

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

FILE No:
DOC:
MARS/PRISM:

Dear Mr Grimwade

Re-authorisation application for the Qantas –British Airways ‘Restated Joint Services Agreement’ (your ref A30226 and A30227)

I refer to the above application lodged by Qantas Airways Limited and British Airways PLC (BA), and Mr Brian Cassidy’s letter of 12 May 2003 to the Deputy Prime Minister and Minister for Transport and Regional Services, the Hon John Anderson MP, seeking submissions in relation to the application. The following comments relate to the application for an interim authorisation of the Agreement, pending the Final Determination of the Commission. The Department expects to make comments on the full application by 6 June 2003.

The Department of Transport and Regional Services (DoTaRS) supports the interim authorisation of the application.

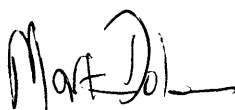
(DoTaRS) supports the contention of the applicants that an interim authorisation will maintain the status quo for the comparatively short period of time it will take for the ACCC to fully assess the application and make a determination. The Department is of the view that there would be no benefit in denying the application for interim authorisation, whereas denying the application could significantly disrupt Qantas and BA’s planned operations with follow on impacts for the aviation and tourism sectors.

In the event of the interim authorisation being denied it is likely that Qantas and BA would have to significantly amend services which would have a direct impact on consumers. Given the numerous challenges currently facing the aviation and tourism sectors, such as the international security situation and the outbreak of SARS in Asia, it is also likely that any further disruption or uncertainty would affect consumer confidence and disproportionately affect employment in these sectors.

As an interim approval would be for a short period only, it is unlikely that any concerns (if any) that the Commission identifies with the full application would have a significant impact on consumers during the interim period. As such DoTaRS believes it is in the interests of consumers and of allied industries, such as tourism, to grant an interim approval to the applicants.

Should you wish to discuss this submission, please contact Mr Richard Wood on 6274 7413.

Yours sincerely



Martin Dolan
First Assistant Secretary
Aviation and Airports Policy

21 May 2003

