

COMPETITION AND CONSUMER ACT 2010

Undertaking to the Australian Competition and Consumer Commission given for the purposes of section 87B of the *Competition and Consumer Act 2010*

by

Virgin Australia Airlines Pty Ltd (ABN 36 090 670 965), Virgin Australia International Airlines Pty Ltd (ABN 63 125 580 823) and Qatar Airways Group Q.C.S.C

1. Person giving the Undertaking

1.1. This Undertaking is given to the Australian Competition and Consumer Commission (**ACCC**) by Virgin Australia Airlines Pty Ltd (ABN 36 090 670 965), Virgin Australia International Airlines Pty Ltd (ABN 63 125 580 823) and Qatar Airways Group Q.C.S.C (each an **Applicant** and together, the **Applicants**), for the purposes of section 87B of the *Competition and Consumer Act 2010* (**CCA**) (**Undertaking**).

2. Background

- 2.1. Virgin Australia is an Australian airline founded in 2000. Virgin Australia is headquartered in Brisbane, Queensland, from where it operates a network of domestic and limited short-haul international services. These services are operated by Virgin Australia Airlines Pty Ltd and Virgin Australia International Airlines Pty Ltd, and their related bodies corporate.
- 2.2. Qatar Airways is the national carrier of the State of Qatar and was founded in 1997. Qatar Airways provides international air transportation services, with a global network of over 175 destinations across six continents. Qatar Airways currently operates a total of 42 weekly flights between Qatar and Australia.
- 2.3. The Applicants have sought authorisation (**Authorisation Number AA1000679-1**) to engage in the Proposed Conduct, as defined in **Annexure A**.
- 2.4. As part of the Proposed Conduct, Virgin Australia will commence operating scheduled flights between Australia and Doha in partnership with Qatar Airways (**New Services**).
- 2.5. The Applicants have requested interim authorisation of the Proposed Conduct, as defined in the Authorisation Application, by November 2024, to enable the launch of the New Services by June 2025 (being the peak period of demand for travel between Australia and Europe).
- 2.6. The Applicants have sought to commence advertising and selling tickets for itineraries that include the New Services (**New Services Tickets**) from 11 December 2024 because passengers generally purchase long haul flights well in advance. This means that the Applicants require a minimum of 6 months before the commencement of the New Services to maximise marketing and sales opportunities and to ensure the financial sustainability of the New Services. The Applicants also require additional lead time prior to commencing marketing and sales to ensure that appropriate operational, technical and commercial structures are in place.

3. Purpose of the Undertaking

- 3.1. This Undertaking is given by the Applicants:
 - a) in the context of a request for the grant of interim authorisation of the Proposed Conduct by the Applicants (AA1000679-1); and
 - b) in order to provide clarity to passengers about their rights and protections if they purchase New Services Tickets from either Applicant in the period between interim authorisation

and the receipt of all final regulatory approvals required for the operation of the New Services, including ACCC Final Determination granting authorisation in respect of Authorisation Number AA1000679-1 and an allocation of capacity on the Qatar route by the International Air Services Commission (**Final Regulatory Approvals**); and

- c) where the New Services do not proceed as a result of Final Regulatory Approvals not being obtained.
- 3.2. As set out in clause 5, under this Undertaking, affected passengers will in a timely manner be:
- a) notified if the New Services will not proceed, including being notified of their protections and options in those circumstances;
 - b) at the passengers' request, offered re-accommodation on a suitable alternative flight at no additional cost, or a refund if no suitable alternative is available; and
 - c) reimbursed for any reasonably foreseeable costs as a result of the Applicants' inability to supply the New Services.

4. Commencement and term of this Undertaking

- 4.1. This Undertaking comes into effect when:
- a) this Undertaking is executed by the Applicants; and
 - b) this Undertaking so executed is accepted by the ACCC (the **Commencement Date**).
- 4.2. This Undertaking has effect from the Commencement Date until the earlier of:
- a) receipt of Final Regulatory Approvals prior to the scheduled departure of any of the New Services; or
 - b) if Final Regulatory Approvals are not obtained prior to the scheduled departure of any of the New Services, the date by which the obligations set out in clause 5.1 (a)-(d) have been discharged in respect of each passenger who has purchased a New Services Ticket, using all reasonable endeavours and, in any event by 31 December 2026,

(the **Term**).
- 4.3. This Undertaking applies in relation to New Services Tickets advertised and sold by each Applicant prior to Final Regulatory Approvals.
- 4.4. From the Commencement Date, each Applicant undertakes to assume the obligations set out in clauses 5.1 and 5.2 of this Undertaking for the purposes of section 87B of the CCA.

