



Government of **Western Australia**
Department of **Transport**

Your ref 47752
Our ref DT/12/00431
Enquiries Michael Kennedy 08 6551 6196

Dr Richard Chadwick
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
CANABERRA ACT 2601

Dear Dr Chadwick

Proposed Corporate Alliance between Skywest Airlines and Virgin Australia

Thank you for the opportunity to provide comment on the proposed Corporate Alliance between Skywest Airlines (Skywest) and Virgin Australia. I note that interim authorisation has been granted pending the final determination.

The proposed Corporate Alliance will provide obvious benefits to corporate customers. It is anticipated this alliance will also have beneficial flow on effects to the general public utilising those regular public transport (RPT) operations underpinned by corporate customers.

This arrangement will provide Skywest and Virgin Australia a greater opportunity to compete with Qantas in Western Australia. Qantas, with its regional arm QantasLink being extended to Exmouth and Geraldton and its acquisition of Network Aviation growing its operations into charter services, now operates a fleet of aircraft from 30 seat turboprop Embraer Brasilias to the 450 seat jet Airbus 380.

The proposed Corporate Alliance by Virgin Australia and Skywest will be able to offer corporate customers access to a fleet of aircraft from a 46 seat turboprop Fokker 50 to a 361 seat jet Boeing 777-300ER. Both Virgin Australia and Qantas can offer connections to a large number of domestic and international services.

Any final decision to grant authorisation to the proposed Corporate Alliance should take into consideration the ability of other airlines in Western Australia to compete in tender processes for corporate customers.

Yours sincerely

Sue McCarrey
Deputy Director General

27/2/2012