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14 May 2014

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

adjudication@accc.gov.au

Dear Sir/Madam

Please find the following documents **enclosed**:

1. Form G –Notification of Exclusive Dealing in relation to Virgin Australia Holdings Ltd and Virgin Australia International Holdings Pty Ltd; and
2. cheque to the value of \$100 for lodgement fees.

An electronic copy of the Form G –Notification of Exclusive Dealing has been emailed to you.

In relation to the lodgement fees, please provide us with a receipt in due course.

Please feel free to contact me should you have any queries.

Kind regards



Roxann Halliday
Specialist, Legal Counsel
Virgin Australia Airlines Pty Ltd

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Airlines Pty Ltd

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AUST. COMPETITION &
CONSUMER COMMISSION

15 MAY 2014

CANBERRA

Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:
(Refer to direction 2)

N97414 Virgin Australia Holdings Ltd ABN 54 100 686 226 (“VAH”) and its subsidiaries

~~Virgin Australia International Holdings Pty Ltd ABN 23 155 860 021 (“VAIH”) and its subsidiaries~~

- (b) Short description of business carried on by that person:
(Refer to direction 3)

VAH operates a domestic airline business and VAIH operates an international airline business.

- (c) Address in Australia for service of documents on that person:

Legal Department
Virgin Australia Airlines
56 Edmondstone Road
Bowen Hills
Qld 4006.

2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

This notice relates to the provision of corporate airfares under corporate sales agreements.

- (b) Description of the conduct or proposed conduct:

VAH and VAIH (as relevant) propose to supply or offer to supply airfares at a particular price, or give or allow a discount in relation to the supply of airfares, from time to time on condition that the customer has entered into a corporate sales agreement with an Alliance partner of VAH and/or VAIH.
(Refer to direction 4)

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)
Corporate clients throughout the world
- (b) Number of those persons:
 - (i) At present time:
Unable to determine
 - (ii) Estimated within the next year:
(Refer to direction 6)
Unable to determine
- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:
Unable to determine

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)

The proposed conduct will be of benefit to the public because it will provide corporate customers with access to discounted airfares. It will promote competition by providing a more attractive alternative to existing corporate arrangements.
- (b) Facts and evidence relied upon in support of these claims:

There are currently a large number of airlines servicing Australia including but not limited to Aerolineas Argentinas, Air Caledonie, Air Canada, Air China, Air India, Air Mauritius, Air New Zealand, Air Niugini, Air Vanuatu, AirAsia X, Asiana Airlines, British Airways, Cathay Pacific Airways, China Airlines, China Eastern Airlines, China Southern Airlines, Delta Air Lines, Emirates, Etihad Airways, Eva Air, Fiji Airways, Garuda Indonesia, Hawaiian Airlines, Indonesia AirAsia, Japan Airlines, Jetstar, Jetstar Asia, Korean Air, LAN Airlines, Malaysia Airlines, Our Airline, Philippine Airlines, Qantas Airways, Qatar Airways, Royal Brunei Airlines, Scoot, Sichuan Airlines, Silk Air, Singapore Airlines, Solomon Airlines, South African Airways, Thai Airways International, Tigerair, United Airlines, Vietnam Airlines and Virgin Atlantic Airways. In addition there are several airlines flying domestically in Australia including Qantas, Jetstar and regional airlines such as Airnorth, Skytrans Airlines, Sharp Airlines, Vincent Aviation, Airlines of Tasmania, Alliance Airlines and Regional Express all of whom offer or are able to offer corporate rates.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the

relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)

The market for airline travel and associated services is highly competitive. Airline travel and associated services are offered by Qantas, Jetstar, VAH and VAIH, plus many other international and regional airlines as noted above in 4(b). There are a large number of competitive offers available to the public in respect of the provision of airline travel and associated services at any given time.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:

(Refer to direction 9)

VAH and VAIH submit that there is no likely detriment to the public resulting from the proposed conduct, and that the proposed conduct would have a negligible effect on competition in the markets noted above in clause 2(a).

- (b) Facts and evidence relevant to these detriments:

The proposed conduct:

- in no way limits the genuine choice of customers in choosing whether to sign up to a corporate sales agreement.
- will not lessen competition as customers will be under no obligation to purchase VAH and VAIH airfares simply because they are signed up to a corporate sales agreement with an Alliance partner of VAH and/or VAIH and will be free to purchase airfares and/or associated travel content from airlines other than VAH and VAIH at market rates.


7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Roxann Halliday
Legal Counsel
Virgin Australia Airlines
56 Edmondstone Road
Bowen Hills
Qld 4006.

Dated.....14 May 2014.....

Signed by/on behalf of the applicant

.....
(Signature)

Roxann Halliday
.....
(Full Name)

Virgin Australia
.....
(Organisation)

Specialist Legal Counsel.
.....
(Position in Organisation)

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Competition and Consumer Act 2010* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.

From: Roxann Halliday [<mailto:Roxann.Halliday@virginaustralia.com>]
Sent: Wednesday, 21 May 2014 3:00 PM
To: Giannakos, Anna
Subject: Lodgement of Form G - Notification of Exclusive Dealing

Dear Anna

Thank you for your call this morning.

To clarify, the Form G is in relation to conduct which involves a Company signing up to a corporate sales agreement with an Alliance Partner whereby that Company receives discounted flights for corporate travel with the Alliance Partner and if they sign such a corporate sales agreement, they will also be provided with a discount on Virgin Australia flights. Without signing up to the Alliance Partner corporate sales agreement, the Company would not be provided the Virgin Australia discounted flights. The same applies to a Company signing up to a corporate sales agreement with Virgin Australia whereby that Company receives discounted flights for corporate travel with Virgin Australia and if they sign such a corporate sales agreement, they will also be provided with a discount on Alliance Partner flights. Without signing up to the Virgin Australia corporate sales agreement, the Company would not be provided the Alliance Partner discounted flights.

I will forward you a further cheque in the mail as discussed.

Thank you for your time and please feel free to contact me should you have any further questions at all.

Kind regards
Roxann



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Please consider the environment before printing this email.