

ROBBIE KATTER

Member for Traeger



MEDIA RELEASE

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QANTAS BUY-IN NOT BAIL-OUT BEST OPTION FOR AUSTRALIA

Katter's Australian Party (KAP) Leader Robbie Katter has urged the Federal Government to urgently consider the Qantas 'buy-in' option, as negotiations around the future of Australia's aviation industry continue in the midst of the COVID-19 crisis.

The Federal Government is under extreme pressure to bail out both the private national airlines: Qantas at a cost of a whopping \$4.2 billion, as well as the nation's second major carrier, Virgin Airlines, for \$1.4 billion.¹

Following reports that three Chinese Government-owned airlines are seeking to buy cash-strapped Virgin Australia, Mr Katter said the foreign ownership alarm bells were now ringing while Australia was on its economic knees.

He said it was pertinent the Australian Government showed leadership on this issue and gave serious consideration to buying back a controlling interest in Qantas. Qantas was government owned from 1947 to 1992.

"If we are considering 'bail out' money for airlines, why aren't we considering 'buy-in' money; let's stop talking about 'bail-out' money and talk about 'buy-in'," Mr Katter said.

"Qantas currently leads the market and all other operators follow them, so if you have ownership of Qantas then can control the market – you can do this in the interest of all Australians and also our tourism sector.

"This is a very unique opportunity to not only block the fire sale of key assets to foreign owners, but also an opportunity to acquire back a strategic asset to be owned by the Australian people."

Mr Katter said the experiment for market-based solutions for airlines across Australia over the last 20 years had failed, particularly in rural and regional Queensland.

¹ "Coronavirus has Virgin seeking government help and Qantas up in arms. What could a bailout look like?", ABC News, 2 April 2020, Accessed: <https://www.abc.net.au/news/2020-04-02/coronavirus-airline-bailout-virgin-qantas-failure/12110064>

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“Since the government sale of Australian Airlines to Qantas in 1992 and the subsequent privatisation of Qantas, prices may have improved between the capital cities but the market conditions have deteriorated in regional areas,” Mr Katter said.

“The recent Senate Enquiry revealed pervasive issues throughout regional Australia and offered no real solutions as the government weren’t even game to entertain the notion of again owning an airline.

“There is nothing in the Senate Enquiry that will be effective in addressing the huge problems in regional airlines and governments will be pressured to continue propping up these regional routes anyway so we may as well own the airline like we did in the past.”

Mr Katter said Qantas could be acquired by institutional government funds like QSuper.

“The less profitable international components could be considered for disposal once market conditions improved again and the domestic routes could continue to be controlled, in the best interest of all Australians,” he said.

“Since the sale of Qantas and removal of maintenance from Australian shores (and standards), it has long since departed from its position as the ‘Spirit of Australia’.

“It has become a giant corporate behemoth exercising its market dominance to derive strong profits from the domestic market.

“This is an opportune moment while the share price is low – we are calling on the Federal Government today to act and to ensure it is the Australian people who are in control of their national carrier, and not the corporate world.”

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