

File Reference: 10/9476

Mr Michael Bird Executive Director International Air Services Commission GPO Box 630 CANBERRA ACT 2601

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Dear Mr Bird

I refer to your letter, dated 29 June 2010 regarding an application by Pionair Australia Pty Ltd (Pionair) for an allocation of capacity on the Papua New Guinea route, in which you sought advice on whether the Department considers that Pionair is reasonably capable of obtaining the designation, licensing and operational approvals necessary to operate scheduled services on these routes.

Pionair applied for an International Airline Licence on 17 June 2010. The Department requested supplementary material from Pionair on 5 July 2010 to enable the processing of its International Airline Licence application. We have finally received this additional information.

We have commenced the process to designate Pionair under the Papua New Guinea air services arrangements. Based on the information provided to date, I see no reason why Pionair would not be reasonably capable of obtaining the designation, licensing and operational approvals necessary to operate services on the specified routes.

Yours sincerely

Stephen Borthwick General Manager

Aviation Industry Policy

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22 September 2010