



Australian Competition & Consumer Commission

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17 June 2003

The Hon Joe Hockey MP
Acting Minister for Industry, Tourism and Resources
Parliament House
CANBERRA ACT 2600

Dear Minister

**Applications for authorisation – Qantas Airways Limited and British Airways
Plc
(A30226 and A30227)**

The Australian Competition and Consumer Commission (“the Commission”) has considered the request of Qantas Airways Limited (“Qantas”) and British Airways Limited (“BA”) (together, “the Applicants”) for interim authorisation in respect of its applications for authorisation of a “Joint Services Agreement” (A30226 and A30227) lodged with the Commission on 6 May 2003.

Based on the information provided, the Commission has decided to grant interim authorisation under the Trade Practices Act 1974 (“the Act”) in relation to the abovementioned applications for authorisation.

In making its decision, the Commission noted that:

- Granting interim authorisation will simply maintain the status quo. Not granting interim authorisation would be likely to cause significant disruption to both the Applicants and consumers as the Applicants would be forced to restructure current arrangements in order to avoid a breach of the Act when the current authorisation expires on 21 July 2003. Any such changes would be likely to create significant inefficiencies and waste should the Commission ultimately grant authorisation; and
- The Commission expects that a final determination in respect of the applications will be made later this year. As such, interim authorisation will be in place for a relatively short period of time.

EXECUTIVE OFFICE



Accordingly, the Commission has agreed to grant interim authorisation for the period 21 July 2003 until such a time that the Commission makes a draft determination in respect of the applications. The Commission will reconsider the appropriateness of granting interim authorisation at this time.

Please be aware that the Commission's decision in relation to interim authorisation should not be taken as indicative of a final authorisation. I also note that, in accordance with section 91 of the Act, the Commission may act to revoke an interim authorisation at any time.

If you wish to discuss this matter further please do not hesitate to contact Scott Gregson on 02 6243 1057 or Amanda Dadd on 02 6243 1391.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B. Cassidy', written in a cursive style.

Brian Cassidy
Chief Executive Officer