



# **Proposed coordination of regional flights**

Submission in response to interested parties

Virgin Australia and Alliance Airlines

**23 March 2021**

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## 1 Executive summary

Virgin Australia and Alliance Airlines (together, the **Applicants**) make this submission in response to interested party submissions in relation to their application to cooperate with respect to regional services for a period of two years as the airlines rebuild services during and post the COVID-19 pandemic (**the Application**).

In line with the Commission's decision to grant interim authorisation on 19 November 2020 (the **Interim Decision**) and its draft determination decision published on 5 March 2020 (**Draft Determination Decision**), the submissions of interested parties overwhelmingly support authorisation of the Application and recognise that the Application will deliver a range of significant public benefits for the Australian travelling public, regional communities and businesses.

Seven parties provided public submissions on the Application. Of these, only one submission opposed the overall Application. This submission was from competitor, Regional Express Pty Ltd (**REX**). As set out below, the Applicants consider this submission to be misguided in its presentation of the Application and relevant market conditions, inconsistent with the views of the Commission in its Interim Decision and likely to be motivated by REX's own commercial interests, rather than any real concerns about the competitive effects of authorisation and its impact on Australian consumers.

The Applicants also note that, amongst the seven parties, Solomon Airlines Limited (**Solomon Airlines**) and Sydney Airport Corporation Limited (**Sydney Airport**) provided submissions in relation to the Application.

The submission of Solomon Airlines relates only to the Brisbane – Honoria route. As set out below, this submission implicitly supports the case for authorisation noting that the proposed conduct will increase the likelihood of further competition on this route (against the interests of Solomon Airlines), rather than causing any lessening of competition.

The submission of Sydney Airport does not discuss the net public benefits of the Application but instead relates to the impact of the authorisation on the operation of the Sydney Airport slot regime. In response to that submission, the Applicants note that regardless of authorisation, the Applicants will continue to comply with the slot regime and slot allocation process. Comments in the Applicants' submission regarding slots were an illustration of how, without the authorisation, Virgin Australia will continue to cede more competitive advantage to Qantas, entrenching Qantas' position and weakening Virgin Australia as a sustainable competitor. As Sydney Airport's submission does not discuss the net public benefits of the Application, we do not comment further on it below.

With the authorisation, the Applicants can efficiently offer a more compelling product, providing choice and convenience for consumers and ongoing competition to Qantas.

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## 2 Support for authorisation from regional councils, airports and the NT Department of Industry, Tourism and Trade

As noted above, the public submissions of interested parties overwhelmingly support authorisation of the Application and recognise that it will deliver a range of significant public benefits for the Australian travelling public, regional communities and businesses.

Queensland Airports Limited, which owns and operates the Gold Coast, Townsville, Longreach and Mount Isa airports,<sup>1</sup> noted that the proposed conduct was an example of businesses addressing the need to develop *“innovative solutions to deal with this altered operating environment, particularly in markets where there is one dominant carrier”*<sup>2</sup> and that it *“will assist to foster competition on routes supported by QAL, generating public benefit through increased capacity and price competition.”*<sup>3</sup>

Northern Territory Airports, which relevantly owns the Darwin, Alice Springs and Tennant Creek airports,<sup>4</sup> noted that the proposed conduct will *“result in greater long-term competition within Australia’s aviation industry [that] will not eventuate without this temporary authorisation.”*<sup>5</sup> Specifically, Northern Territory Airports noted the ability to flexibly use smaller aircraft types under the proposed conduct is more likely to ensure connectivity and competition remains on the relevant routes and allow Virgin Australia to remain a competitive carrier in the Australian regional space.

Bundaberg Regional Council, which owns and operates Bundaberg Airport,<sup>6</sup> considered that *“cooperation between [the Applicants] is in the best interest of the Bundaberg community because it will encourage competition and increased frequency of service, providing greater accessibility for [the] local community.”*<sup>7</sup> It also noted that authorisation will promote lower fares. In relation to travel to and from Bundaberg, Bundaberg Regional Council also noted that without the authorisation neither Applicant alone can compete effectively against Qantas. Whilst the authorisation will enable the Applicants to serve both point-to-point and connecting passengers to and from Bundaberg, even with the authorisation, they will remain at a competitive disadvantage to Qantas.

