

Reforms needed to improve competition in domestic airline market

A spike in airfares highlights the need to facilitate greater competition in Australia's domestic airline market.

The [ACCC's Domestic airline competition in Australia report](#) for November 2024 shows that average airfares on all major city routes increased by 13.3% since Rex entered voluntary administration in July.

The Australian Airports Association (AAA) is urging industry and government to work collaboratively on ways to improve competitiveness in the sector.

"This report shows why it's critical to pull all available levers to improve the system as quickly as possible, such as slot reforms at Sydney Airport," AAA CEO Simon Westaway said.

"By example, the existing demand management system at Sydney Airport, whilst having previously served us well, is almost 30 years old and we recommend swift passage of the reforms now before Federal Parliament.

"This is about making the domestic aviation sector attractive for investment to ultimately deliver greater choices and lower airfares for the flying public.

"We're keeping a close eye on the next steps for Rex and welcome the Albanese Government's announcement to provide \$80 million in funding to keep regional routes operational.

"While this decision provides temporary relief, the AAA is still concerned about the airline's future and want to see a sustainable outcome that doesn't leave regional and rural communities stranded."

The AAA appeared at the Rural and Regional Affairs and Transport Legislation Committee Hearing today to discuss Sydney slot reform. You can find the opening statement [here](#).

Ends.

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