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Bonza shows greater airline competition needed

The Australian Airports Association (AAA), the peak body representing more than 340 airports and 150 organisations supplying the aviation sector, says the grounding of Bonza demonstrates the need for greater airline competition.

“This is a sad time for aviation and a major blow for competition,” AAA Chief Executive, James Goodwin said.

“The immediate concern is with the people affected - the passengers who’ve had plans disrupted and the workers with uncertain futures,” he said.

“Airports across Australia worked hard to establish relationships with Bonza, supporting the airline to boost regional connectivity and the tourism economy.

“Bonza was flying to 32 airports, most operated by Local Government, with high load factors from a growing customer base and many routes were not flown by other carriers,” Mr Goodwin said.

The suspension of Bonza services is expected to impact 183 flights and 33,106 passengers over the next week.

“On routes where Bonza has been competing with other airlines such as Melbourne-Gold Coast, the data is clear – Bonza has been instrumental in improving competition and pushing down airfares,” Mr Goodwin said.

“Australia is one of the most concentrated airline markets in the world, with the Qantas Group and Virgin Australia accounting for 95 per cent of the domestic market share.

“The 66 per cent market share commanded by Qantas Group is more than Coles’ and Woolworths’ 64 per cent combined market share in food and groceries.

“Despite what the airlines or their lobbyists might say, airport charges remain a consistently low proportion of airfares at an average of just 4.8 per cent according to most recent ACCC Airport Monitoring Report, and airports have bent over backwards to make Bonza a success.

“The Aviation White Paper must make strong recommendations to improve airline competition, regional connectivity and lower the barriers for new airlines to enter and succeed in the Australian domestic aviation market.” Mr Goodwin said.

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Editor Note: Bonza passengers needing assistance should call the Australian Government Hotline: 1800 069 244