The Northern Territory Department of Industry, Tourism and Trade, which takes an *“active role in ensuring the sufficient availability and affordability of air services”*,<sup>8</sup> is of the view that granting authorisation: *“could benefit consumers with choice and affordability for travel to, from and within the NT... [and that] prospective new air services arising from authorisation may also have wider and positive implications for the NT.”*<sup>9</sup> Specifically, the Department noted that:

- The proposed conduct will allow Virgin Australia to gain access to Alliance’s more suitable fleet and Alliance to leverage off Virgin Australia’s commercial platforms for marketing and distribution;
- The authorisation will increase the chances of having more than one airline operating on some NT regional routes, leading to increased competition and lower fares; and
- The improved prospect of new air services will allow improved onward connectivity, economic development, employment and tourism.

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<sup>1</sup> Queensland Airports Limited – Submission (10 November 2020) – available [here](#).

<sup>2</sup> Queensland Airports Limited – Submission (10 November 2020) – available [here](#).

<sup>3</sup> Queensland Airports Limited – Submission (10 November 2020) – available [here](#).

<sup>4</sup> Northern Territory Airports – Submission (20 November 2020) – page 1 – available [here](#).

<sup>5</sup> Northern Territory Airports – Submission (20 November 2020) – page 1 – available [here](#).

<sup>6</sup> Bundaberg Regional Council – Submission (19 November 2020) – page 1 – available [here](#).

<sup>7</sup> Bundaberg Regional Council – Submission (19 November 2020) – page 3 – available [here](#).

<sup>8</sup> Northern Territory Department of Industry, Tourism and Trade – Submission (12 November 2020) – page 1 – available [here](#).

<sup>9</sup> Northern Territory Department of Industry, Tourism and Trade – Submission (12 November 2020) – page 2 – available [here](#).

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### 3 Applicants' response to submissions made by competitor REX

REX, a key competitor of the Applicants, was the only interested party to make a public submission opposing the broader Application. The Applicants consider that REX's opposition is likely to be motivated by its own commercial interests, rather than any real concerns about the competitive effects of authorisation and its impact on Australian consumers.

The Commission previously granted REX authorisation for similar conduct.<sup>10</sup> The Commission granted REX authorisation to coordinate flight schedules with other airlines, Qantas Airways Limited (**QantasLink**) and Virgin Australia, in relation on 10 regional RPT routes. Virgin Australia was not an applicant to REX's authorisation, however, Virgin Australia supported REX's application for authorisation and recognised the need for Australian carriers to realise efficiencies to provide services during the COVID-19 crisis.<sup>11</sup>

Authorisation of the proposed conduct is unlikely to adversely impact REX, particularly in circumstances where the Applicants and REX currently overlap in the provision of services on only two Relevant Routes (Melbourne – Mildura and Sydney – Albury). REX is a strong, well-funded competitor<sup>12</sup> that has “successfully navigate[d] the turmoil and shocks over the last two decades with uninterrupted operation profits since 2003”.<sup>13</sup> REX has received significant RANS and DANS funding,<sup>14</sup> is currently expanding its operations,<sup>15</sup> and in 2020 leased six Boeing 737s that were formerly part of the Virgin Australia fleet to support its new domestic operations and expand and diversify its fleet.<sup>16</sup> In fact, the Commission considers that REX (and Qantas) has “generally gain[ed] market share at the expense of Virgin Australia”.<sup>17</sup> This is important context for consideration of REX's submissions. Ultimately, the Applicants consider REX's submission to be misguided and inconsistent with the views of the Commission in its Interim Decision.

#### 3.1 The proposed conduct is pro-competitive and will result in significant public benefits

Contrary to the views of the majority of other interested parties which consider that authorisation will be pro-competitive, REX disputes that the authorisation will have no material adverse effect on competition.<sup>18</sup> REX notes that there is limited overlap between the Applicants (only one overlapping route) and that the assertion of no material adverse effect on competition is premised on there being significant competition on the relevant routes which will constrain the Applicants.

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<sup>10</sup> ACCC – Determination in relation to Application for authorisation lodged by Regional Express Pty Ltd (11 September 2020) – available [here](#).

<sup>11</sup> Application (23 October 2020) – page 16 – available [here](#).

<sup>12</sup> Application (23 October 2020) – page 38 – available [here](#); ACCC – Airline Competition in Australia Report (September 2020) – page 7 – available [here](#).

<sup>13</sup> REX – Rex Board has approved plans for domestic operations (29 June 2020) – available [here](#).

<sup>14</sup> ACCC – Airline Competition in Australia Report (September 2020) – pages 5-6 – available [here](#).

