we note that the governance arrangements are yet to be finalised, we are concerned that various aspects of the scheme remain unclear which could have negative implications for consumers seeking to access the scheme. To overcome this uncertainty, we consider that the Aviation Consumer Ombudsperson should accord with existing comparable ombuds scheme frameworks to ensure effective dispute resolution. We reiterate our views that the Aviation Consumer Ombudsperson should:

- be required to adhere to the Federal Government's Benchmarks for Industry-Based Customer Dispute Resolution and have this codified in the primary legislation. The Benchmarks of accessibility, independence, fairness, accountability, efficiency and effectiveness have been effective in guiding external dispute resolution schemes in their operation and decision-making.
- be established as separate company limited by guarantee and governed by a Board of Directors. This is a long-standing and effective method of external dispute resolution in Australia. We also consider that the Board of the Aviation Consumer Ombudsperson should have an independent chair, and an equal number of directors with consumer protection and industry experience, which aligns with the Federal Government's Key Practices for Industry-Based Customer Dispute Resolution and other comparable ombuds schemes.¹²
- have its remit and processes set (within the bounds of establishing legislation) by the Board of Directors through the rules or terms or reference (rather than through legislation). We consider this allows greater flexibility to keep the rules or terms of reference up to date with changes in the industry and operating environment.¹³

Scope of the Aviation Consumer Ombudsperson

We strongly agree that the Aviation Consumer Ombudsperson should be able to consider complaints related to airline, airport and airport accessibility services that go beyond the Aviation Customer Rights Charter. The key issue that consumers currently face in the

¹¹ Section 133A, *Telecommunications (Consumer Protection and Service Standards) Act 1999*

¹² The Treasury, 2015, [Key Practices for Industry-Based Customer Dispute Resolution](#), accessed 26 September 2025

¹³ We note that the Energy and Water Ombudsman Queensland is one of the only ombuds scheme established with its remit set via legislation. A 2019 [Review of Queensland Energy Legislation](#) considered that the inflexible design of the Energy and Water Ombudsman Queensland made it difficult for the Ombudsman to deliver fast, fair, free help to Queensland energy and water customers because of the prescriptive nature of the establishing legislation. It also found that changes to it require a lengthy legislative process. Whereas in other jurisdictions "a different structure delivers a more flexible and affordable Ombudsman scheme".

aviation sector is the lack of timely, accessible and fair dispute resolution. If the remit of the Aviation Consumer Ombudsperson was confined to only the matters set out in the Aviation Customer Rights Charter, many consumers will still not be able to access timely and fair dispute resolution. A broader jurisdiction than just the matters set out in the Aviation Customer Rights Charter would also align with consumer expectations of the scope of an aviation ombuds scheme.

The ACCC considers the scope of the complaints that the consultation paper proposes the Aviation Consumer Ombudsperson will handle is generally framed appropriately. However, care should be taken with strict legislative exclusions, and these should be minimised. Instead, there should be a considerable degree of discretion for the Aviation Consumer Ombudsperson to determine specific matters that may fall in or out of scope, as is broadly the case with comparable ombuds schemes.

For example, the TIO's establishing legislation states that it must not investigate complaints about the setting of prices for the supply of telecommunication services, or the content of a content service.¹⁴ The TIO's Terms of Reference (set by the TIO Board) then provides more detail on the types of complaints it can and cannot handle from consumers.¹⁵ In addition to these statutory exemptions, the TIO's Terms of Reference outlines that it will not handle complaints related to:

- general telecommunications policy or commercial practices of a member.
- where either party has commenced proceedings in a court or tribunal, unless there are exceptional circumstances.
- matters it decides are more appropriately dealt with by another body or in another forum, including an agency or another dispute resolution service.
- complaints where it estimates the value of the claim is likely to exceed \$100,000.

However, the TIO takes an "expansive and inclusive view of its jurisdiction to assist consumers ... and address underlying issues and needs".¹⁶ The ACCC recommends that the Aviation Consumer Ombudsperson adopt a similar approach to complaints handling.

Broad exclusions of ineligible aviation complaints would likely introduce additional complexity to the scheme and would not align with the community's expectations of the operation of an aviation ombuds scheme. A common criticism of the ineffective Airline Customer Advocate was that it has a restrictive scope, and did not address many legitimate airline complaints.

