

7 November 2024

Adelaide Airport Limited submission to the Virgin Australia Airlines Pty Ltd & Ors - Application for authorisation AA1000679 – Interested party consultation

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Dear Director

Thank you for the opportunity to make a submission as part of the Virgin Australia Airlines Pty Ltd & Ors - Application for authorisation AA1000679 – Interested party consultation. This submission is provided on behalf of both Adelaide Airport Limited and Parafield Airport Limited (“**together AAL**”) as operators of Adelaide and Parafield Airports.

In principle AAL is supportive of Qatar Airways’ investment in Virgin Australia on the basis that the investment is directed to:

- improve customer experience and access to air travel;
- increase competition in the market; and
- result in greater connectivity between Adelaide and international and domestic routes.

AAL welcomes further competition into the domestic and international market and growing direct international connections between Adelaide and destinations around the world. Aviation competition delivers better outcomes for travellers through reduced fares and more flight options, and South Australian exporters and producers who use these aircraft to move freight.

The proposal put forward by the applicants outlines how the collaboration would remove some current barriers to greater service due to availability of aircraft for these routes. Capacity constraints have been a significant issue for our industry and we welcome initiatives that reduce the impact of this issue. This proposal could facilitate increased international connectivity for Adelaide, with the potential for Virgin to gain access to aircraft orders that would allow Virgin to increase domestic frequencies or commence new services to Southeast Asian or Pacific destinations. This would be a significant benefit for our State and for the positioning of Australia in our region.

Adelaide is a grateful beneficiary of Qatar Airways investment in the Australian market. Consideration should be given to ensure that new aviation capacity is not concentrated into the “golden triangle” of Melbourne, Sydney and Brisbane and that any hubbing through these major airports does not occur at the expense of direct routes to other cities.

Thank you once again for the opportunity to contribute to this consultation. AAL is committed to advocating for the best interests of our State, to deliver on our Purpose to proudly connect and shape South Australia. This proposal has the potential to deliver significantly more competition into the aviation industry which benefits customers, exporters and South Australia as a whole.

Yours sincerely

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AAL is a privately owned company supported by five long-term institutional shareholders. Our shareholders are five large superannuation funds who have held ownership since privatisation. These funds manage the retirement savings of many Australian families, making them indirect investors in our airports. We have been the custodian of the long-term leases of Adelaide and Parafield Airports from the Commonwealth Government since May 1998. Adelaide Airport is the aviation gateway to South Australia. We are the 5th largest airport in Australia and in the last financial year we saw record passenger numbers, surpassing the previous records set pre covid. Parafield Airport is South Australia's principal general aviation airport and is one of the largest pilot training airports in the southern hemisphere.