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Our ref: AA1000540
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17/08/2021

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Louise Klamka
Partner
Gilbert+Tobin

www.acc.gov.au

Dear Ms Klamka

Qantas Airways Limited and Japan Airlines Co. Ltd application for authorisation AA1000540 — interested party consultation

Thank you for your submission of 31 March 2021 on behalf of Virgin Australia in relation to the application for authorisation from Qantas Airways Limited (**Qantas**) and Japan Airlines Co. Ltd (**JAL**) of a joint business agreement for the coordination of their operations between Australia/New Zealand and Japan (the **Proposed Conduct**).

As you are aware, the ACCC issued a draft determination proposing to deny authorisation to the Proposed Conduct on 6 May 2021. The ACCC is currently considering all submissions received, before making its final decision. The ACCC is required to make a final determination by 17 September 2021.

To facilitate the ACCC's preparation of the final determination, we seek additional information from Virgin Australia regarding the issues attached to this letter.

We request a response to the issues raised by **Tuesday, 24 August 2021**.

Please email Virgin Australia's submission to exemptions@acc.gov.au with the subject 'AA1000540 – Qantas and JAL – submission'.

The ACCC will place Virgin Australia's response on the ACCC's public register, subject to any request for exclusion over part or all of Virgin Australia's submission (for further information, please see the [public register exclusion request guidelines](#) available on the ACCC's website).

If you would like to discuss any aspect of this matter, please contact Tom Whitby on (02) 6243 1012 (or tom.whitby@acc.gov.au) or myself on (03) 9290 1477 (or Jaime.martin@acc.gov.au).

Yours sincerely

Jaime Martin
A/g Director
Competition Exemptions

Qantas and JAL application for authorisation AA1000540 — ACCC request for information from Virgin Australia – 17 August 2021

1. Please outline Virgin Australia's views regarding the likely timing and pace of recovery of international passenger travel between Australia and Japan, based on currently available information. In your response, it would be appreciated if you could please provide examples or reference public documents or data that have informed Virgin Australia's views, where possible.
2. Virgin Australia's submission states that the Proposed Conduct will make it more difficult for other airlines outside the proposed alliance to establish commercially sustainable operations on routes between Australia and Japan as demand recovers. In particular, Virgin Australia submits that it is actively assessing its ability to re-instate pre COVID-19 plans to commence flying on the Brisbane – Haneda route once demand recovers. Could Virgin Australia please provide further detail about:
 - a) Virgin Australia's current plans to establish a long haul international network, including services between Japan and Australia. In your response, please outline the likely timing of implementing these plans and any barriers to implementing these plans that are unrelated to the Proposed Conduct, and
 - b) how the Proposed Conduct might impact Virgin Australia's current plans to resume international passenger services, including any potential impacts on Virgin's ability to retain its Haneda slot allocation.
3. Please outline Virgin Australia's views regarding how the Proposed Conduct could assist Qantas and JAL to reinstate or expand capacity as passenger demand recovers, compared to a future without the Proposed Conduct.
4. Please outline Virgin Australia's views on the potential for the Proposed Conduct to have an impact on competition to supply passenger air travel services between Australia and Japan between airlines that extends beyond any period of authorisation of the Proposed Conduct.