

ASX/Media Release

QANTAS SEEKS MORE INFORMATION ON ACCC'S ALLIANCE AVIATION DECISION

SYDNEY, 20 APRIL 2023: Qantas will seek more information from the Australian Competition and Consumer Commission (ACCC) about its decision to oppose the planned acquisition of Alliance Aviation Services Ltd (ASX: AQX) (Alliance). Qantas remains confident the acquisition would not substantially lessen competition in any market.

As well as reviewing the announcement released today, the airline has requested a meeting with the ACCC to understand its decision, which is at odds with the increasingly competitive nature of the segment and views expressed by a competitor¹ that the acquisition would not lessen competition.

Australia has one of the most competitive aviation industries in the world. That competitive dynamic is intensifying with new entrants and expansion of existing carriers and significant growth in the resources sector.

Since Qantas announced it had reached an agreement to fully acquire Alliance in [May 2022](#), competitor Rex has acquired charter operator National Jet Express from Cobham Aviation, a transaction that received ACCC clearance within 11 days, and Virgin Australia has been clear about its plans to expand its own resources flying². Several other airlines and aviation businesses also offer charter services.

As the ACCC has previously acknowledged³, customers in the resources segment are sophisticated and well-resourced with procurement expertise and strong bargaining power in their negotiations with airlines and other operators.

The proposed acquisition of Alliance would enable Qantas to service this important sector better, particularly through the efficiencies unlocked through a combined fleet of similar aircraft.

Qantas first flagged its long-term interest in ultimately acquiring 100 per cent of Alliance when it bought just under 20 per cent of the charter operator in February 2019. The ACCC investigated that minority holding for three years and made no findings that it lessened competition.

Qantas is also Alliance's biggest customer, wet leasing 18 Embraer aircraft that are operated on the national carrier's behalf on a number of routes. Qantas in February announced options for up to 12 additional E190 aircraft to be wet leased from Alliance to provide increased capacity and network connectivity in the domestic market.

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Authorised for release by the Qantas Group General Counsel and Company Secretary.

¹[Exclusive: Rex backs Qantas' bid to buy Alliance](#) Australian Aviation, 28 September 2022

²[Fleet growth positions Virgin Australia for higher capacity, lower emissions](#) Media Release, 29 April 2022

³[ACCC grants authorization to fly-in fly-out airline alliance](#) Media Release, 18 May 2017

