



# MEDIA RELEASE

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## ACCC PROPOSES TO RE-AUTHORISE QANTAS EMIRATES ALLIANCE

16 February 2018

The ACCC is proposing to grant re-authorisation to an alliance between Qantas Airways Limited (ASX: QAN) and Emirates for a further five years.

The global alliance covers Qantas' and Emirates' air passenger and cargo transport operations. The ACCC first authorised the alliance in 2013 for five years.

"The ACCC considers that the alliance is likely to continue to result in a range of public benefits," ACCC Commissioner Roger Featherston said.

"Combining the networks of Qantas and Emirates provides customers with access to more flights and destinations under a single airline code and improves connectivity."

"Loyalty program members will also continue to benefit from the ability to earn and redeem points on both networks and use lounge access and other reciprocal benefits," Mr Featherston said.

"However, the ACCC is concerned that the alliance is likely to significantly impact competition on one route, Sydney to Christchurch; Qantas and Emirates are the two major operators on this route and their only competition is from the Virgin Australia and Air New Zealand alliance."

To address this concern, the ACCC proposes to impose a condition requiring the Qantas and Emirates alliance to provide the ACCC with regular reports on seats and passengers flown, fares and route profitability. The condition would also allow the ACCC, at any time, to set a minimum level of capacity on the route. For example, if these reports indicated that the alliance was limiting the number of seats on this route to raise airfares, the ACCC would require the alliance to add extra seats.

In 2013 the ACCC imposed reporting and capacity conditions on four routes between Australia and New Zealand. However, since starting direct services between Auckland and Dubai in March 2016, Emirates has withdrawn from the Sydney to Auckland route, and will withdraw from the Melbourne and Brisbane to Auckland routes in March 2018. The ACCC considers that the capacity conditions are no longer required on these routes.

The ACCC is seeking submissions from interested parties on its draft determination before making a final decision on whether to re-authorise the conduct and impose conditions. Submissions are due by 7 March 2018.

Further information about the application for authorisation is available on the [ACCC's public register](#).

### Background

Qantas and Emirates are seeking re-authorisation for a Restated Master Coordination Agreement under which they will continue to coordinate their operations, including in relation to: planning, scheduling, operating and capacity, sales, marketing, advertising, promotion, and pricing for passengers, freight customers and agents, connectivity and integration of

certain routes, codeshare and interline arrangements, frequent flyer programs and all aspects of customer service (including ground services and lounge access).

Authorisation provides immunity from court action for conduct that might otherwise raise concerns under the competition provisions of the *Competition and Consumer Act 2010*.

Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

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