



MEDIA RELEASE

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Proposal to authorise Virgin Australia to cooperate with Virgin Atlantic

The ACCC has issued a draft determination proposing to authorise Virgin Australia (ASX: VAH) to more closely cooperate with Virgin Atlantic on flights between Australia and the UK and Ireland, via Hong Kong, Los Angeles and any other future mutual connecting points.

“Virgin Australia and Virgin Atlantic have asked to be authorised to cooperate more closely to improve their services between Australia and the UK and Ireland and attract more passengers,” ACCC Commissioner Stephen Ridgeway said.

“In authorising this cooperation, we expect to see improvements to the carriers’ schedules and services to passengers.”

Virgin Australia considers that this will increase passenger numbers, enabling it to more sustainably operate its Hong Kong service.

Virgin Australia and Virgin Atlantic are separate businesses that do not operate overlapping services on any routes and are unlikely to do so in the future. They already have a codeshare arrangement, which allows each to market flights on planes flown by the other.

Authorisation will allow the two airlines to coordinate on a wide range of matters, such as jointly managing prices, inventory, and marketing strategies, which are not currently permitted in their existing arm’s length commercial codeshare and loyalty arrangements.

The ACCC granted Virgin Australia and Virgin Atlantic [interim authorisation](#) on 4 July 2019 and this will remain in effect until a final authorisation decision is announced.

The ACCC’s draft determination is available at: [Virgin Australia & Virgin Atlantic](#).

Background

Authorisation provides statutory protection 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.