The Sydney Morning Herald, Wednesday, April 22, 2020, pages from 24 to 24

Bailout Virgin, or we will suffer

If Qantas becomes our sole carrier, expect fare rises as there will be no pressure to mitigate profit in consumers’ interests.

John Asher and Richard Holden

Virgin Australia is on the edge of collapse. The board met Monday night for voluntary administration. Sydney Morning Herald, Wednesday, April 22, 2020, pages from 24 to 24

This is not a simple governance failure of Virgin – it’s a Black Swan event

months, the price of the cheapest seat on a plane has jumped by 27 per cent. Given this, a monopoly Qantas may be able to sneak in an extra 14 per cent boost to the bottom line. While, ultimately, consumers’ price sensitivity would determine whether that would be possible, we worry consumers may not even notice a price surge of this size in the face of the probable ongoing turmoil at this stage of the pandemic.

The narrative pushing a bailout has been driven by the Qantas and Alan Joyce haters and those who are concerned about a possible Qantas monopoly.

The ACCC’s Rod Sims would be watching Qantas should that ever eventuate and would keep it honest. And, as the Treasurer has said, there is plenty of interest from new buyers.

Regrettably, Virgin has become a political football, kicked around by those with no real interest in 10,000 great Australians who put their heart and soul into building Qantas.

Virgin should be a government priority, not a political football.