<sup>15</sup> Application (23 October 2020) – page 38 – available [here](#); REX, Rex Board has approved plans for domestic operations (29 June 2020) – available [here](#).

<sup>16</sup> REX – REX to take delivery of first 737-800NG in full airline livery (23 December 2020) – available [here](#); The Australian, Regional Express Airlines picks up bargain lease on Virgin Australia 737s (5 November 2020) – available [here](#).

<sup>17</sup> ACCC – Airline Competition in Australia (Report 2) (December 2020) – page 1 and 13 – available [here](#).

<sup>18</sup> REX submission, 27 November 2020, section 4.

As the Commission notes in its Interim Decision:

*Alliance's RPT network is limited and the Applicants have not historically both operated flights on the same Relevant Routes and may not do so, to any significant extent, if the proposed cooperation does not proceed.*<sup>19</sup>

*...other airlines, including Qantas/Jetstar, are likely to provide a strong competitive constraint on the Applicants on many of the Relevant Routes.*<sup>20</sup>

REX then seems to assert that because the Application allows for cooperation on routes beyond the single route on which the Applicants currently compete, this somehow means that competition will be negatively impacted by the Application. This assertion fails to recognise the fact that the potential for cooperation across a wide network of regional RPT services is what enables the delivery of significant public benefits including by introducing competing services on new routes and providing a competitive option to Qantas, which may not exist in the absence of authorisation.

The Applicants agree with the Commission's preliminary view that:

- there are public benefits and pro- competitive effects arising from the proposed conduct including more efficient and sustainable operation of flight services by the Applicants, better connectivity and increased competition on regional routes; and
- any potential negative impact of the proposed cooperation on competition is likely to be outweighed by the broader pro-competitive effects likely to result from the proposed cooperation assisting Virgin Australia to re-establish itself as a national carrier.

The proposed conduct allows the Applicants to vigorously and efficiently compete with Qantas by offering a more compelling product, providing choice and convenience for consumers. Unlike the Applicants, Qantas has the ability to coordinate flight services across its full-service brand (Qantas) and low-cost carrier brand (Jetstar) and utilise its wide aircraft fleet to provide a national network.<sup>21</sup> The proposed conduct allows the Applicants to develop new and innovative ways to utilise their complementary service offerings to compete against Qantas.

In addition, the Applicants consider there are other public benefits likely to arise from the Proposed Conduct including:

- supporting regional air services and regional communities;
- enabling airlines to better service essential travel during the COVID-19 crisis and its recovery;
- increasing the opportunity to retain staff or provide employment opportunities;
- promoting efficient operations;
- allowing customers better connectivity and improved choice of services, routes and fares;
- facilitating increased competition on regional routes; and

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<sup>19</sup> ACCC – Interim Decision (19 November 2020) – paragraph 21 – available [here](#).

<sup>20</sup> ACCC – Interim Decision (19 November 2020) – paragraph 21 – available [here](#).

<sup>21</sup> Qantas' domestic fleet includes Airbus A330s, Airbus A320s, Boeing 737s and Boeing 717s (Qantas – Fleet – available [here](#)). Jetstar's' fleet comprises Airbus A320s, Airbus A321s, and Airbus A321neos (Jetstar – Jetstar Group Fleet – available [here](#)).

- increasing the likelihood of Virgin Australia being able to sustain viability as a vigorous and effective competitor for passengers travelling within and in and out of Australia in the longer term.

These public benefits are discussed in section 6 of the Application.

### 3.2 The proposed conduct does not require the pricing control mechanisms or reporting obligations suggested by REX

As noted in the majority of interested party submissions, the proposed conduct is pro-competitive enabling better services, improved connectivity and the promotion of lower fares. As a result, pricing control mechanisms and reporting obligations are unnecessary.

In any event, the Applicants consider that the Commission already has extensive powers to monitor the proposed conduct and competition in the Australian aviation industry generally. In addition to its general regulatory functions, in June 2020, the Australian Government issued a direction under section 95ZE of the *Competition and Consumer Act 2010* to the Commission to monitor prices, costs and profits relating to the supply of domestic air passenger transport services for a period of three years.<sup>22</sup> The Application is for cooperation over only two years, which will fall within this directive.

