



Australian  
Competition &  
Consumer  
Commission

Our Ref: 57280  
Contact Officer: Hannah Ransom  
Contact Phone: (02) 6243 1255

GPO Box 3131  
Canberra ACT 2601  
23 Marcus Clarke Street  
Canberra ACT 2601  
tel: (02) 6243 1111  
fax: (02) 6243 1199  
www.accc.gov.au

15 July 2015

Mr Anthony Seyfort  
Partner  
HWL Ebsworth Lawyers

**By email:** aseyfort@hwle.com.au

Dear Mr Seyfort

**Notification N98230 lodged by Virgin Internal Pilots Association (VIPA) –  
request for information**

I write in relation to your letter dated 15 May 2015, outlining the concerns of your client, the Australian Air Pilots Mutual Benefit Fund (AAPMBF), in relation to the above notification.

I understand that the AAPMBF is concerned that there is not a net public benefit arising resulting from the notified conduct because it will result in detriments by:

- providing VIPA with a competitive advantage
- disadvantaging pilots who choose not to take up the offer
- the irrational bundling of different products, and
- potentially creating a conflict of interest through the commission or rebate arrangements not disclosed in the notification.

The legal protection for VIPA's conduct provided by their notification commenced automatically 14 days after the notification was lodged and remains in place unless revoked by the ACCC. The ACCC can only revoke the notification if it is satisfied that the public benefits from the conduct will not outweigh the public detriments from the conduct.

On 26 May 2015 I wrote to VIPA seeking their response to the issues raised in your letter, and requesting information on market share, the cost of the various products and services involved in the notification, and further explanation of aspects of the notified arrangement. VIPA's response to this letter (dated 9 June 2015) is attached for your information.

VIPA's response confirms my understanding that VIPA's share of industrial representation of pilots is low, and that the value of the discount offered under the notification is also relatively low. Therefore the conduct is unlikely to have a significant impact on the market for commercial pilot representation. I note also that all of the goods and services affected by the notification may be acquired separately by consumers. On this basis, any detriment resulting from the notified conduct is likely to be limited.

Further, the notified conduct is likely to result in benefits in the form of discounts for VIPA members who take up the offer, and by encouraging competition as others may choose to make similar offers or discounts in response. The ACCC considers that the likely public benefits will outweigh the likely detriments and therefore intends to take no further action in relation to the notification at this time.

I note that all parties involved in the notified arrangement remain subject to all relevant regulation relating to the supply of financial products and services.

Should you have any queries in relation to this matter, please do not hesitate to contact Hannah Ransom on (02) 6243 1255.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Richard Chadwick', with a long horizontal stroke extending to the right.

Dr Richard Chadwick  
General Manager  
Adjudication Branch