



MediaRelease

Attention: Aviation writers

A.C.C.C. ALLOWS SHORT-TERM AUTHORISATION OF QANTAS AND BRITISH AIRWAYS JOINT SERVICES AGREEMENT

The Australian Competition and Consumer Commission will grant interim authorisation for Qantas and British Airways to continue their current Joint Services Agreement pending a decision later this year on whether the agreement remains in the public interest, ACCC Chairman, Professor Allan Fels, announced today.

"In 2000, the Commission agreed to allow Qantas and British Airways to cooperate under a Joint Services Agreement. That approval is due to expire on 21 July this year.

"Qantas and British Airways lodged a new application with the ACCC for approval for the agreement to continue to operate. The agreement provides for Qantas and British Airways to coordinate freight, scheduling, marketing, sales, pricing and customer service activities on both of the airlines' networks.

"The decision to allow Qantas and British Airways to continue their current arrangements, for the time being, will avoid significant disruption at short notice to both the applicants and consumers", Professor Fels said.

While interim authorisation allows Qantas and British Airways to continue their current arrangements while the ACCC considers the merits of the application, it does not automatically mean that the ACCC will grant final approval for the arrangements to continue.

"For final authorisation to be granted the applicants are required to demonstrate that there is a public benefit arising from the arrangement sufficient to outweigh any anti-competitive detriment. Before it can grant authorisation, the *Trade Practices Act 1974* requires that the ACCC test the applicant's public benefit claims through a transparent public consultation process. This process includes seeking submissions from interested parties, and requires the issue of a draft decision for public comment before the ACCC can issue a final decision".

Further information

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*The ACCC has the ability, through the authorisation process, to allow certain anti-competitive practices that would otherwise breach the *Trade Practices Act 1974*. Authorisation provides immunity from court action and is granted where the ACCC is

satisfied that the practice delivers offsetting public benefits. Interim authorisation allows the parties to engage in the conduct prior to the ACCC considering the substantive merits of the application.