



Australian Government

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

Compliance and Enforcement Strategy

Regulating under the Sydney Airport Demand Management Act 1997

March 2026

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Email: demandmangement@infrastructure.gov.au

Website: <https://www.infrastructure.gov.au>

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Introduction

This Compliance and Enforcement Strategy (Strategy) outlines how the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (the department) will conduct its compliance and enforcement activities under the Sydney (Kingsford-Smith) Airport Demand Management (SADM) legislation.

[Sydney Airport Demand Management Act 1997 \(the Act\)](#)

[Sydney Airport Demand Management Regulations 2025 \(the Regulations\)](#)

[Sydney Airport Slot Management Scheme 2025 \(the Scheme\)](#)

Released in August 2024, the *Aviation White Paper Towards 2050* outlines the government's objectives for slot use at Sydney Airport as improved efficiency in slot allocation and a reduction in slot misuse as an impediment to competition amongst operators for slots. The objectives in implementing the new legislation introduced in 2025 for Sydney Airport Demand Management include:

- (a) competitive use of Sydney Airport's limited capacity
- (b) fair application of the legislative framework to all operators
- (c) efficient utilisation of slots particularly during peak periods
- (d) transparent monitoring and reporting of compliance.

Key measures in the new legislation include tighter penalties for slot misuse, obligations for the Slot Manager to publicly release slot information and for an independent Compliance Committee to inquire into compliance with the Act.

This Strategy informs the community and regulated entities at Sydney Airport of the compliance and enforcement priorities of the department under the new legislation.

The information in this Strategy does not reduce, extend, or modify legislative obligations or powers. In case of inconsistencies between this Strategy and the legislation, the legislation will prevail.

This Strategy will be reviewed periodically to ensure its alignment with the SADM legislation, its responsiveness to emerging issues, and its adaptability to changes in the operating environment, and will be considered when preparing future strategies.

Approach to compliance and enforcement

The department's approach to compliance and enforcement will focus on:

- Compliance activities to assist regulated entity behavioural change through engagement and education to encourage voluntary compliance; and
- Enforcement activities for non-compliance addressing slot misuse that impacts on the competitive use of Sydney Airport's limited capacity and the efficient utilisation of slots, particularly around shoulder and peak periods.

The department's approach to compliance and enforcement is informed by:

- the [Ministerial Statement of Expectations for Transport Regulation](#) (dated 17 December 2025);
- the principles set out in this Strategy;
- the compliance and enforcement escalation model in this Strategy; and
- the operating environment.

Compliance and enforcement principles

The following principles inform the department's compliance and enforcement activities:

- **Voluntary compliance** – by engaging with regulated entities on legislative obligations.
- **Risk based** – by regularly reviewing risk assessments and adjusting as appropriate to support a risk based approach to slot misuse that impacts the competitive use of Sydney Airport's limited capacity and the efficient utilisation of slots, particularly around shoulder and peak periods.
- **Data and intelligence driven** – through active intelligence gathering and data analysis, compliance and enforcement activities are evidence based and respond appropriately to a range of circumstances.
- **Proportionate** – activities aligning to the level of risk, seriousness and circumstances of slot misuse.
- **Consistent** – by ensuring activities are aligned to the relevant legislation and published guidance materials.
- **Outcomes focused** – by regularly measuring and monitoring priority slot performance indicators, the level of voluntary compliance and outcomes of compliance and enforcement actions.
- **Fair and transparent** – through procedural fairness in compliance and enforcement activities, public transparency through legislated information publication and communicating with stakeholders clearly and effectively.
- **Responsive, agile and efficient** – by responding to changes in the operating environment and shifting circumstances in relation to non-compliance.
- **Professional** – by department officers being respectful and professional when providing information and interacting with stakeholders.

