

Gavin Jones
Director, Competition Exemptions
ACCC
GPO Box 3131
Canberra ACT 2601

10 November 2020

Dear Mr Jones,

Re: Virgin Australia and Alliance Airlines application for authorisation AA1000533 – interested party consultation

Thank you for the opportunity to comment on Virgin Australia and Alliance Airlines' recent application to cooperate on servicing around 40 regional routes and two short-haul international routes. We note that the applicants are seeking authorisation in order to efficiently manage capacity and quickly respond to changes in demand due to the COVID-19 health crisis.

Queensland Airports Limited (QAL), which owns and operates the Gold Coast, Townsville, Mount Isa and Longreach airports, well understands and strongly supports the need for competition in the aviation sector. This is particularly relevant for the regional and remote communities we support, where accessible and affordable air travel is critical.

COVID-19 management measures put in place by the federal and state governments this year have particularly impacted the aviation sector, putting pressure on competitive market forces. In the year ended 30 June 2020 we recorded 6.3 million passengers across the Gold Coast, Townsville, Mount Isa and Longreach airports, which was 25 per cent less than the year before – despite the COVID impacts only largely affecting the final three months. Similar reductions have been recorded by airlines and airports around Australia and have continued into this financial year.

Businesses have needed to develop innovative solutions to deal with this altered operating environment, particularly in markets where there is one dominant carrier. It is our view that arrangements like the one proposed by Virgin and Alliance are an example of this and will assist to foster competition on routes supported by QAL, generating public benefit through increased capacity and price competition. Therefore, we support this application.

Once again, thank you for the chance to comment on the application. Please let me know if you need anything clarified, or if we can provide any additional assistance to help with the ACCC's enquiries.

Yours sincerely,



Chris Mills
Chief Executive Officer
Queensland Airports Limited