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**J u m p j e t   A i r l i n e s   L i m i t e d**

P O Box 30031  
Lower Hutt  
New Zealand 5040

20 July 2011

Ref: Leg/12.1/03.2

The General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission  
GPO Box 3131  
CANBERRA ACT 2601  
Australia

Phone: 612 6243 1124

Dear General Manager,

Subject: **Virgin Australia and Air New Zealand – application for variation to conditions of authorisation A191227 & A91228**

We have considered our position in relation to the recent application for a second variation to the equity/marketing alliance between the **Virgin Australia** Company and **Air New Zealand**. As we understand, this approved Code Share alliance is applied within the Single Aviation Market (SAM) and certain international routes.

Our comments are based on the response to you of the 4<sup>th</sup> of July 2011 and a Jumpjet Airlines perspective from a planned operational point of view.

We have little additional comment.

**On the basis of previous comments made we address the following issues: -**

- *Whether the proposed variation to the Conditions is necessary, having regard to the impact of the Chilean volcanic ash cloud on Trans-Tasman services on 12 June and 20 June 2011 onwards;*

The variation sought is reasonable under the circumstances brought about by the Chilean volcanic ash clouds. Demand has been impacted unfavourably by this natural phenomenon, which has significantly reduced load factors for operators due to the inability to fly aircraft in ash cloud.

- *The impact that the variation is likely to have on competition on the relevant routes, namely the Nominated Routes for the Northern Winter 2011 season; and*

No comment.

- *Whether the proposed variation would change the balance between the public benefit and detriment;*

There is no justification to claim public benefit for any alliance in the Trans Tasman market.

Even in this century flying on modern aircraft is still not like hopping on a bus. The environment is basically hostile with accompanying risks that passengers may not appreciate.

Volcanic eruptions may continue to occur from time to time and ash cloud is highly corrosive. In addition to public safety aspects, jets engines are costly assets.

Thank you for the opportunity to comment on this matter.

Cordially,

A handwritten signature in black ink, appearing to read "Nick Kile". The signature is fluid and cursive, with a large initial "N" and "K".

Nick Kile  
Managing Director

cc. Ministry of Transport – New Zealand