

ACCC to monitor competition in Australia's domestic airline market during pandemic

Sources: www.accc.gov.au
www.treasury.gov.au

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Abstract:

In response to the upheaval caused by the COVID-19 pandemic, the Australian Competition and Consumer Commission (ACCC) confirmed this month a direction by the Australian Government to actively monitor and report on prices, costs and profits in the domestic air passenger sector.

According to the ACCC media release available [here](#), it will be on the look-out for early signs of damage to competition in the sector, which could damage the long-term interests of consumers. As an example, it will be monitoring the rate at which each airline is increasing capacity on each route. This will provide insight into whether an airline could be adding additional flights to a route to damage a competitor or drive them off the route.

The direction was issued by the Government under [section 95ZE](#) of the Competition and Consumer Act, with the ACCC releasing reports at least quarterly. The direction is in place for three years and will enable the ACCC to require information from relevant companies. For practical guidance on the ACCC's authority to compel information, see [Section 95ZK notices](#).

The announcement comes in addition to the ACCC reaffirming its current investigation into whether Qantas's acquisition of a 19.9 per cent ownership Alliance Airlines represents a breach of competition law, see: [ACCC continues to investigate Qantas's stake in Alliance Airlines amidst upheaval of COVID-19 pandemic](#).