



**Australian  
Competition &  
Consumer  
Commission**

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Our Ref: C2003/535  
Contact Officer: Amanda Dadd  
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13 September 2004

Mr Brett Johnson  
General Counsel  
Qantas Airways Limited  
203 Coward Street  
MASCOT NSW 2020

Dear Mr Johnson

**Authorisation applications lodged by Qantas Airways Limited and British Airways Plc  
(A30226 and A30227)**

Thank you for your telephone call of 8 September and your subsequent letter of 10 September 2004 advising of British Airways' (BA) decision to dispose of its 18.25 per cent shareholding in Qantas Airways Limited (Qantas).

I understand that the disposal of BA's shareholding in Qantas will not affect the continuation of the Joint Services Agreement (JSA) that is the subject of the abovementioned applications for authorisation.

As you are aware, on 23 August 2004, I wrote to you advising that the Australian Competition and Consumer Commission (ACCC) had made a draft determination proposing to authorise the JSA for a period of five years. I also invited you to make a written submission on the draft determination by 20 October 2004. I would be grateful if you would advise the ACCC in your submission whether BA's disposal of its shares in Qantas has any affect on Qantas' claims as to anti-competitive detriment and public benefit.

I have written in similar terms to BA.

The ACCC would also be grateful for advice as to whether Qantas is able to rule out the possibility within the next five years of:

- (i) the airline pursuing a structural alliance with another airline which offers services between Australia and Europe; and
- (ii) leaving the oneworld alliance and joining the Star Alliance.



You may also be aware that Virgin Atlantic has requested that the ACCC hold a pre-decision conference in relation to its draft determination. I will write to advise of conference details in due course.

If you have any questions, please do not hesitate to contact Amanda Dadd on 02 6243 1391.

Yours sincerely

Handwritten signature of Tim Grimwade, consisting of stylized initials 'TG' followed by a cursive name.

Tim Grimwade  
General Manager  
Adjudication