



Committee for Melbourne

Media Release

30 April 2020

Committee for Melbourne calls for a rapid and collaborative response to Virgin Airlines' voluntary administration with Melbourne a key part of the solution

“The Committee for Melbourne calls for a rapid industry-led and government supported, response to the grounding of Virgin Airlines,” said Martine Letts, CEO, Committee for Melbourne.

“We support a collaborative and supportive environment for new investor consortia to lead the way and work with government and industry on the immediate solution,” said Ms Letts.

“The response to the Virgin Airlines situation will be a benchmark for how we proceed with the road to recovery more generally, and must involve collaboration and co-operation between governments and the private sector,” she said.

Melbourne has long been known for hospitality, arts and culture and tourism – aspects of a liveable city that have underpinned a thriving economy and burgeoning population growth. The administration of Virgin Airlines highlights the economic uncertainty that faces the Melbourne economy and the challenges that many businesses, especially those that depend on transport and tourism, are facing.

“Every sector of the economy, including travel and freight/logistics, must be poised to underpin economic recovery, and a new model for Virgin Airlines is essential for this,” said Ms Letts.

Committee for Melbourne member, Deloitte, is the Virgin airline administrator and is fielding a number of offers, with the intention of signing contracts by the end of June.

“We hope that that a second carrier operating model is able to be confirmed as soon as possible, even as early as July, to position the airline to respond to market recovery,” said Ms Letts.

“It is also important that private sector investment is effectively supported by government, whether that be through regulatory or financial support, and that the response is swift with the hope that the carrier can be ‘ready to fly’ as soon as possible.”

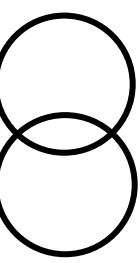
With international borders remaining restricted for some time, the COVID-19 economic recovery will begin with a domestic travel and transport, and aviation will be a key driver of that recovery,” said Ms Letts.

Melbourne is a key part of the solution

“As the Committee for Melbourne we acknowledge our interest in locating the head office of Virgin Airlines in Melbourne,” said Ms Letts.

However, there are clear reasons why this make sense from a nation-building perspective,” she said.

“Melbourne is likely to become the largest city in Australia by 2037 and already contributes significantly to the business, arts, culinary, freight and tourism aviation activity of the country, and is already the second largest hub for the Australian aviation industry,” said Ms Letts.



Media Release

Melbourne hosts six of the top ten flight routes in the country, with major transport connections to regional centres and other states. As the second largest city in Australia, it already delivers significant business and leisure travel and hosts some of the most important tourism events in Australia, including the Grand Prix and the Australian Open.

“Melbourne Airport provides a logical location for a head office of a new Virgin carrier, particularly as it offers considerable growth opportunities, extensive assets and experience, a curfew free environment and a new third runway,” said Ms Letts.

“With Sydney the location of the hub for Qantas, it makes sense that the other major city in Australia, Melbourne, be the host for the new Virgin carrier.”

“Early indications are that domestic travel restrictions will lift before international restrictions. This is why we need both airlines servicing all national routes as we resume business and holiday travel within Australia”.

“Imagine two profitable and evolving airlines, in two major airports, in our two major cities - which could ensure the effective servicing of our business, leisure, freight, tourism and events air travel, throughout Australia including the regions”, said Ms Letts.

- ENDS -

For further information, please contact Laura Kerr Melvin lmelvin@melbourne.org.au 0434 107 949
Committee for Melbourne Communications, Events and Engagement Manager.