The directive requires the Commission to issue at least quarterly reports.<sup>23</sup> In September 2020, the Commission released an extensive 20-page report called “Airline Competition in Australia” and this was its first report under the directive.<sup>24</sup> In this report, the Commission noted that the “ACCC’s role [under the Government’s directive] will become more significant in the future as the airline industry moves toward more regular operations” and that it “intends to draw from a variety of tools including monitoring and reporting under the direction, advocacy, investigation and potentially taking enforcement action”.<sup>25</sup> The Commission issued its second and third report in December 2020 and March 2021 respectively, which shows the Commission is closely monitoring the industry.<sup>26</sup>

### 3.3 The proposed conduct is a response to the challenges of the COVID-19 pandemic and Virgin Australia’s intention to re-establish itself as a national carrier in competition with Qantas

REX submits that the proposed conduct is not about responding to the challenges of the COVID-19 pandemic and instead is Virgin Australia’s attempt to “rebuild [itself] after financial collapse”.<sup>27</sup>

The Applicants note the following in response:

First, the Application was made to respond to both the challenges arising out of the COVID-19 pandemic for the Australian aviation industry and Virgin Australia’s intention to re-establish itself as a national carrier after its voluntary administration in competition with Qantas. These dual rationales are connected and inextricably intertwined. The near collapse of the Australian aviation sector is a direct result of the COVID-19 pandemic, and

<sup>22</sup> See Australian Government Media Release on 19 June 2020 – available [here](#); *Competition and Consumer (Price Monitoring – Domestic Air Passenger Transport) Direction 2020* (19 June 2020) – available [here](#).

<sup>23</sup> *Competition and Consumer (Price Monitoring – Domestic Air Passenger Transport) Direction 2020* (19 June 2020) – s 6(1)(b) – available [here](#).

<sup>24</sup> ACCC – Airline Competition in Australia (September 2020) – page 1 – available [here](#).

<sup>25</sup> ACCC – Airline Competition in Australia (September 2020) – page 1 – available [here](#).

<sup>26</sup> ACCC – Airline Competition in Australia (Report 2) (December 2020) – available [here](#) and ACCC – Airline Competition in Australia (Report 3) (March 2021) – available [here](#).

<sup>27</sup> Rex – Final Submission (27 November 2020) – page 4 – available [here](#).

as the Commission recently noted, “the COVID-19 pandemic has caused major disruptions to society and the economy”, including “severely disrupt[ing] air passenger travel”.<sup>28</sup> Effects of the COVID-19 pandemic such as international border closures, state border closures, bans and restrictions on air travel, federal and state mandatory quarantine processes, depressed consumer sentiment and reduced demand for tourism and leisure flying has made it impossible for Virgin Australia to operate a network that it did pre COVID-19.

Second, the COVID-19 pandemic has severely impacted Virgin Australia’s ability to earn revenue. The effects of COVID-19 continue to devastate the Australian aviation industry and prove that the path to recovery is uncertain and non-linear.<sup>29</sup> For example, since the Applicants lodged the Application in October 2020, numerous outbreaks of the COVID-19 virus have stunted the Applicant’s ability to plan their future network. For example:

- in response to a COVID-19 outbreak in New South Wales in December 2020, multiple states and territories introduced new border restrictions with New South Wales. Victoria closed its border to parts of New South Wales throughout December 2020, and then to the entirety of the state on 1 January 2021;<sup>30</sup> the Northern Territory closed its borders to Greater Metropolitan Sydney, the Blue Mountains and the Central Coast on 20 December 2020,<sup>31</sup> and to further suburbs in January 2021; and Western Australia enforced a hard border, allowing only exempt travellers enter the state.<sup>32</sup> The outbreak occurred after 13 days of no community transmission in New South Wales.<sup>33</sup>
- in response to an outbreak in the Queensland regions of Brisbane, Ipswich, Logan and Redland City in January 2021, all states and territories imposed some form of restriction against the regions. Victoria<sup>34</sup> and New South Wales<sup>35</sup> required arrivals to get tested and remain in isolation for a specified period; the Northern Territory banned arrivals from the hotspot areas for three days;<sup>36</sup> and Western Australia required arrivals from the entire state to undertake 14 days quarantine and imposed a retrospective testing and isolation requirement.<sup>37</sup> The outbreak occurred after 4 months of no community transmission in Queensland.<sup>38</sup>
- in response to an outbreak in Western Australia in January 2021, multiple states imposed new travel restrictions on Perth and surrounding areas. New South Wales required travellers from the affected areas to get tested and self-isolate until they received a negative result;<sup>39</sup> Queensland<sup>40</sup> and the Northern Territory<sup>41</sup> required travellers from the relevant areas to undertake 14 days in hotel quarantine; and Victoria announced that it would only allow exempted travellers from Western

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<sup>28</sup> ACCC – Airline competition in Australia Report (September 2020) – page 4 – available [here](#).

