



**MEDIA RELEASE
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RAAA CALLS ON THE GOVERNMENT TO ENSURE FAIR COMPETITION FOR REGIONAL AVIATION

The Regional Aviation Association of Australia (RAAA) today expressed strong support for Prime Minister Tony Abbott's move to repeal the 1992 Qantas Sale Act. It feels that Qantas was unfairly restricted by the Sale Act which it perceives to be an historical anachronism needing to be removed in order to keep competition on an even playing field. It rejects suggestions that this would make Qantas vulnerable to corporate raiders, citing the 2007 private equity takeover attempt on Qantas as proof that the Sale Act did not guarantee protection.

However, the RAAA was critical over the Australian Government's proposal to offer a debt guarantee to Qantas. It feels that Qantas should not be handicapped in its ability to raise funds but neither should it be given an unfair advantage. It maintains that a Government backed debt guarantee would have the effect of distorting the Australian regional aviation market by providing Qantas subsidiaries with a commercial advantage over other regional operators.

The RAAA Chairman, Jim Davis, said "Any commercial advantage provided by the Government through a debt guarantee to Qantas will distort the market and put more pressure on regional operators that are already doing it tough"

RAAA appealed to the Government to either refuse the debt guarantee to Qantas or to make it available to all operators to ensure fair and even competition in the regional aviation market.

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