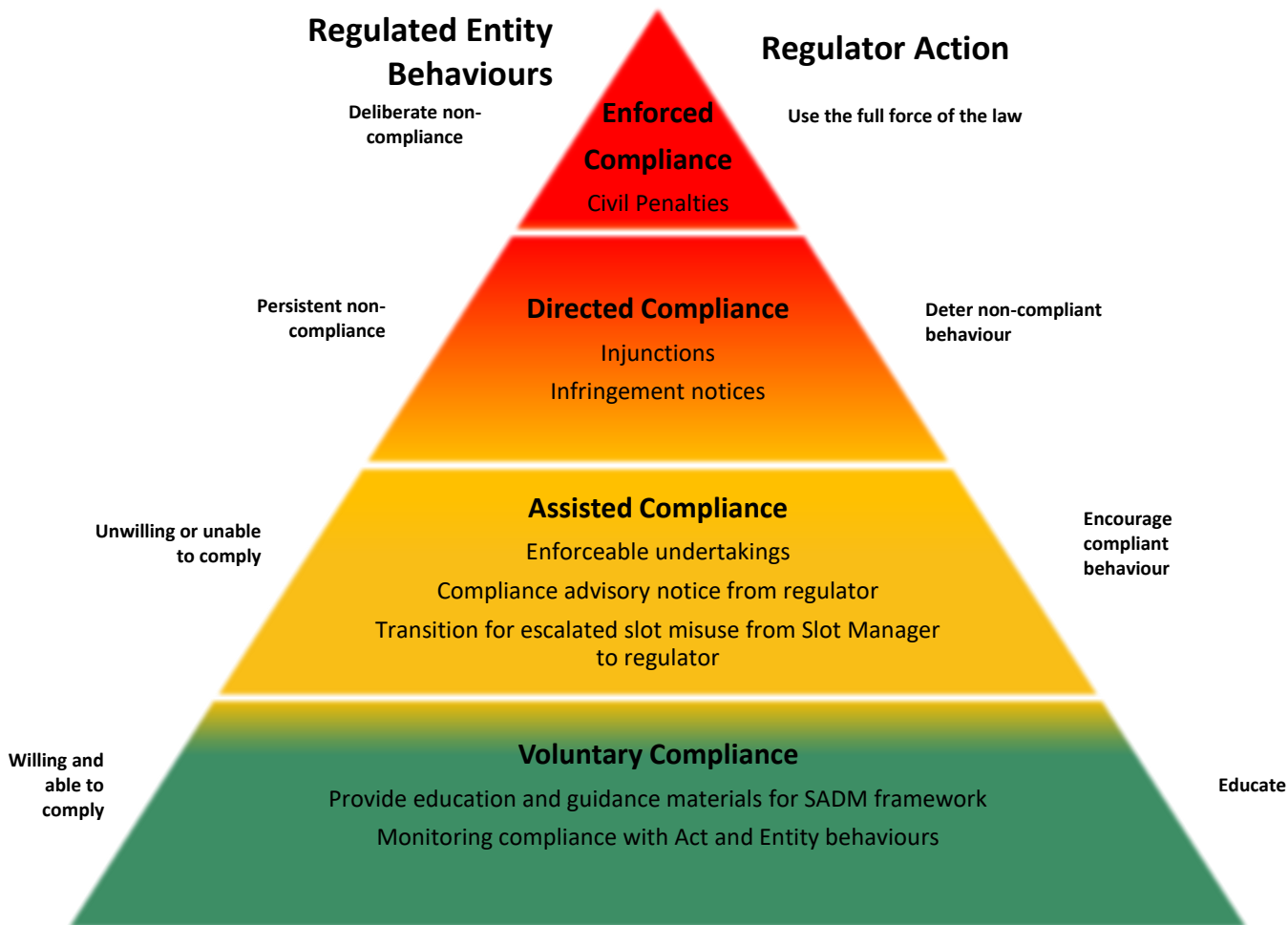
Compliance and enforcement escalation model

The department acknowledges there are a range of factors that contribute to non-compliance. Two considerations under the department's enforcement approach are the extent of non-compliant behaviour and the willingness to respond to legislative obligations, including responsiveness to the administrative actions of the Slot Manager. There are four stages of compliance the department will consider:

1. **Voluntary compliance**
2. **Assisted compliance**
3. **Directed compliance**
4. **Enforced compliance**

These stages are illustrated in the Compliance and Enforcement Escalation Model at Figure 1 below. Entities within the green level at the base of the pyramid are willing to voluntarily comply with the Act and demonstrate a willingness to comply. Behaviour which demonstrates less willingness to comply with the legislation will require appropriate application of enforcement tools to ensure compliance.

Figure 1: Compliance and Enforcement Escalation Model



Compliance and enforcement operating environment

Legislative and regulatory change

The amendments to SADM legislation in 2025 introduce significant changes to support long-term demand management at Sydney Airport. These include a new Slot Scheme and new measures in the Act to increase efficiency, transparency and competition including civil penalty provisions for non-compliance.

These changes follow extensive engagement with stakeholders through the 2019 Productivity Commission inquiry report on the *Economic Regulation of Airports*¹, the 2021 *Review of the Sydney Airport Demand Management Scheme* (Harris Review)², as well as the 2024 *Aviation White Paper*³.

Industry awareness and educational activities were undertaken before the commencement of the new legislation including:

- Publication of information on the department’s website about proposed SADM reforms aimed at improving competition and slot compliance at Sydney Airport.

¹ [Economic Regulation of Airports Report 2019 | Productivity Commission.](#)

² [Review of the Sydney Airport Demand Management Scheme 2021 | Peter Harris.](#)

³ [Aviation White Paper – Towards 2050, 2024 | Australian Government.](#)

- Industry engagement meetings and hosting industry webinars focused on specific topics and key policies.
- Inviting industry feedback on draft subordinate legislation.
- Attending industry forums hosted by Airservices Australia and Sydney Airport to speak about the reforms and engage with stakeholders impacted by the reforms.

