



Our ref: AA1000526  
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Dear Sir/Madam

**Qantas Airways Limited and China Eastern Airlines Limited - application for revocation of authorisations A91470 and A91474 and substitution of AA1000526 – interested party consultation**

On 31 July 2020, the Australian Competition and Consumer Commission (the **ACCC**) received an application for revocation and substitution from Qantas Airways Limited and China Eastern Airlines Limited and their related bodies corporate (**Qantas and China Eastern Airlines**). This letter is to invite you to comment. You are welcome to pass this letter on to others who may wish to make submissions.

Qantas and China Eastern Airlines are seeking revocation and substitution under the *Competition and Consumer Act 2010* (Cth) to alter authorisations A91470 and A91474 granted with conditions on 18 November 2014<sup>1</sup>. Authorisations A91470 and A91474 are due to expire on 31 October 2020.

Authorisations A91470 and A91474 were granted to allow Qantas and China Eastern Airlines to coordinate their operations between Australia and China pursuant to a joint coordination agreement. In particular, Qantas and China Eastern Airlines proposed to coordinate their operations in the following areas:

- schedules, connections and connection times
- expanding connecting services and destinations
- airport facilities, by expanding reciprocal airport lounge access, improving facilities within lounges and streamlining check-in facilities for passengers, and co-locating their operations in Terminal 1 at Shanghai Pudong airport
- increasing opportunities for frequent flyers who are members of one Applicant's frequent flyer program to earn and/or redeem frequent flyer points and take advantage of other membership benefits when travelling with the other Applicant, and
- reciprocal inventory access and provision of information to agents to facilitate more bookings on both Applicants' services, including group bookings.

Authorisations A91470 and A91474 were granted subject to conditions requiring Qantas and China Eastern Airlines to maintain or grow flight capacity on particular routes and provide the ACCC with regular reports. Qantas and China Eastern Airlines have requested that the new

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<sup>1</sup> For information about Authorisations, please see <https://www.accc.gov.au/business/exemptions/authorisation>

authorisation not be made conditional on capacity growth requirements due to the impact of the COVID-19 pandemic.

Qantas and China Eastern Airlines are seeking reauthorisation for the proposed arrangements for 18 months from October 2020 (i.e. until March 2021).

Qantas and China Eastern Airlines submit that seeking a short term extension of the current alliance gives them the best and fastest ability to restore confidence and sustainable services to consumers and businesses of both Australia and China in the short-medium term after the COVID-19 Pandemic eases, whilst also providing the certainty to plan and implement other customer benefits in the long term. Their current intention is to then seek a further extension of the authorisation beyond 2022 in the future.

A full copy of the application for revocation and substitution is available on the ACCC's [authorisations public register](#).

### Interim authorisation

Qantas and China Eastern Airlines have also requested interim authorisation to allow them to facilitate the immediate planning and coordination of services that will be operated after 31 October 2020.

### Making a submission

The ACCC invites you to make a submission on the application for revocation and substitution. In making your submission, please provide information, evidence and views about the likely public benefits, effects on competition and any other public detriment that you consider will result from the proposed conduct.

If you intend to provide a submission, please do so by **28 August 2020**. If you wish to request an extension, please contact us on the details below as early as possible. Submissions after the due date (or after any extension granted) may not be taken into account. Submissions in relation to interim authorisation should be provided by **19 August 2020**. Extensions are not normally granted for submissions on interim authorisation.

Please note the confidentiality or otherwise of your submission and email your submission to [adjudication@acc.gov.au](mailto:adjudication@acc.gov.au), with the subject 'AA1000526 – Qantas and China Eastern Airlines – submission'. Your submission **will** be placed on the ACCC's [authorisations public register on the internet](#) unless you have made a request (with reasons) for us to exclude part or all of the submission from the public register (see [Guidelines for Excluding Information from the Public Register](#) for more information on how to make a request and how we assess requests).

### Timetable

The ACCC will progress its assessment of the application in a timely manner. An indicative timetable is set out below for your information, and an up to date version (including any changes) will be posted on the public register.

Indicative date	Stage in assessment process
<b>31 July 2020</b>	Lodgement of application and supporting submission.
<b>7 August 2020</b>	Public consultation process begins.
<b>19 August 2020</b>	Closing date for submissions on interim authorisation.

<b>Indicative date</b>	<b>Stage in assessment process</b>
<b>28 August 2020</b>	Closing date for submissions from interested parties.
<b>August/September 2020</b>	ACCC decision regarding interim authorisation.
<b>September 2020</b>	Applicant responds to issues raised in the public consultation process.
<b>September 2020</b>	Draft determination.
<b>October 2020</b>	Public consultation on draft determination including any conference if called.
<b>November-December 2020</b>	Final determination.

This letter has been placed on the ACCC's public register. If you have any questions or wish to discuss any aspect of this matter, please do not hesitate to contact Robert Janissen on 02 6243 1387 or [adjudication@acc.gov.au](mailto:adjudication@acc.gov.au).

Yours sincerely



Gavin Jones  
Director  
Adjudication

## Interested Party List

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Aerolineas Argentinas	Emirates
Air China	Etihad Airways
Air Mauritius	Executive Gourmet
Air New Zealand	ExxonMobil Aviation
AirAsia X	Fed Ex
Airport Coordination Australia (ACA)	Gate Aviation
Airservices Australia	Hon Warren Entsch MP
Airservices Australia	ICMS
Alpha Flight Services	International Air Services Commission
Ambassador of the People's Republic of China	Jumpjet Airlines Limited
Austrade	K.I.S.S. Travel International
Australia-China Business Council - Qld Branch	Latam Airlines
Australia-China Relations Institute	Malaysia Airlines
Australian & International Pilots Association	Menzies Aviation
Australian Airports Association (AAA)	Patrick Air Services
Australian Chamber - Tourism	Qatar Airlines
Australian Federation of Travel Agents	Regional Express (Rex)
Australian Industry Group	Singapore Airlines Ltd
Australian Licenced Aircraft Engineers Association	Solomon Airlines
Australian Services Union	South Australian Tourism Commission
Australian Tourism Export Council	South Australian Tourism Commission
Australian Transport Safety Bureau	Swissport (previously Aero-Care)
AVIA Flight Services	Tiger Airways Australia Pty Limited
Bain Capital	Toll Dnata
British Airways	Tourism and Events Queensland (Queensland Government)
Bureau of Meteorology	Tourism and Transport Forum
Caltex	Tourism Australia
Cathay Pacific Airways	Tourism NSW
Centre for Asia Pacific Aviation	Tourism Queensland
China Airlines	Tourism Victoria
China Southern Airlines	Tourism WA
CHOICE	Transport Workers Union of Australia
Civil Aviation Safety Authority (CASA)	United Airlines
Consolidated Travel Group	Virgin Atlantic
Consumer Action Law Centre	Virgin Australia
Consumers' Federation of Australia	Virgin International Pilots Association
Delta Air Lines, Inc	VisitCanberra
Department of Infrastructure and Regional Development	Wymap Group

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