5. Undertakings

Protections for passengers who purchase New Services Tickets prior to Final Regulatory Approvals

- 5.1. If the Applicants are not able to commence flying the New Services as scheduled because Final Regulatory Approvals are not obtained, each Applicant undertakes to do the following in respect of tickets issued on their own stock:
- a) make available to passengers re-accommodation on an alternative available itinerary (including all domestic and international sectors of an itinerary), in the same cabin class

and with the same origin and destination at no additional charge, preferencing itineraries using existing services operated by the Applicants, where possible; and

- b) make available the option of a refund of the full New Services Ticket price, if the re-accommodation offer is not suitable for a passenger, paid to the customer's original payment method, where possible; and
 - c) reimburse passengers for any reasonably foreseeable costs incurred as a result of the failure to supply the New Services. Examples of reasonably foreseeable costs might include:
 - i. any reasonable additional amounts incurred by the passenger when booking an alternative comparable flight following a refund pursuant to clause 5.1.b);
 - ii. non-refundable accommodation, onward connections, ground transportation, and tour bookings which can no longer be used as a result of the cancellation of the New Services; and
 - iii. non-refundable visa fees incurred which can no longer be used as a result of the cancellation of the New Services; and
 - d) notify travel agents, passengers who have made a direct booking (via the telephone number or email address provided at the time of a direct booking), and the ACCC that the New Services will not proceed, together with passenger protections and options in those circumstances, within 48 hours of a decision being made not to operate those services because Final Regulatory Approvals have not been obtained; and
 - e) implement an appropriately resourced and dedicated team within each Applicant's contact centre to directly service impacted customers and activate a prompt within the menu options of each Applicant's customer telephone line allowing them to be connected with this team to:
 - i. handle any passenger contacts and queries in relation to the New Services within a reasonable timeframe; and
 - ii. assist passengers to access their entitlements as described in subclauses 5.1 (a)-(c) above.
- 5.2. Each Applicant undertakes to assist the other Applicant in satisfying the undertakings set out at 5.1 above, consistent with the purpose of this Undertaking, as described in clause 3.
- 5.3. Each Applicant undertakes:
- a) to make clear that New Services sold are advertised as subject to approval within each Applicant's direct booking channel; and
 - b) that New Services will be identified within published schedules as subject to approval, to allow disclosure in indirect channels; and
 - c) to set out the options available to passengers who purchase New Services Tickets if Final Regulatory Approvals are not obtained, with this information published on each applicant's website.
- 5.4. The obligations in the Undertakings as set out in 5.1, 5.2, and 5.3 above will be discharged by the Applicants in a manner that is consistent with the purpose set out in 3.1 and 3.2 above, including by each Applicant:

- a) taking any reasonably necessary additional steps to achieve that purpose; and
- b) procuring that its subsidiaries and related bodies corporate take any action that is reasonably necessary to achieve the purpose set out at 3.1 and 3.2 above and discharge the obligations in 5.1, 5.2, and 5.3 above.

6. Administration

- 6.1. The ACCC may authorise a member of the ACCC or an ACCC staff member to exercise a decision making function under this Undertaking on its behalf.
- 6.2. The ACCC may, from time to time, extend the date by which any of the obligations in this Undertaking is to be satisfied. Such a request for an extension must be express and in writing.
- 6.3. Information and documents required under this Undertaking will be provided via the ACCC's Undertakings Portal whenever possible.

7. ACCC enquiries

- 7.1. For the purpose of monitoring compliance with this Undertaking, the ACCC may make reasonable enquiries with each Applicant, and each Applicant will, at their own expense, respond to such enquiries within a reasonable time.
- 7.2. If requested by the ACCC during the Term of this Undertaking, each Applicant will, at its own expense, cause to be produced and provide to the ACCC copies of such documents (excluding legally privileged documents) in its power, possession or control evidencing each Applicant's compliance with the obligations set out in this Undertaking.

