



Australian Government



20 June 2019

Mr Darrell Channing  
Director, Adjudication  
Australian Competition & Consumer Commission  
GPO Box 3131  
Canberra ACT 2601

Dear Mr Channing

I write in response to the Australian Competition and Consumer Commission's (ACCC) invitation to comment on the application for authorisation from Virgin Australia and Virgin Atlantic to cooperate on services between Australia, the United Kingdom and Ireland.

Tourism Australia supports the proposed cooperation in anticipation of increased air services between Australia, the United Kingdom and Ireland, via mutual mid-points in Hong Kong and the United States. The United States, the United Kingdom and Hong Kong are all vitally important tourism markets for Australia. Those three markets are respectively the 2nd, 3rd and 8th largest tourism markets for Australia and collectively bring 1.8 million visitors to Australia each year who spend \$8.6 billion. This equates to more than 20 per cent of all international tourism spend in Australia.

Our country and our tourism industry stand to benefit in many ways from approval of the proposed cooperation, which should increase capacity, add new flight and route options, enhance codeshare connectivity, lower airfares and improve schedule coordination.

The national tourism strategy, Tourism 2020, set the goal of reaching between \$115 billion and \$140 billion in overnight visitor expenditure each year. In order to reach the upper potential of that goal Australia needs to further attract appropriate and sustainable aviation access. Allowing the cooperation between Virgin Australia and Virgin Atlantic will support that goal.

On behalf of Tourism Australia and the Australian tourism industry we recommend the ACCC allow the two airlines to cooperate on services between Australia, the United Kingdom and Ireland which will bring benefits to travellers coming to Australia.

Thank you for your opportunity to comment on this matter.

Yours sincerely,

Phillipa Harrison

**A/MANAGING DIRECTOR**