

TO Mr David Wang | Acting Director  
Competition Exemptions  
Mergers, Exemptions and Digital  
Australian Competition and Consumer Commission  
david.wang@accc.gov.au

13 SEPTEMBER 2022

Dear Mr Wang

**Application for Authorisation AA1000615 - Virgin Australia & Alliance Airlines - Information Request**

We refer to our previous correspondence in connection with the application for authorisation lodged with the ACCC on 27 May 2022 by Virgin Australia Airlines Pty Ltd, Virgin Australia Regional Airlines Pty Ltd (VARA) (together, **Virgin Australia**), Alliance Airlines Pty Ltd and Alliance Aviation Services Ltd (together, **Alliance**) (**Application for Authorisation**), and to the ACCC's letter dated 30 August 2022 requesting information from Alliance (**Information Request**).

**Confidentiality**

Where information in this letter and Attachment A is confidential to Alliance, this has been indicated with the words '**[Commercial in Confidence]**'. All of the information contained in Attachments B and C is confidential to Alliance. For this reason a confidentiality claim has been made in respect of the entirety of Attachments B and C.

In relation to information over which a claim of confidentiality has been made, Alliance requests that the ACCC treat the information as confidential in accordance with paragraphs 5.3 - 5.7 of the ACCC's Guidelines for Authorisation of Conduct (non-merger) and acknowledges that:

- (a) there is no restriction on the internal use, including future use, that the ACCC may make of the information, provided that it is strictly consistent with its statutory function;
- (b) the confidential information may be disclosed to the ACCC's external advisors and consultants on the condition that each such advisor or consultant will be informed of the obligation to treat the information as confidential; and
- (c) the ACCC may disclose the confidential information to third parties if compelled by law or in accordance with sections 89(7) or 155AAA of the *Competition and Consumer Act 2010* (Cth).

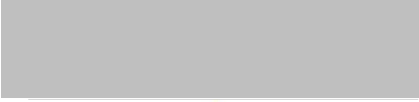
**Alliance's response**

**Attachments A, B and C** of this letter set out Alliance's response to each of the questions contained in the Information Request. **[Commercial in Confidence]**

Should you have any questions, or require any further information, please do not hesitate to contact us.



Yours sincerely



Caroline Coops | Partner  
King & Wood Mallesons

T [REDACTED]  
M [REDACTED]  
F [REDACTED]  
E [REDACTED]

Natalie Stianos | Senior Associate  
King & Wood Mallesons

T [REDACTED]  
M [REDACTED]  
F [REDACTED]  
E [REDACTED]

Attachment A

Alliance response to ACCC Information Request dated 30 August 2022

1. Please provide a list of all charter opportunities that have arisen since 9 June 2017, which fall within the scope of the Charter Alliance Agreement (CAA) for the provision of joint tender and supply of services to corporate customers by the Applicants.  
Refer to Confidential Attachment B.
2. For all opportunities listed in response to Q1, please provide the following information:
  - a. indicate whether the opportunity was:
    - i. jointly bid for by the Charter Alliance between Virgin Australia and Alliance Airlines
    - ii. independently bid for by Virgin Australia (if known) and/or Alliance Airlines
    - iii. not bid for by either party (if known)
  - b. in relation to each joint bid or independent bid, indicate whether the bid was:
    - i. successful
    - ii. partially successful, or
    - iii. unsuccessful
  - c. identify all joint bids (successful or otherwise) for which Alliance Airlines believes it would not have been able to submit a compliant response without the CAA
  - d. in relation to each independent bid (successful or otherwise), identify:
    - i. whether Virgin Australia and/or Alliance Airlines declined to participate in a joint bid
    - ii. the factors and circumstances that Alliance Airlines considered when deciding whether Alliance Airlines would submit an independent bid instead of a joint bid pursuant to the CAA
    - iii. whether the benefits of the CAA were referenced as part of making the independent bid, for example, the availability of value-added services, or additional capacity support
  - e. in relation to opportunities successfully won through a joint bid, explain (with reference to any known competitors for those contracts) the significance of the CAA in successfully obtaining that contract
  - f. in relation to opportunities successfully won by Alliance Airlines through an independent bid, indicate (and explain where applicable) whether the bid was strengthened because of the availability of value-added services, additional capacity support, or an integrated charter/RPT offering pursuant to the CAA,
  - g. in relation to opportunities where Virgin Australia and Alliance Airlines jointly bid under the CAA but were not successful, explain whether Alliance believes the likely outcome of those tenders would be different if Alliance had bid independently and why.

In relation to Item 2(d)(ii), [Commercial in Confidence].
3. Please identify any anticipated tender or other supply opportunity for which Alliance Airlines believes it would not be able to submit a compliant response without the CAA, for example,

because the opportunity may include an RPT component or if the customer specifically requested value-added services such as access to lounge services or a loyalty program.

**Confidential Attachment C** sets out Alliance's response to Item 3.

As the opportunities listed in **Confidential Attachment C** are anticipated future opportunities, Alliance does not know which specific conditions will be requested by the customer as part of a compliant bid. To the extent any conditions are requested as part of the criteria for a compliant bid, this will depend on how the customer structures the tender, including whether it specifies required aircraft types or will accept bids for any number of aircraft types, and whether the customer splits a tender process into charter services and RPT services, or accepts responses for all kinds of services on a particular schedule. For example, a customer may split its tender into several parts and accept compliant responses to each part (for example, Part A dealing with the customer's requirements for smaller aircraft types and Part B dealing with larger aircraft types, or Part A relating to charter services on certain routes and Part B relating to RPT services on certain routes).

**[Commercial in Confidence]**

**Confidential Attachment B**  
**Response to Items 1 and 2 of Information Request**

**Confidential Attachment C**

**Anticipated future opportunities for charter services**