



Australian
Competition &
Consumer
Commission

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Our Ref: C2010/453
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Luke Woodward
Partner
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Louise Klamka
Lawyer
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2 Park Street
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Sent via email: LWoodward@gtlaw.com.au; LKlamka@gtlaw.com.au

Dear Mr Woodward & Ms Klamka

Virgin Australia & Air New Zealand request to vary compliance with conditions 1(a) and 1(b) of authorisations A91227 & A91228 for the current scheduling season as a result of the Chilean volcanic ash cloud activity - decision

I refer to the above mentioned request lodged with the Australian Competition and Consumer Commission (the ACCC) on 1 July 2011.

Based on the information available, the ACCC has decided to vary the requirement on Virgin Australia and Air New Zealand to comply fully with conditions 1(a) and 1(b) of authorisations A91227 & A91228 for the Northern Summer 2011 scheduling season. Please find enclosed a copy of the decision document.

The ACCC has decided not to grant Virgin Australia and Air New Zealand an automatic variation to the obligation to comply fully with conditions 1(a) and 1(b) for any further cancellations as a result of risks associated with volcanic ash contamination. The ACCC considers that the existing variation provisions in the conditions of authorisations A91227 & A91228 will adequately cover any further requests related to volcanic ash activity.

Should new information come to the ACCC's attention, or should it become aware that any information upon which it has based its decisions is incorrect or incomplete the ACCC may reconsider its decision.

Pursuant to the terms of the conditions of authorisations A91227 & A91228, the ACCC will expect to receive audit reports concerning the applicants' compliance with

the varied conditions for each scheduling season, in accordance with clause 3.5 of the conditions.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Imogen Hartcher-O'Brien on (02) 6243 1049 or Darrell Channing on (02) 6243 4925.

Yours sincerely

A handwritten signature in black ink, appearing to be 'R Chadwick', with a long horizontal flourish extending to the right.

Dr Richard Chadwick
General Manager
Adjudication Branch