



## A competitive and efficient aviation sector

**The Aviation White Paper sets out long-term policies and actions to guide the next generation of growth and innovation across Australian aviation.**

Effective competition helps to ensure affordable airfares and suitable services are delivered for consumers. Our reforms will boost competition and enable the economic and productivity growth that airlines and airports can provide for Australia.

Like many aviation markets around the world, Australia's domestic aviation market is highly concentrated – with Qantas Group and Virgin Australia dominating the market.

Australia's capital city airports are natural monopolies, with no effective substitutes available for the majority of users. Most Australian capital cities are served by a single major airport, although the opening of Western Sydney Airport will provide Sydney with a second.

The structure of the domestic aviation market creates a clear role for the Australian Government in overseeing the sector to ensure it operates in the best interest of consumers.

Through submissions to the Aviation Green Paper, we have heard that Australians expect improved performance and transparency from our major airlines and airports.

### Actions from now until 2050

- ✓ **Reform Sydney Airport slot management arrangements** to improve efficiency in the allocation and use of take-off and landing slots at Sydney Airport, and reduce incentives for anti-competitive slot misuse. Legislation to deliver these reforms will be introduced through the upcoming parliamentary sittings.
- ✓ **Revise principles for the aeronautical pricing negotiation process between airlines and airports.** The Australian Government will consult on amendments to the Aeronautical Pricing Principles (APPs) to specify that: (1) pricing agreements between airports and airlines should not contain anticompetitive clauses and (2) airports should provide such information and data to airlines as necessary to ensure transparent pricing negotiations.
- ✓ **Task the next Productivity Commission inquiry into the Economic Regulation of Airports** to consider whether there is evidence that airports are misusing market power, and whether the current framework allows large airlines to unduly delay beneficial airport expansions.
- ✓ **Monitor domestic airline pricing and performance:** In October 2023, the Australian Government directed the Australian Competition and Consumer Commission (ACCC) to monitor the pricing of domestic air passenger transport services until the end of 2026.
- ✓ **Consult on implementing an enhanced version of the ACCC's monitoring of pricing and service quality at Australia's major airports:** Sydney, Melbourne, Brisbane and Perth – with Western Sydney International Airport to be included in the price monitoring regime at an appropriate time. The Australian Government will conduct an Impact Analysis to consider whether to require the collection of more detailed disaggregated data about airport revenue, costs and assets, and whether a revised set of quality of service indicators is warranted.



Photo credit:  
Brisbane Airport

- ✓ **Publish additional data on airline performance and aviation competition.** The Bureau of Infrastructure and Transport Research Economics (BITRE) has powers to collect data from airlines under the Air Navigation Regulations 2016, however the regulations limit publication of this data. The Government will consult on amendments to these regulations to enable the collection and publication of more detailed data to support increased transparency and scrutiny of airline performance. BITRE will also develop and report on aviation competition indicators to monitor trends in the sector.
- ✓ Adopt a new 'show cause' provision for delayed and cancelled flights which will promote competition by **increasing transparency of airlines' performance and reliability**, enabling more informed travel choices by consumers.
- ✓ **Review government travel purchasing policies** to consider whether changed policy settings would minimise incentives for public servants to preference individual airlines when booking travel.

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