<sup>29</sup> Application (23 October 2020) – page 9 – available [here](#).

<sup>30</sup> Victoria State Government – Coronavirus Update for Victoria (31 December 2020) – available [here](#).

<sup>31</sup> Northern Territory Government – NSW Hotspot Update (20 December 2021) - available [here](#).

<sup>32</sup> Western Australia Government – New South Wales Entry to WA Border Measures Strengthened (19 December 2020) – available [here](#).

<sup>33</sup> AMES Australia – Covid-19 Update Archive (18 December 2020) – available [here](#).

<sup>34</sup> Victoria State Government – Coronavirus Update for Victoria (8 January 2021) – available [here](#).

<sup>35</sup> New South Wales Government – Requirements for Queensland Arrivals into NSW (8 January 2021) – available [here](#).

<sup>36</sup> Northern Territory Government – Positive Covid-19 Case Update (8 January 2021) - available [here](#).

<sup>37</sup> Western Australia Government – WA Bolsters Border Management Arrangements with Queensland Immediately (8 January 2021) – available [here](#).

<sup>38</sup> Brisbane Times – Goring Viral: Timeline Shows how Covid-19 Infected Queensland (27 January 2021) – available [here](#).

<sup>39</sup> New South Wales Government – Requirements for WA Arrivals (31 January 2021) - available [here](#).

<sup>40</sup> Queensland Government – Statement from Queensland Health (31 January 2021) - available [here](#).

<sup>41</sup> Northern Territory Government – Perth, Peel Region and South West of WA Declared Hotspots (31 January 2021) - available [here](#).



Australia into the state.<sup>42</sup> The outbreak occurred after 10 months of no community transmission in Western Australia.<sup>43</sup>

Virgin Australia is looking to rebuild its network and to do so in a cost-effective way that enables it to provide a high level of service and connectivity to its customers while controlling costs. While matching aircraft-type to demand on routes has always been a reason for Alliance Airlines and Virgin Australia collaborating using codeshares and wet leases, following Virgin Australia's fleet rationalisation, it is even more important.<sup>44</sup> To say that there is no connection between Virgin Australia's plans to rebuild its business in a cost-effective way and the effects of COVID-19 pandemic is clearly incorrect.

Finally, Virgin Australia's plans to re-establish itself after voluntary administration and survive and thrive in a post COVID-19 environment are entirely consistent with the broader pro-competitive effects and public benefits arising out of the proposed conduct. In fact, the Commission is cognisant of Virgin Australia's role in the market and the "significant implications for competition in the domestic airline industry"<sup>45</sup> of its ability to re-establish itself as a national carrier. The Commission notes that if "Virgin was to withdraw from a significant number of routes it used to serve prior to COVID-19, it may lead to fewer passengers having an effective choice of airline and therefore reduced competition between airlines".<sup>46</sup> It also notes in the Interim Decision that any potential impact of the proposed conduct on competition is likely to be outweighed by the broader pro-competitive effects likely to result from the proposed cooperation assisting Virgin Australia to re-establish itself as a national carrier.

The Proposed Conduct allows Virgin Australia to innovate and consider new commercial arrangements with Alliance Airlines to ensure the routes it services are viable, while continuing to service remote communities in Australia and provide choice and competition against Qantas.

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## 4 Applicants' response to Solomon Airlines

The submission of Solomon Airlines concerns only one Relevant Route: Brisbane – Honoria.<sup>47</sup> Solomon Airlines otherwise has "no interest in the [Proposed Conduct]" as it relates to "providing essential airline services to regional communities in Australia".<sup>48</sup>

Broadly, Solomon Airlines considers that there is only enough demand for one carrier on the Brisbane – Honiara route. Solomon Airlines already services the route and codeshares with Qantas.<sup>49</sup> Solomon Airlines' submission suggests that authorising the proposed conduct would promote "the wrong kind of competition" in circumstances where

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<sup>42</sup> Victoria State Government – Western Australian Red Zones and NZ Travel Bubble Update (31 January 2021) - available [here](#).

<sup>43</sup> ABC News – States React to WA Coronavirus Case (1 February 2021) – available [here](#).

