

Hello and thank you for the audience of this submission on the matter of; “Virgin Australia and Qatar Airways (the Applicants) seek authorisation to engage in cooperative conduct under an integrated alliance including” of 11 October 2024 .

First of all, I will state that I am a supporter of Qatar having more flights into Australia, be it directly or through a wet-lease agreement, and I agree with the points raised in this submission that this will have a very positive impact on competition and pricing. For the most part, I agree with this submission and I wholeheartedly approve.

That being said, there is really only one detail which draws negative attention from me, and with which I have a serious problem. It is in the proposed conduct, and is as follows;

"Qatar Airways will become Virgin Australia's exclusive interline, codeshare and loyalty partner headquartered in the Middle East or Türkiye (excluding interline for passenger re-accommodation purposes). Virgin Australia will not codeshare on the international flights of other airlines to, from or within the Middle East, Europe, and Africa, and will not acquire or supply any loyalty point accrual services or high value guest services, e.g. benefits such as lounge access provided to Gold members and above, with any airline headquartered in Africa or Europe"

While the rest of the submission will surely help competition, this aspect of it will absolutely not. Right now, the VA partners heading to Europe are Qatar Airways (QR), Etihad Airways (EY) and Singapore Airlines (SQ). QR is a more recent partner of the three, while SQ provides by far the highest volume of flights (meaning schedule flexibility competition and overall seats) to/from Australia, while EY provides some of the best benefits to frequent flyers of Virgin Australia, with access to their exclusive First Class lounge for people at the Platinum tier. This benefit is quite uncommon and very impactful for frequent flyers, and it would seem to me it's as a direct result of significant competition - specifically amongst these three major VA partners, for the business of Virgin Australia frequent flyers such as myself.

Australia is a country almost uniquely ubiquitously signed up to our two major frequent flyer programs - Qantas and Virgin. Indeed, these are a big deal to the vast amount of frequent flyers travelling internationally in particular for the benefits they provide in terms of partner airlines. Unfortunately for Qantas, in practise, going to Europe that really only means Emirates. Virgin Australia is the only and perhaps first local airline to break that mould, by having not one, not two - but three fantastic and quality airlines all competing for business of it's frequent flyers - and not just with pricing, but also with other benefits which they seek to offer us. This has generated a very competitive landscape, which has had tremendous benefits to Virgin Australia customers, in a way that even Qantas customers are not able to benefit.

If we look at business class flight tickets to major EU hubs such as Amsterdam, Frankfurt and Paris, EY and SQ charge around \$8,000 AUD for return-trips, however QR typically charge \$10,000 for the same trips, and do not put on significant discounts unlike EY and SQ which do. QR as I mentioned does not offer significant lounge benefits for frequent flyers, like EY has.

Coming to the conclusion of my point here, the obvious problem with the mentioned paragraph above, is that if QR ends up being the sole partner providing opportunities for redemptions and benefits such as lounge access for all partners VA has going to Europe, then we will immediately lose the cheaper pricing, greater flexibility in schedules and lounge benefits we enjoy - while QR will enjoy a total monopoly on all frequent flyers of Virgin Australia - even more so than Emirates does for Qantas, since Qantas is also part of an alliance (however hostile they may be with many of it's members), while Virgin is not.

Thus to re-iterate, I have nothing against the majority of this submission, and I would welcome more flights and a greater partnership, however to allow QR an exclusive monopoly on redemptions and benefits provision to Virgin Australia customers flying between Australia and Europe (as well as the Middle East and Africa for that matter) would be a grave mistake which will work to significantly lessen competition.

I hope this argument makes sense and seems sensible, and I implore you to reach out to me if you have any questions about it.

Yours sincerely,  
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