



**Australian
Competition &
Consumer
Commission**

Our Ref: 50898
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16 October 2015

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Dear Sir/Madam

Reviews regarding whether to impose Capacity Growth Rates on Trans-Tasman airline alliances – interested party consultation

The reviews

I refer to the authorisations granted by the Australian Competition and Consumer Commission (the ACCC) on 27 March 2013 to the Qantas Airways Limited and Emirates alliance (A91332 & A91333) and on 3 September 2013 to the Virgin Australia and Air New Zealand Limited trans-Tasman alliance (A91362 & A91363).

The authorisations imposed conditions in relation to the following routes of concern operated between Australia and New Zealand:

- Qantas/Emirates alliance - Sydney-Auckland, Melbourne-Auckland, Brisbane-Auckland, and Sydney-Christchurch routes
- Virgin/Air New Zealand alliance - Wellington-Brisbane, Queenstown-Brisbane, Auckland-Gold Coast, Christchurch-Brisbane, Christchurch-Melbourne, and Dunedin-Brisbane routes.

In particular, the conditions of authorisation required each alliance to maintain at least their pre-alliance aggregated capacity on the routes of concern. The conditions also require that the ACCC undertake a review, commencing in September 2015, to determine whether to require either alliance to increase capacity flown on any of the routes of concern.

For more details regarding the ACCC's authorisation and the conditions of authorisation please refer to the final determination in each matter on the ACCC's public register at <http://registers.accc.gov.au/content/index.phtml/itemId/1078153/fromItemId/401858> and <http://registers.accc.gov.au/content/index.phtml/itemId/1106131/fromItemId/278039>.

Request for submissions

The ACCC invites submissions from interested parties on matters relevant to the ACCC's reviews, including:

- (i) current market conditions on the routes of concern;
- (ii) current and planned future capacity growth on the routes of concern, including potential new entry;
- (iii) available forecasts of passenger demand on the routes of concern;
- (iv) the size and type of aircraft operated by airlines on the routes of concern;
- (v) regulatory constraints on airlines' abilities to operate on the routes of concern; and
- (vi) the impact of the variation on route profitability on the routes of concern.

If you intend to provide a submission in relation to the reviews, please do so by COB 6 November 2015. Submissions should be emailed to adjudication@acc.gov.au with the subject "Trans-Tasman Airline Reviews – submission". Please note in your response any aspects which you would like to be excluded from the public register and provide both a confidential and a non-confidential version.

Alternatively, if you would like to provide comments orally, please contact Tanya Hobbs on (02) 6243 1029 to organise a suitable time.

Subject to any claims for confidentiality, submissions, including oral submissions, will be placed on the ACCC's public register.

Please advise if you do not wish to make a submission at this time, but would like to be informed of the outcomes of the reviews. If you are able to please provide a nominated contact email address for future correspondence. You can also forward this letter to any other party who may wish to make a submission to the ACCC regarding the reviews.

Should you have any queries in relation to this matter, please do not hesitate to contact Tanya Hobbs on (02) 6243 1029.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Richard Chadwick', with a long horizontal line extending to the right.

Richard Chadwick
General Manager
Adjudication

Interested Parties

Adelaide Airport
Air China
Airport Coordination Australia (ACA)
Airservices Australia
Airservices Australia
Austrade
Australia Pacific Airports (Melbourne) Pty Ltd
Australian & International Pilots Association
Australian Airports Association (AAA)
Australian Federation of Travel Agents
Australian Federation of Travel Agents
Australian Industry Group
Australian Licenced Aircraft Engineers Association
Australian Services Union
Australian Tourism Export Council
Australian Tourism Export Council
Australian Transport Safety Bureau
Brisbane Airport Corporation Limited
British Airways
Cairns Airport
Canberra Airport
Cathay Pacific Airways
Centre for Asia Pacific Aviation
China Airlines
China Southern Airlines
CHOICE
Civil Aviation Safety Authority (CASA)
Consolidated Travel Group
Consumer Action Law Centre
Consumers' Federation of Australia
Delta Air Lines, Inc
Department of Infrastructure and Regional Development
Fed Ex
ICMS
International Air Services Commission
Jumpjet Airlines Limited
K.I.S.S. Travel International
LAN Airlines
Melbourne Airport
National Tourism Alliance
Northern Territory Airports Pty Ltd
Perth Airport
Queensland Airports Limited
Regional Aviation Association of Australia (RAAA)
South Australian Tourism Commission
Sydney Airport
Sydney Airport Corporation Limited
Tour Hosts Pty Limited
Tourism and Events Queensland (Queensland Government)
Tourism and Transport Forum
Tourism Australia
Tourism NSW
Tourism Queensland
Tourism Victoria
Tourism Victoria
Tourism WA
Transport Workers Union of Australia
Virgin International Pilots Association