

Lyn Beverley
Committee Secretary
Senate Select Committee on Commonwealth Bilateral Services Agreements
PO Box 6100
Parliament House
Canberra ACT 2600

INVITATION TO SUBMIT:

INQUIRY INTO COMMONWEALTH BILATERAL AIR SERVICE AGREEMENTS

Dear Lyn,

This letter has been written in response to the Terms of Reference (TOR) provided by the Senate Select Committee on the Commonwealth Bilateral Air Service Agreements, specifically addressing the impacts of decisions related to additional services to Australia's airports since 2016. This submission aims to provide insights and recommendations regarding the matters outlined in the TOR, with a focus on Australia's bilateral air service agreements (BASAs), competition within the Australian aviation sector, cost of living pressures, international experiences, economic impacts, appeal rights, and any related matters.

1. Effects on Competition in the Australian Aviation Sector and Pressures on Cost of Living

The aviation industry in Australia is competitive and able to provide affordable and accessible travel options for families and enterprises. Since 2016, decisions regarding additional air services have had varying effects on competition and cost of living pressures. To resolve this issue, it is crucial to consider the following:

- Evaluate these decisions' effects on airline competition, consumer choice, affordability, and access;
- Assess the repercussions on the cost of living for families and the operational costs for businesses; and
- Suggest measures to encourage competition, guarantee consumer affordability, safeguard consumer protection and alleviate cost pressures on families and businesses.

2. Effects Observed in Other Countries

Understanding the implications of decisions regarding additional air services requires international comparisons. Other countries have encountered comparable challenges and opportunities, and their experiences can provide Australia with valuable insights:

- Analyse case studies and international experiences pertaining to decisions concerning additional air services;
- List learned lessons, recommended practices, and potential pitfalls; and
- Apply global perspectives to Australia's situation and decision-making processes.

3. Effect on Australia's Economy

The decisions surrounding the addition of air services have far-reaching effects on the economy of Australia. Their effects span numerous industries, including tourism, hospitality, and freight transportation. It is therefore important that the following is undertaken:

- Quantify the economic impacts on Australian travellers, tourism, and hospitality sectors;
- Evaluate the impact on freight movement within Australia and internationally;
- Explore economic growth and employment creation opportunities within the aviation industry; and
- Suggest strategies for maximising economic benefits and minimising negative impacts.

4. Rights of Airline Companies and Appeals Procedures

It is essential to ensure impartiality and openness in decisions regarding BASAs. We must evaluate the appeal rights of airlines and other relevant entities:

- Examine the accessibility and efficacy of existing appeal mechanisms;
- Determine areas for enhancement within the appeals procedure; and
- Recommend enhancements to promote impartiality in decision-making and safeguard the rights of airlines.

5. Other Relevant Matters

In addition to the specific areas stated in the TOR, we are willing to address any related issues or concerns deemed pertinent by the Senate Select Committee. We are prepared to provide additional information or clarification regarding any aspect of this submission.

6. Conclusion

This submission emphasises the critical significance of decisions concerning additional air services in Australia. We hope that the insights and recommendations presented will contribute to enlightened and productive discussions within the Senate Select Committee. We remain committed to nurturing in Australia an aviation landscape that is competitive, sustainable, and well-connected.

We appreciate the opportunity to participate in this inquiry and eagerly anticipate any future engagements or enquiries from the Senate Select Committee.

Yours sincerely,

Prof Ron Bartsch AM

Founding Director and Chairman