The Department

The department oversees compliance with the Act and, in addition to the focus areas for compliance and enforcement identified in this Strategy, the department may take action in relation to enforcement of all slot misuse and associated civil penalty provisions which are set out below.

Civil penalty provisions specific to slot misuse in Part 3 of the Act include:

- **Section 15** — Failure to use an allocated slot
- **Section 16** — No slot movement
- **Section 17** — Off-slot movement
- **Section 18** — Flight operations not in accordance with slot requirements
- **Section 19** — Applying for slots with no reasonable prospect of use
- **Section 20** — Failure to return or transfer unused slots.

Civil penalty provisions specific to information management in Part 7A of the Act include:

- **Section 70C** — Failure to comply with a notice requiring information or document
- **Section 70D** — Failure to comply with obligations regarding records
- **Section 70E** — Failure to comply with obligations to publish information
- **Section 70G** — Using or disclosing protected information

Part 5 of the Act provides for court enforceable actions that can be initiated by the department and infringement notices that can be issued by the department as follows:

- **Section 52** — Court enforceable civil penalty provisions
- **Section 53** — Department issued infringement notices
- **Section 54** — Court enforceable undertakings
- **Section 55** — Court enforceable injunctions.

The Slot Manager

The Slot Manager for Sydney Airport is appointed by the Minister and is responsible for the administration of the Scheme. The Minister issues the Slot Manager with a Statement of Expectations which is available on the [department's website](#). The Slot Manager is expected to regularly report to the department on slot usage at Sydney Airport.

Section 32 of the Scheme empowers the Slot Manager to take a range of administrative actions regarding slot use at Sydney Airport including:

- **Section 32(2)(a)** — inform the operator of the non-compliance and warn the operator of the action that may be taken in response to the non-compliance.
- **Section 32(2)(b)** — refer a non-compliance to the Compliance Committee.
- **Section 32(2)(c)** — refer a non-compliance to the Minister for possible action under Part 5 of the Act.
- **Section 32(2)(d)** — enter into a performance plan with the operator.
- **Section 32(2)(e)** — suspend a slot for a specified period.
- **Section 32(2)(f)** — cancel a slot allocated to the operator.

The intention of these actions is to facilitate early engagement between the Slot Manager and regulated entities about slot misuse and provide an administrative pathway for improving slot use behaviour. The department has issued the Slot Manager with guidance about the application of section 32 of the Scheme, which is available on the department's website.

The Compliance Committee

The Compliance Committee is established under the Act by the Minister to inquire into and report to the Minister about the allocation of slots, gate movements and compliance with the Act. The Committee does not have legislative decision making powers. Its independence and expert advice are important to support a transparent, competitive and efficient slot management system at Sydney Airport.

The Committee is comprised of 7 members who consider a range of information relevant to slot use at Sydney Airport. In accordance with section 67A of the Act the Minister issues the Compliance Committee with directions about the performance of its functions. The *Sydney Airport Demand Management (Compliance Committee) Directions 2026* are available on the [department's website](#).

Stakeholders in the operating environment

The legislative framework is part of a dynamic operating environment with a range of stakeholders including Airservices Australia, Sydney Airport and the regulated entities. In its role as Regulator, the department takes into consideration that these stakeholders are involved in the slot management system and the operating environment.

Strategic priorities

The priorities include:

Implementation of the SADM Compliance and Enforcement functions

The department will direct its efforts to the successful implementation of the compliance and enforcement function as set out in this document.

Support the educational approach and administrative powers of the Slot Manager

The new administrative and remedial powers available to the Slot Manager in response to slot misuse are the first line of action to identify and address slot misuse and drive an efficient and effective slot allocation and management system. The department will provide ongoing guidance and support to regulated entities and the Slot Manager to maintain a pro-active approach to engagement, education and the use of its new monitoring and administrative powers. The Slot Manager presents an alternative pathway to remedial actions rather than civil penalty enforcement by the Regulator.

Drive transparency and accountability

The [department's website](#) provides information to facilitate understanding of the compliance and enforcement approach including the role of the Slot Manager in escalating slot misuse and in publishing slot data. This supports regulated entities in their compliance efforts. The department will also ensure the requirements of information publishing as required through the SADM framework are met.

Focus areas for compliance and enforcement

Following commencement of the new legislation in 2025, the department's regulatory focus is on non-compliance that impacts on the competitive use of Sydney Airport's limited capacity and the efficient utilisation of slots particularly around shoulder and peak periods.

The department's regulatory focus will be on, but not limited to the following:

- 1. In-season slot management**
- 2. The willingness of regulated entities to comply with the legislation**
- 3. Slot misuse as an impediment to competition**

In-season slot management

The department will monitor slot use data from the Slot Manager about compliance with the Act. The department expects to see evidence of regulated entities engaging with their legislative obligations and managing their slot allocation to achieve compliance with the Act.

