



Our reference: Let. 20230918  
18 September 2023

Attention:  
Lyn Beverley, Committee Secretary  
Select Committee on Commonwealth Bilateral Air Service Agreements  
PO Box 6100  
Parliament House  
Canberra ACT 2600

By email: [cbasa.sen@aph.gov.au](mailto:cbasa.sen@aph.gov.au)

Dear Committee Secretary,

**Re: Inquiry into Commonwealth Bilateral Air Services Agreements**

BARA (the Board of Airline Representatives Australia) is an industry association representing the interests of the majority of international carriers that serve Australia, focused on assisting their operations to and within Australia.

BARAs generic position regarding aviation bilateral arrangements is to support open access wherever possible. International airlines provide significant economic value to the Australian economy – every new airline service brings new and additional inbound visitors to Australia, increases cargo capacity, and facilitates business and economic opportunities. Media surrounding the recent denial of additional rights to Qatar Airways (a BARA member) cited industry sources indicating additional incremental economic value of ~A\$520m to \$788m per annum from the proposed 21-28 additional weekly flights. This equates to approximately A\$500,000 of incremental economic activity for each new inbound service, per day (based on aircraft carrying 350 pax). The cumulative impact of international aviation to Australia's economy is enormous.

Whilst the actual contributory figures may be debated by academics, the underlying point is that growing international aviation capacity is incremental and not dilutionary for the Australian economy. Every new service, no matter whether on smaller aircraft from Australia's closest neighbours in the Pacific Islands, to the largest aircraft operating from the furthest possible airports, bring additional visitors to Australia who spend money and generate economic activity.

A list of current BARA members is attached to this letter – collectively BARA airline members represent approximately 50% of the total international capacity operated to/from Australia.

As bilateral aviation agreements are negotiated government to government, BARA is not directly involved in the process. As a relevant aviation stakeholder in Australia, BARAs input is sought as a matter of course by the Department of Infrastructure whenever existing arrangements are being

discussed. Most recently (July 2023) this was in relation to upcoming discussions concerning such arrangements with Vietnam and Türkiye.

BARAs specific comments in relation to these two recent examples highlight some of the reasons why it is important to provide as open access as possible for international aviation: -

1. Vietnam: The current bilateral of 42 services/week to the main international gateways of SYD, MEL, BNE & PER needs to be lifted ahead of demand. Currently 40 services/week are utilised from the 4 operating carriers, leaving only 2 weekly slots which will be restricting schedule choice or optimisation decisions by any of the incumbent carriers seeking to increase their number of services, thereby supressing potential new service introduction.

Trade and traffic demand to & from Australia-Vietnam is growing strongly – according to the Vietnam Trade Office (Australia) two-way trade grew a record 27% in 2022, even whilst post-Covid air travel was still recovering. This recent growth suggests underlying strong demand for air services in both directions. BARA urges the Department to negotiate significantly higher air services arrangements in order to allow particularly Vietnam based airlines to strategically plan with confidence more services to Australia.

2. Türkiye: Whilst there are at present no direct services between Australia and Türkiye, the current bilateral of 7 services/week to the main international gateways of SYD, MEL, BNE & PER is inadequate to encourage the long-term strategic investment required by particularly Turkish Airlines (IATA TK, ICAO THY) to start direct services. Turkish Airlines has the most extensive network of any international airline, and a lack of services to Australia is a white-spot within their global network. Whilst TK has stated ambitions to fly directly to Australia (reiterated as recently as at the 2023 IATA Annual General Meeting), these ambitions are dependent on *both* aircraft supply and bilateral arrangements. A *minimum* viable bilateral arrangement to encourage such services over the next 5 years would be an immediate lift to 21-28 services/week to the major airports, allowing for daily SYD & MEL services to be planned, started, and gradually uplifted from 1-stop to non-stop as aircraft deliveries allowed, with further opportunity to expand based upon realised demand. TKs network would provide both new and additional one-stop destinations for Australian visitors within Europe, maintaining strong competition in this important market (bi-directional Australia-Europe).

The highlighting above has been added to emphasise that evaluating either new services or growing existing capacity are economically rational strategic decisions that every international airline must take before deciding on whether to invest in operating services to Australia. Restricted bilateral arrangements add further risk to commercial decision-making, and if there is little perceived prospect of change, can ultimately drive demand to other destinations who are competing with Australia for growing airline capacity.

These points explain BARAs rationale for supporting more open bilateral arrangements, and as a minimum to push for an even more forward-thinking approach than the government's current 'capacity ahead of demand' stated policy. As independent, economically rational and often global aviation service providers, it is self-evident to BARA that allowing international airlines to increase their services to Australia wherever possible, based on their calculated view of supply & demand,

but without additional regulatory restrictions, provides the greatest opportunity for them to initiate, build and operate additional air services which irrefutably provide a net economic gain for Australia.

BARA thanks the Inquiry for encouraging input from all stakeholders on these important matters and appreciates the opportunity to provide these comments. Please contact BARA should you wish for any further clarification on any point.

Yours sincerely

Stephen Pearse  
**Executive Director**

<sup>1</sup> <https://www.afr.com/companies/transport/blocking-flights-could-cost-500m-but-minister-saves-jobs-20230809-p5dv65>

Attached: BARA member airline list

## BARA Members

### Members primary contact list

Last Updated

18-Sep-  
23

Queries or amendments contact BARA

Airline	IATA Code
AIRASIA Aviation Group representing: -	
* AIRASIA X	D7
* AIR ASIA Berhad	AK
* INDONESIA AIR ASIA	QZ
* PHILIPPINES AIR ASIA	Z2
* THAI AIR ASIA X	XJ
AIR CANADA	AC
AIR NIUGINI	PX
AIR MAURITIUS	MK
AIR NEW ZEALAND	NZ
AIR VANUATU	NF
AIRCALIN	SB
ALL NIPPON AIRWAYS	NH
AMERICAN AIRLINES	AA
ASIANA AIRLINES	OZ
CATHAY PACIFIC AIRWAYS	CX
CHINA EASTERN	MU
CHINA SOUTHERN AIRLINES	CZ
DELTA AIR LINES	DL
ETIHAD AIRWAYS	EY
EVA AIRWAYS	BR
FIJI AIRWAYS	FJ
GARUDA INDONESIAN AIRWAYS	GA
HAWAIIAN AIRLINES	HA
JAPAN AIRLINES	JL
LATAM AIRLINES GROUP	LA
MALAYSIA AIRLINES	MH
NAURU AIRLINES	ON
PHILIPPINE AIRLINES	PR
QATAR AIRWAYS	QR
ROYAL BRUNEI AIRLINES	BI
SINGAPORE AIRLINES	SQ
SOLOMON AIRLINES	IE
SRILANKAN AIRLINES	UL
THAI AIRWAYS INTERNATIONAL	TG
TURKISH AIRLINES	TK
UNITED AIRLINES	UA
VIETNAM AIRLINES	VN
VIRGIN AUSTRALIA	VA