8. Jurisdiction


- 8.1. Each Applicant irrevocably submits to the jurisdiction of the Federal Court of Australia in relation to this Undertaking.

9. Acknowledgements

- 9.1. The Applicants acknowledge that:
 - a) the ACCC will make this Undertaking publicly available including by publishing it on the Section 87B Undertakings Register on the ACCC's website;
 - b) the ACCC will, from time to time, make public reference to this Undertaking, including in news media statements and in ACCC publications;
 - c) the ACCC may, from time to time, publicly report on compliance with this Undertaking; and
 - d) this Undertaking in no way derogates from the rights and remedies available to any other person arising from the sale of the New Services Tickets the subject of this Undertaking, including under the Australian Consumer Law (**ACL**).
- 9.2. Nothing in this Undertaking is intended to restrict the rights of the ACCC under the ACL or the CCA.

Executed by

Virgin Australia Airlines Pty Ltd (ABN 36 090 670 965) pursuant to section 127(1) of the *Corporations Act 2001* (Cth) by:



.....
Signature of Director



.....
Signature of Director/Company Secretary

.....
Jayne Hrdlicka

Name of Director (print)

.....
Susan Schneider

Name of Director/Company Secretary (print)

.....
27 November 2024

Date

.....
27 November 2024

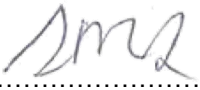
Date

Executed by

Virgin Australia International Airlines Pty Ltd (ABN 63 125 580 823) pursuant to section 127(1) of the *Corporations Act 2001* (Cth) by:



.....
Signature of Director



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Signature of Director/Company Secretary

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Jayne Hrdlicka

Name of Director (print)

.....
Susan Schneider

Name of Director/Company Secretary (print)

.....
27 November 2024

Date

.....
27 November 2024

Date

**Signed for and on behalf of Qatar Airways Group
Q.C.S.C by:**



Signature



Engr. Badr Mohammed Al-Meer

Name

Group Chief Executive Officer

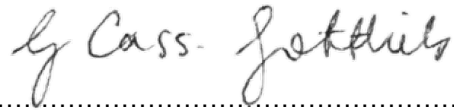
Title

28 November 2024

Date



Accepted by the Australian Competition and Consumer Commission pursuant to section 87B of the *Competition and Consumer Act 2010* (Cth)



.....
Gina Cass-Gottlieb

Chair

This 28 day of November 2024

Annexure A Proposed Conduct

The Applicants propose to engage in the following conduct:

- cooperation in relation to the deployment of capacity on routes between Australia and Doha, including Virgin Australia commencing daily scheduled return services between Brisbane, Melbourne, Perth and Sydney and Doha (**New Services**);
- cooperation on network planning to facilitate schedule optimisation to maximise connections and enable the efficient use of capacity between the complementary networks of the Applicants, including joint decision making in relation to schedules, capacity and inventory management on flights between Australia and Doha and connecting services;
- cooperation in relation to pricing, including joint pricing (including in relation to public and private fares, rebates, incentives and discounts) for passengers and agents in relation to codeshare services and the New Services;
- the ability to jointly identify and decide who will, and how to, approach corporate/SME customers in Australia or with travel needs to or within Australia, including joint construction of tailored corporate offerings and discounts across domestic and international services;
- cooperation in relation to sales, marketing, advertising, promotion and distribution strategies;
- cooperation to maximise the earning and redemption opportunities for members of both loyalty programs and B2B partners, including reciprocal access to premium services for tiered frequent flyers and reciprocal access to lounges for eligible guests;
- cooperation to enable a seamless and consistent level of service and product standards to customers, including in relation to fare rules and conditions and other passenger-related aspects of service such as ground services and lounge access;
- joint procurement to enable efficiencies and cost savings. This may include opportunities in relation to goods and services related to flight operations, pilot and crew training and engagement, engineering and maintenance, IT, ground handling, fuel, and facilities; and
- the ability to share information to the extent necessary to facilitate the matters referred to above and to explore opportunities for deeper cooperation. This may include developing new routes, and deeper cooperation on sustainability-related issues including the use of Sustainable Aviation Fuel,

(the **Proposed Conduct**).