The ACCC considers that it may be problematic if the legislation specified some of the categories of ineligible complaints proposed in the consultation paper. For example:

- Customer service issues not relating to/before a purchase. Depending on the particular issue, it may be that a customer service issue before purchase might impact on issues arising post-purchase. It will be difficult to determine this in many matters, particularly until after the Aviation Consumer Ombudsperson has already looked into the issue.
- Marketing information. An issue with an airline's marketing information (for example if it contained false or misleading information) may be directly relevant to a dispute a consumer has with an airline about their specific booking. The Aviation Consumer Ombudsperson should be able to consider and resolve such complaints as they relate to the consumer's specific experience.

¹⁴ Section 128(6), *Telecommunications (Consumer Protection and Service Standards) Act 1999*

¹⁵ See sections 2.1 – 2.12, *Telecommunications Industry Ombudsman, 2025*, [Telecommunications Industry Ombudsman Terms of Reference](#), accessed 14 September 2025

¹⁶ *Telecommunications Industry Ombudsman, 2025*, [Complaint Handling Procedures](#), accessed 14 September 2025

We also note that it may be possible for the Office of the Australian Information Commissioner (OAIC) to recognise the Aviation Consumer Ombudsperson as an external dispute resolution scheme that is able to accept and determine complaints relating to potential breaches of privacy law by members of the scheme. There are already several external dispute resolution schemes that have been recognised by the OAIC in this way and form part of the complaint handling framework in the *Privacy Act 1988* (Cth).¹⁷ This includes AFCA, the TIO, and various energy and water ombuds services. Similarly, we consider that privacy complaints should be considered eligible complaints at the Aviation Consumer Ombudsperson, so that there is scope for the OAIC to recognise the scheme in future.

There can also be significant ambiguity as to whether conduct 'exclusively' relates to a specific issue, and consumer complaints often relate to a number of interrelated issues.

We consider a preferable approach would be limiting legislative exclusions and empowering the Aviation Consumer Ombudsperson to exercise discretion to determine ineligible complaints, rather than exempting broad categories of complaints in the primary legislation.

Complaints resolution process

We generally support the proposed complaints handling process for the Aviation Consumer Ombudsperson, namely:

- the consumer attempts to resolve the complaint directly with the airline or airport, with airlines required to respond to the complaint within 30 days.
- the consumer makes a complaint to the Aviation Consumer Ombudsperson.
- the Aviation Consumer Ombudsperson raises the complaint with the airline/airport, which has a set period of time, likely to be 14 days, to reconsider and resolve the complaint, prior to case management by the Aviation Consumer Ombudsperson.
- the Aviation Consumer Ombudsperson commences case management, choosing the complaint resolution method most appropriate in the circumstances (guiding the parties to determine a resolution, or facilitating a conciliation).
- if a resolution is not achieved to the satisfaction of the consumer at the case management stage, the matter could proceed to the determination stage. The Aviation Consumer Ombudsperson would have investigative powers and would make a determination. In line with comparable ombuds schemes, the determination would be binding on the member, and the consumer retains the right to reject the determination and pursue action through a relevant court or tribunal. This is an important and long-standing feature of the alternative dispute resolution framework in Australia.

The ACCC notes the proposal that the Aviation Consumer Ombudsperson would consider consumer complaints, "in light of laws and good practice (such as Terms of Carriage, the Charter and the ACL as relevant)". We recommend that like the TIO and AFCA, in its complaints handling and decision-making, the Aviation Consumer Ombudsperson should also consider "fairness in all the circumstances". The ACCC notes this is standard practice in external dispute resolution in Australia.

We support the Aviation Consumer Ombudsperson being empowered to address and refer systemic issues. Similar to AFCA, if the Aviation Consumer Ombudsperson identifies a systemic issue as part of its investigation, it should be able to:

- refer the issue to the relevant airline or airport for remedial action

¹⁷ S35A(1) of the *Privacy Act 1988* (Cth)

- obtain a report from the airline or airport as to the remedial action undertaken; and
- continue to monitor the matter until a resolution has been achieved that is acceptable to the Aviation Consumer Ombudsperson.

