

Our Ref: D15/5806  
Tourism WA File: IPD/1659



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Dear Dr Chadwick

**Virgin Australia and Etihad Airways application for revocation of authorisations A91247 – A91248 and submission of new authorisations A91510 – A91511**

Thank you for the opportunity to provide comment to the Australian Competition and Consumer Commission (ACCC) regarding Virgin Australia and Etihad Airways' applications for revocation and substitution.

The international visitor market segment is the strongest contributor to Western Australia's (WA's) visitor economy and a pivotal driver to achieve the State Government's goal of growing the tourism industry to \$12 billion by 2020. For the year ending March 2015, each international visitor contributed an average of \$2,822 in spend per trip, almost five times more than the spend contribution from an average domestic visitor (\$579). New and continued air services (particularly via an established and growing hub carrier like Etihad Airways) will facilitate international traffic growth, and is therefore a key driver for WA's tourism industry.

Etihad Airways is the second largest airline of the United Arab Emirates, operating daily services to Perth and services to Melbourne, Sydney, Brisbane from its hub in Abu Dhabi. Etihad provides excellent access to WA for visitors from the UK and Europe. In particular, the UK and Germany are key visitor markets for WA: for year ending March 2015, the UK was WA's largest international visitor market by number and spend, with 143,200 visitors injecting \$331 million into the State's economy. Germany was WA's seventh largest source market by visitor number, with 32,400 visitors spending \$81 million (Source: International Visitor Survey, Tourism Research Australia).

Etihad Airways' partnership with Virgin Australia offers benefits through merging their international networks with Virgin Australia's domestic and regional network. Virgin Australia is a critical partner for WA, providing extensive access both interstate and within the regions. Currently, Virgin Australia operates 107 weekly flights from Perth to other States and 132 weekly flights from Perth to regional WA destinations including Albany, Broome and Esperance. Etihad and Virgin's partnership facilitates visitor dispersal into regional WA, and both airlines have been working with Tourism WA to assist in growing that dispersal.

Tourism WA sees the continued partnership of Etihad Airways and Virgin Australia as beneficial for future aviation growth in WA and Australia. The partnership provides improved product and connections as well as additional benefits in growing business, trade and tourism to Australia overall. Tourism WA therefore supports the continued alliance between Etihad Airways and Virgin Australia which allows for the coordination of air transport services between Australia and the Middle East under the Commercial Cooperation Agreement and Alliance Agreements.



Should you have any queries in regards to this submission, please do not hesitate to contact Tourism WA's Director Aviation Development & Policy, Claire Werkmeister, by email to [Claire.werkmeister@westernaustralia.com](mailto:Claire.werkmeister@westernaustralia.com) or by telephone on (08) 9262 1781.

Yours sincerely

A handwritten signature in blue ink that reads "Stephanie Buckland". The signature is written in a cursive style with a large initial 'S'.

STEPHANIE BUCKLAND  
Chief Executive Officer

4 September 2015