



14 June 2012

Ms Sue McIntosh
Executive Director
International Air Services Commission
GPO Box 630
Canberra ACT 2601
Email: Sue.McIntosh@infrastructure.gov.au

Dear Ms McIntosh

Qantas Airways Limited (Qantas) – South African Airways (SAA) Codeshare Arrangements – Application for Interim Authorisation

We refer to:

- your meeting us on 22 May 2012; and
- email communications between the Commission's lawyers (the Australian Government Solicitor) and Qantas' lawyers (Minter Ellison) dated 11 May 2012 and 16 May 2012 and our agreement to withdraw Qantas' application for Judicial Review,

in relation to Qantas' application for authorisation to code share with SAA on the Australia – South Africa route.

As you know, Qantas is preparing a new application seeking continuation of the authorisation to code share with SAA on its Sydney – Johannesburg services (the Code Share Arrangements). We anticipate being in a position to file this application by 30 June 2012.

The current approval for the Code Share Arrangements expires on 31 December 2012. In order to give the Commission adequate time to consider our new application and also ensure that the carriers are able to successfully market and sell under the Code Share Arrangement in the meantime, we request an interim authorisation allowing for the Code Share Arrangements until at least 31 March 2013.

As we have mentioned previously, in order to continue to effectively operate and market seats, Qantas and SAA require at least 7 months of certainty in relation to the Code Share Arrangements following any decision the Commission is likely to make. This 7 month period consists of a 6 month booking window (which reflects the booking characteristics on the route, where passengers tend to plan and book their travel well in advance, and the schedule season) and, in the event that authorisation is not given, one month for the parties to take the actions necessary to unwind the Code Share Arrangements.

For the reasons outlined above, we respectfully submit that an interim extension is consistent with the objects of the *International Air Services Commission Act 1992* (the Act) and Minister's Policy Statement.

The interim authorisation would, in effect, be a variation of the following Determinations:

- Determination [2008] IASC 109;
- Determination [2008] IASC 105;
- Determination [2009] IASC 126;
- Determination [2010] IASC 115; and
- Determination [2012] IASC 103.

Qantas Airways Limited

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We therefore formally apply for variations of the above Determinations, seeking a continuation of the code share condition until 31 March 2013.

Please let us know if you require any further information to assist the Commission in assessing this application for an interim extension.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brett Johnson', with a long horizontal flourish extending to the right.

Brett Johnson
General Counsel