Additionally, after identifying a systemic issue, AFCA must report the issue to the Australian Securities and Investments Commission and/or other regulators, which forms a valuable source of intelligence. We consider that the early identification and resolution of systemic issues in the aviation sector is necessary to prevent matters being escalated to the Aviation Consumer Ombudsperson. This would also result in a more efficient framework overall.

Aviation Consumer Protection Authority

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. Airlines or airports may ignore, delay or not otherwise fully adhere with the determinations of the Aviation Consumer Ombudsperson if they are unlikely to face meaningful repercussions for serious or systemic non-compliance.

The ACCC supports the proposal that the Aviation Consumer Protection Authority would have investigative powers, including having an 'own-motion power' to investigate and enquire into issues without the need for a referral from the Aviation Consumer Ombudsperson. We also support the Aviation Consumer Protection Authority having a broad range of compliance and enforcement tools to address non-compliance with directions of the Aviation Consumer Ombudsperson and non-compliance with the Aviation Customer Rights Charter.

We note it is proposed that the Aviation Consumer Protection Authority will provide guidance and educational materials, and promote best practice conduct to help businesses proactively comply. Compliance and education activities will also be important to help consumers understand their rights with respect to the proposed ombuds scheme and Charter.

We also note the proposed enforcement tools are expected to rely on the *Regulatory Powers (Standard Provisions) Act 2014* and include the ability to take court action, issue infringement notices, and accept court-enforceable undertakings. This broad range of both compliance and enforcement tools will allow for proportionate regulatory responses and will more holistically promote compliance.

We consider the maximum available penalty should be set at a level that is sufficient to ensure that it acts as a genuine deterrent for non-compliance and is not perceived as an acceptable cost of doing business. We agree that the civil penalty regime should be based on the value of the benefit obtained from the relevant conduct or the turnover of the relevant regulated entity, as is the case for many breaches of the CCA and ACL. For example, the maximum civil pecuniary penalties for the anti-competitive conduct provisions of the CCA, and key consumer protection provisions of the ACL are:

- For a corporation, the greater of:
 - \$50 million

- if the court can determine the value of the benefits reasonably attributable to the contravention, 3 times that value, or
 - if the court cannot determine the value of the benefits, 30 per cent of the company's adjusted turnover during the breach turnover period for the relevant contravention.
- For an individual, \$2.5 million.

There are a number of effective sector-specific consumer protection regulators operating in Australia,¹⁸ which play a complementary role with the ACCC's economy-wide regulation of consumer protection, fair trading, competition and product safety laws. The ACCC has established processes to ensure efficient and effective coordination and information sharing with these regulators.

The ACCC would develop processes for coordination and information sharing with the new Aviation Consumer Protection Regulator once it has been established, similar to existing processes the ACCC has with other sector-specific consumer protection regulators. For example, the ACCC and the Australian Communications and Media Authority (ACMA) have regular engagement and a public Memorandum of Understanding (MOU), the intent of which is to promote cooperation and communication between the two agencies, and which also recognises the complementary and intersectional nature of the respective agencies.¹⁹ The MOU between the ACMA and the ACCC sets out processes in relation to:

- consultation on issues that may be relevant to the other agency's roles and responsibilities.
- the referral of matters between agencies.
- the cross-appointment of Associate Members between the ACCC and the ACMA. This is intended to facilitate the sharing of information and analysis between the agencies, promote better decision making, and enable Associate Members to directly contribute to the deliberations of issues that affects the agency to which they are appointed.
- requests and procedures for the provision of information, documents or assistance.

The ACCC would likewise develop processes for coordination and information sharing with the Aviation Consumer Ombudsperson, similar to the arrangements in place between the ACCC and the TIO. This includes regular engagement and an MOU that covers processes for consultation, information sharing, referrals and avoiding duplication.²⁰

Aviation Customer Rights Charter

We also consider an Aviation Customer Rights Charter enforced by the Aviation Consumer Protection Authority would assist consumers by providing more clarity around minimum standards that consumers can expect from airlines and airports. These should work in a complementary way with the existing consumer protections provided by the ACL.

¹⁸ For example, the Australian Communications Media Authority, the Australian Energy Regulator, the Australian Securities and Investments Commission, Food Standards Australia New Zealand, and the Therapeutic Goods Administration.