<sup>44</sup> Application (23 October 2020) – sections 3.1(b) and 4.4 – available [here](#).

<sup>45</sup> ACCC – Airline Competition in Australia (Report 2) (December 2020) – page 5 – available [here](#).

<sup>46</sup> ACCC – Airline Competition in Australia (Report 2) (December 2020) – page 5 – available [here](#).

<sup>47</sup> Solomon Airlines does not oppose authorisation as it relates to the domestic Relevant Routes. Solomon Airlines does not consider that the Solomon Airlines "forms part of the regional community referred to [in the Application], as [it] is an international destination" (per Solomon Airlines – Preliminary Submission (9 November 2020) – page 1 – available [here](#)).

<sup>48</sup> Solomon Airlines – Final Submission (19 November 2020) – page 4 – available [here](#).

<sup>49</sup> Page 30 of the Application indicated that there were no competitors on the Brisbane – Honiara route, which was incorrect. The Applicants now understand that Solomon Airlines operates the route, on which it codeshares with Qantas (Solomon Airlines – Preliminary Submission (9 November 2020) – page 2 – available [here](#); see also Qantas – Qantas and Solomon Airlines – available [here](#)).

all airlines, not just the Applicants, are facing uncertainty during the COVID-19 pandemic.<sup>50</sup>

Further, Solomon Airlines' submission suggests that it is more concerned with an *increase* in competition on the Brisbane – Honiara route (against its commercial interests) as a result of authorisation, than a decrease in competition. In any event, authorisation does not require the Applicants to provide flight services on any of the Relevant Routes, including Brisbane – Honiara. Rather, authorisation allows the Applicants to share information relating to costs, willingness to operate and anticipated demand on the Relevant Routes.<sup>51</sup> Whether the Applicants ultimately decide to commence providing services from Brisbane – Honiara is a commercial decision dependant on various factors such as:

- sufficient demand, as noted by Solomon Airlines; and
- prices and availability of other Brisbane routes to similar island destinations that are, as noted by Solomon Airways, substitutable for flights from Brisbane – Honiara.<sup>52</sup>

Solomon Airlines' submission also notes that Australian carriers cannot use the capacity allocated to them by the International Air Services Commission (**IASC**) in joint services with other airlines without prior approval from the IASC.<sup>53</sup> The Applicants are committed to compliance with regulation governing capacity allocation at Honiara airport and all other airports where they have operations. Virgin Australia confirms it has never intended nor does it intend to transfer or share capacity without obtaining any requisite approvals.

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## 5 Conclusion

On 19 November 2020, the Commission decided to grant interim authorisation. In making this decision it had the benefit of the majority of interested party submissions. While the second submission by REX is dated 27 November 2020, it does not raise any additional substantive arguments in relation to the competitive impact of the proposed conduct to those raised in its 6 November 2020 submission and available for consideration prior to making the Interim Decision.

In the Interim Decision, the Commission noted that:

- the proposed conduct is *“likely to result in a range of associated public benefits, including more efficient and sustainable operation of services by the Applicants, better connectivity and facilitating increased competition on some regional routes.”*<sup>54</sup>
- any public detriment resulting from a lessening of competition would be
  - limited because of the limited overlap between the Applicants' operations on the Relevant Routes and the competitive constraints on the Applicants provided by other airlines.<sup>55</sup>

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<sup>50</sup> Solomon Airlines – Preliminary Submission (9 November 2020) – page 3 – available [here](#).

<sup>51</sup> For a detailed description of the Proposed Conduct, please see Application (23 October 2020) – page 1.

<sup>52</sup> Solomon Airlines – Preliminary Submission (9 November 2020) – page 2 – available [here](#).

<sup>53</sup> Solomon Airlines – Final Submission (19 November 2020) – page 4 – available [here](#).

<sup>54</sup> ACCC – Interim Decision – page 3 – available [here](#).

<sup>55</sup> ACCC – Interim Decision – page 4 – available [here](#).

- outweighed by the broader pro-competitive effects likely to result from the proposed conduct assisting Virgin Australia to re-establish itself as a national carrier.

On 5 March 2021, the Commission subsequently published a Draft Determination Decision proposing to grant authorisation.

Overall, in line with the Interim Decision and the Draft Determination, the Applicants consider that authorisation ought to be granted. The majority of interested party submissions support this position and none of the submissions provide cogent reasons to support a different outcome.