

Media release

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BARA'S COLLECTIVE NEGOTIATIONS DELIVERING PUBLIC BENEFITS

The Board of Airline Representatives of Australia (BARA) today welcomed the draft determination by the Australian Competition and Consumer Commission (ACCC), proposing to allow BARA to continue to collectively negotiate on behalf of its member airlines for the next 10 years.

BARA requires authorisation from the ACCC to undertake collective negotiations on behalf of its member airlines with the major international airports, Airservices Australia and other suppliers of essential aviation services. BARA does not bind its member airlines, who ultimately decide whether to accept the prices and terms negotiated through BARA.

"It is important that membership organisations such as BARA operate within approved boundaries. The ACCC's draft determination concludes that public benefits are derived through BARA's collective negotiation activities, which directly improve outcomes for airlines and passengers," BARA Executive Director, Barry Abrams said.

"BARA is particularly pleased that the ACCC's draft determination proposes an authorisation of 10 years. A 10 year authorisation reduces industry compliance costs and provides BARA with long-term operating certainty," Mr Abrams said.

"Australia's international aviation is facing significant challenges which will impact on air travel affordability and the economic growth the industry generates. Increased costs at airports, heightened investment in air navigation technology and the competitive and reliable supply of jet fuel all need to be addressed over time.

"Under the ACCC's authorisation, BARA's member airlines can continue to pool their resources and expertise in seeking more innovative and cost-efficient solutions. Improving industry productivity creates greater value to be shared among passengers, airlines and suppliers.

"International aviation is critically important to Australia. Assuming a positive final determination from the ACCC, BARA can continue to deliver quality services to its members, with flow-on benefits to Australia's economy. BARA looks forward to working with all industry stakeholders to achieve positive outcomes into the future," Mr Abrams said.

[ENDS]

BACKGROUND

BARA is the industry body that promotes the safe and efficient operations of international airlines serving Australia for the benefit of consumers, businesses and tourism.

BARA's members include many of the world's largest airlines, and provide 90 per cent of all international passenger flights to and from Australia.

An overview of BARA and its work is contained in its Vision and Outcomes for International Aviation in Australia, available at www.bara.org.au.