¹⁹ Australian Competition and Consumer Commission and the Australian Communications and Media Authority, [Memorandum of Understanding](#), accessed 14 September 2025

²⁰ Australian Competition and Consumer Commission and the Telecommunications Industry Ombudsman Limited, 2020, [Memorandum of Understanding](#), accessed 17 September 2025

As stated in our [submission](#) to the consultation on the design of the Aviation Industry Ombuds Scheme, a well-designed Charter would assist airlines and airports to pro-actively provide reasonable remedies and resolutions before an issue even escalates to an internal complaint, and to more rapidly and satisfactorily resolve complaints through their internal dispute resolution processes. This will then likely reduce the number of complaints escalated to the Aviation Consumer Ombudsperson.

As noted in the consultation paper, the standards in the Charter would not limit or change any obligations that businesses must comply with under the CCA and the ACL, including the consumer guarantees. Airlines and airports may need to do more than what is required by the Charter in order to ensure they meet their obligations in the ACL, which will depend on the specific circumstances of each matter.

However we note proposals such as having the Charter set a general 30 day timeframe for airlines and airports to respond to consumer complaints, and a 14 day timeframe for airlines to provide required refunds, will help ensure consumer issues are resolved in a more timely and effective way.

We note the Government has stated it is prepared to consider further regulatory action, such as a mandatory compensation scheme, if the proposed aviation consumer protection framework is not effective in raising aviation consumer standards in Australia. The ACCC notes that there may be merit in implementing an appropriately calibrated mandatory compensation scheme for its efficiency benefits. A mandatory compensation scheme may resolve consumer issues more efficiently without the need for the ombuds scheme to resolve disputes on a case-by-case basis. The ACCC agrees it is important to closely monitor the effectiveness of the framework to understand whether a mandatory compensation scheme is needed instead.

Funding arrangements

The ACCC supports the government's proposal to fully recover the costs of activities carried out under the aviation consumer protection framework through levies from regulated entities. This would broadly align, for example, with the financial services regulatory framework, in which the AFCA is funded by its members, and the Australian Securities and Investments Commission is funded on a cost-recovery basis from sectors it regulates.

We consider that the funding model would benefit from adhering to the following objectives:

- Incentives to improve compliance. The funding model should incentivise airlines and airports to have better customer service processes in place, including effective internal dispute resolution. This in turn would improve the efficiency of the aviation consumer protection framework by reducing the number of consumer complaints and the need for regulatory action from the Aviation Consumer Protection Authority.
- Sustainable funding base. The Aviation Consumer Ombudsperson and Aviation Consumer Protection Authority should have a stable and adequate baseline level of funding, which is critical for attracting skilled staff and for developing institutional knowledge. We agree with the proposal to have both an annual levy component and a variable per matter levy component to the funding arrangements.
- Proportionate funding obligations. We agree with the suggestions in the consultation paper that there is merit in larger airlines paying greater annual levy amounts, which reflects their size, nature and their likely involvement in the ombuds scheme and broader operations of the framework. We also consider there is merit in airports paying lower

annual levy amounts than airlines, as from our experience there is a significantly lower volume of consumer reports related to airports compared with airlines. However, if the government does adopt this approach, there should be an ability to increase the annual levies paid by airports if there is an increase in airport-related complaints. We also support the proposal for the funding arrangements to include a variable per matter monthly levy, which would reflect the number of complaints made per month and the degree of complaint escalation. This variable levy would introduce financial incentives for airlines and airports to improve compliance. With respect to cost-recovery of ineligible complaints, referrals and general enquiries, we consider this could be factored in the annual levy amounts as the most straightforward way to fund work on such matters. We agree with the view expressed in the consultation paper that these matters are generally linked to the behaviour of regulated entities in any event, with enquiries generally a precursor to a formal complaint, and the most common reason for complaint ineligibility is likely to be that the complainant should have gone to the regulated entity in the first instance rather than the complaint itself being meritless.

- Not unduly burdening new entrants and smaller operators. As the domestic airline sector is highly concentrated, we consider the funding arrangements could be structured in a way to ensure it does not act as a barrier for new entrants establishing in the sector. For example, the funding arrangements could be structured to allow levies for new domestic airlines to be waived or reduced for an initial period, for example, in the first year of membership.