



Virgin Australia International
Airlines Pty Ltd
PO Box 1034
Spring Hill QLD
Australia 4004
T +61 7 3295 3000

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(SE Asia) Pty Ltd
PO Box 1034
Spring Hill QLD
Australia 4004
T +61 7 3295 3000

virginaustralia.com

30 November 2024

Ms Jasmina Ackar
Director
International Air Services Commission
GPO BOX 630
CANBERRA ACT 2601

Via email: Jasmina.Ackar@infrastructure.gov.au

Dear Ms Ackar,

Application for allocation of capacity – Australia - Qatar route

Virgin Australia International Airlines Pty Limited (**Virgin Australia**) requests an allocation of capacity on the Australia - Qatar route.

Virgin Australia is seeking an allocation of 28 frequencies in each direction per week between Australia and Qatar.

Virgin Australia plans to operate the proposed services on Boeing 777-300ER aircraft configured with between 354 and 412 seats.¹ Initially, these will be supplied under a wet lease arrangement with Qatar Airways.

We will operate the new services, which will be jointly marketed with Qatar Airways. Both airlines will code on these new services, together with behind and beyond connections. Virgin Australia therefore requests that any determination from the International Air Services Commission (the **Commission**) permits the utilisation of capacity for codeshare services with Qatar Airways so that these new services can be included under the existing codeshare agreement in place between Virgin Australia and Qatar Airways. We will continue to market existing Qatar Airways operated services on routes between Qatar and Australia and other routes on the Qatar Airways network.

The allocation is sought for a period of five years.

No Australian airline operates passenger services on the Australia - Qatar route, nor have they in the past. Qantas only markets services to the Middle East via its codeshare with Emirates and does not operate its own services.

As part of a broader integrated alliance with Qatar Airways (**Integrated Alliance**), we plan to commence services between each of Sydney, Brisbane, Perth and Doha from June 2025 and between

¹ For completeness, the aircraft type and seat configuration may be changed for operational or commercial reasons. Virgin Australia notes that the bilateral air service agreements / arrangements between Australia and Qatar includes limitations on the number of frequencies, rather than the number of seats.



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Melbourne and Doha from December 2025, with the capacity to be fully utilised by December 2025. Our current proposed flight schedule for the 2025 Northern Summer season is as follows.²

Flight details	Departs	Arrives	Schedule
VA1 Sydney - Doha	1450	2250	Daily
VA2 Doha - Sydney	0915	0615	Daily
VA15 Brisbane - Doha	1510	2300	Daily
VA16 Doha - Brisbane	0140	2245	Daily
VA21 Perth – Doha	1520	2150	Daily
VA22 Doha - Perth	1950	1155	Daily

To successfully commence services in June 2025, we need to include these flights in the published IATA Northern Summer 2025 Season schedule and commence marketing and selling tickets in December 2024.

We are well progressed in obtaining all the required regulatory approvals and have concrete plans to use this full allocation as soon as possible. We have secured the required slots in Sydney, Brisbane and Perth, with Melbourne to follow next scheduling season. The required slots have also been secured in Doha. We have already been designated as an Australian airline by the Australian Government (through the Department of Infrastructure, Transport, Regional Development, Communication and the Arts (**DITRCA**)) under the relevant air services agreement and received confirmation from DITRCA that nothing further is needed in this respect.

Without Virgin Australia operating these services under the wet lease arrangement with Qatar Airways, the available capacity on the Australia - Qatar route would remain unutilised to the detriment of consumers, competition, Australian tourism and Australian trade. In making this application, we recognise that the object of the *International Air Services Commission Act 1992 (IASC Act)* is to enhance the welfare of Australians by promoting economic efficiency through competition in the provision of international air services.

² Noting that Melbourne will not commence during the Northern Summer scheduling season.



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In circumstances where:

- no other Australian airline utilises the existing capacity between Australia and Qatar;
- no other Australian airline has made an application for capacity on the Australia - Qatar route; and
- the relevant Air Services Agreement makes no distinction regarding how capacity can be utilised, whether using own aircraft, a wet lease, or otherwise,

a determination granting the requested capacity to Virgin Australia clearly best achieves the objects of the IASC Act.

On 29 November 2024, the Australian Competition and Consumer Commission granted interim authorisation for the Integrated Alliance, including enabling forward selling of tickets subject to final regulatory approval.³ In making its decision, the ACCC said: *“Although the ACCC has not reached any concluded views about the application for authorisation, the conduct to be authorised appears likely to result in public benefits in the form of enhanced products and services, including increased capacity between Sydney, Melbourne, Brisbane and Perth and Qatar.”*

We expect other significant public benefits to result from our ability to make these services available, including: downward pressure on airfares because of increased capacity, direct economic benefits of around ~ \$3 billion over the next 5 years, as well as enhanced services, more choice and increased competition in international travel to and from Australia. This will benefit Australian passengers, inbound tourists and the tourism sector, importers, and exporters.

We would be pleased to provide any further information the Commission may require.

We thank the Commission for its consideration of this application and look forward to hearing from you to discuss it further.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jayne Hrdlicka".

Jayne Hrdlicka
Chief Executive Officer

³ <https://www.accc.gov.au/system/files/public-registers/documents/Interim%20Authorisation%20Decision%20-%202029.11.24%20-%20PR%20-%20AA1000679%20Virgin%20Qatar.pdf?ref=0&download=y>