



JOINT MEDIA STATEMENT FOR IMMEDIATE USE

New Regulator to put further pressure on airfares

Comments attributable to Professor Graeme Samuel AC, Independent Chair of A4ANZ:

Airlines for Australia and New Zealand (A4ANZ) and the Regional Aviation Association of Australia (RAAA) continue to engage with Government on the proposed Aviation Consumer Protection Framework, united in the shared goal of a competitive, efficient and affordable aviation system that works for consumers.

Australia and New Zealand already benefit from a fiercely competitive aviation market. Airlines are delivering strong and improving on-time performance, exceptionally high completion rates, rising customer satisfaction and intense competition across domestic and international routes, including from new market entrants.

But there is growing concern that a wave of new costs, fees and regulation risks undermining these gains and putting pressure on airfares for everyday Australians.

While I am thankful that Minister Catherine King has confirmed the new framework would not apply to factors like weather and air traffic control issues, which are beyond an airline's control, I am concerned about the ever-increasing costs putting pressure on airfares.

As we have advised Government, the proposal to introduce additional layers of regulation – including the creation of an entirely new regulatory agency – adds complexity, duplication and cost to a system already overseen by well-established bodies such as the ACCC.

Quite simply, more bureaucracy means more cost.

The creation of a new regulator is strangely at odds with the Government's Economic Round Table held in August 2025, which focussed on reducing unproductive red tape and costly, duplicative regulation.

Airlines are facing an escalation in expenses across the aviation system. These include:

- The cost of establishing and funding yet another regulator
- Jet fuel prices that have surged amid ongoing conflict in the Middle East
- Significantly higher per-passenger charges imposed by monopoly airports
- Higher government fees, levies and taxes

These costs place upward pressure on airfares, increased cargo prices and broader inflationary pressure across the economy.





Comments attributable to Rob Walker, CEO of the RAAA:

The impact will be felt most acutely in rural and regional Australia.

Regional routes operate on thinner margins, with lower passenger volumes, longer distances, higher fuel burn and fewer opportunities to spread rising costs. When the cost base goes up, these services are placed under immediate strain.

For regional and remote communities, aviation is not a luxury, it is an essential service. It supports access to healthcare, education, jobs, tourism and time-critical freight. Higher costs risk reduced frequencies, higher fares or the loss of services altogether.

Airlines want to keep Australians connected affordably and reliably. But that requires a regulatory and policy environment that recognises the cumulative impact of costs and avoids unnecessary duplication and red tape.

If the goal is to protect consumers, the focus must be on keeping aviation efficient, competitive and affordable – not pricing people out of the skies.

