



Australian Government
International Air Services Commission

Mr Tony Wheelens
Executive Manager
International and Industry Affairs
Qantas Airways Limited
10 Bourke Road
MASCOT NSW 2020

Dear Mr ~~Wheelens~~ *Tony*

We refer to your application seeking a variation to the following determinations to permit the use of the capacity for the provision of code share services with Air Niugini on the Papua New Guinea (PNG) route:

- [2011] IASC 132, as varied
- [2014] IASC 105
- [2016] IASC 110.

As we previously informed Qantas, Virgin Australia and the Australian Competition and Consumer Commission have both indicated their intention to make a submission on this matter.

At today's Commission meeting (via teleconference), it was decided that, in assessing Qantas' variation application, the Commission will apply the criteria set out in paragraph 5 of the Minister's Policy Statement. This will enable the Commission greater ability to assess the benefit to the public of the application by Qantas and its impact on competition. It would also be consistent with the approach taken by previous Commissions in assessing the code share application of Qantas on the PNG route.

The Commission further notes that the last time Qantas sought the extension of the authorisation to use its capacity allocation for code share with Air Niugini, Qantas addressed the paragraph 5 criteria in its original application which was publicly released for consultation (refer to Qantas application dated 27 February 2012).

In light of the above, we invite you to provide, within 10 working days from receipt of this letter, a supplementary application (by way of a submission) to the Commission addressing the criteria set out in paragraph 5 of the Minister's Policy Statement. Please note that the supplementary application addressing the paragraph 5 criteria will be made publicly available to enable other interested parties to comment.

Should you have any queries on this issue, please feel free to contact the Executive Director, Marlene Tucker, on (02) 6267 1107.

Yours sincerely



IAN DOUGLAS
Chairperson



JOHN KING
Commissioner

30 August 2016