The legislation provides opportunities for regulated entities to manage slots in-season to prevent slot misuse. Ahead of a scheduled slot, regulated entities may prevent a slot:

- being found as ‘failed to use’ an allocated slot by: returning slots to the Slot Manager before the day of operation; returning slot series no later than the Series Return Deadline; returning single slots or slot groups no later than the Historics Baseline Date.
- being found ‘not in accordance with slot requirements’ by working with the Slot Manager to vary the conditions imposed on a slot (such as the type or size of aircraft, or the arrival or destination port).

Regulated entities may also prevent a ‘no slot’ movement by requesting a slot from the Slot Manager or Airservices ahead of the intended flight. It is necessary for regulated entities to keep records evidencing compliance with the legislation.

Engagement with the Slot Manager in-season to prevent non-compliance will reduce the instances of slot misuse and demonstrate a regulated entity is willing to comply with the new legislative arrangements.

The willingness of regulated entities to comply with the legislation

Each slot scheduling season, slot misuse impacts on competition and the efficient utilisation of Sydney Airport. Aircraft are flown without slots, slots are not operated, slots are operated early or late, or the conditions of a slot are not adhered to. The Sydney Airport Slot Manager undertakes analysis of apparent non-compliance to identify patterns of slot misuse and subsequently seeks information and/or a Performance Improvement Action Plan (PIAP) from regulated entities to remediate the pattern of non-compliance. The details of a PIAP are particular to the non-compliances and so will vary in the specified time to allow for effective corrective actions to be applied.

Regulated entities are expected to engage with the Slot Manager on an information request and/or a PIAP by demonstrating accountability for non-compliance and taking corrective actions. The department will monitor the willingness of regulated entities to comply with the legislation which can be shown by accepting appropriate responsibility for the prevention of further non-compliances and engaging in corrective action.

Slot misuse as an impediment to competition

The 2019 Productivity Commission *Economic Regulation of Airports* Report and the 2021 Harris Review both raise concerns regarding slot misuse at Sydney Airport constraining competition. The Productivity Commission notes:

Historical precedent provisions in Sydney Airport’s slot management scheme mean that airlines are entitled to their slots from a previous scheduling season, provided they meet certain criteria. These provisions can provide certainty to existing airlines and their customers, but also prevent new entrants from gaining access to an airport and could be exploited by incumbents to limit competition between airlines.⁴

⁴ [Economic Regulation of Airports Report 2019 | Productivity Commission, page 32.](#)

The Harris Review noted the potential for slot misuse on busy routes impeding competition:

The thickest routes (like Sydney-Melbourne) are potentially quite exposed to higher cancellations i.e. they have the most opportunity to combine services in the face of weather or other interference with schedules. But equally, by being the most attractive (profitable), these routes are exposed to potential slot misuse if it can impede competition.⁵

In 2024 the department commissioned To70 Aviation consultancy to undertake an independent audit of slot use for domestic routes at Sydney Airport. The *Sydney Airport Domestic Slot Audit – Slot Report* found disproportionately high non-utilisation rates for high-frequency routes, noting:

By focusing cancellations on high-frequency routes, airlines can quickly re-accommodate affected passengers on alternative services, but this practice leads to underutilisation of valuable slots during peak demand periods, ultimately impacting the efficiency of the slot allocation system.⁶

The department is actively monitoring ‘tactical non-utilisation’ of slots on high frequency routes by domestic regulated entities and is identifying mechanisms to discourage this behaviour. Tactical non-utilisation behaviour by regulated entities may be identifiable through an analysis of the initial allocation of slots and the eventual non-utilisation of these slots.

More information

This Strategy sits within a hierarchy of legislation, policies and obligations that shape the department’s activities. This document will be updated periodically to incorporate changes to government policy, amendments to legislation, feedback from industry and other changes required by the department. It is intended that the Strategy will be reviewed after two years of operation in 2028.

Additional Information:

- [Aviation White Paper – Towards 2050](#)
- [Sydney Airport Domestic Slot Audit 2024](#)
- [Review of the Sydney Airport Demand Management Scheme](#) (Harris Review 2021)
- [Economic Regulation of Airports](#) (Productivity Commission 2019)
- [Statement of Expectations for the Sydney Airport Slot Manager](#)
- [Sydney Airport Demand Management \(Compliance Committee\) Directions 2026](#)

Version	Release date	Approver	Reason for update
1.0	March 2026	Ben Meagher	Initial release

⁵ [Review of the Sydney Airport Demand Management Scheme 2021 | Peter Harris, page 34.](#)

⁶ [Sydney Airport Domestic Slot Audit 2024 | To70 Slot Report, page 5.](#)