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16 May 2011

Ms Sue McIntosh
Executive Director
International Air Services Commission
PO Box 630
Canberra ACT 2601

Via Fax: (02) 6267 1111

Dear Ms McIntosh

Application for Variation to Determination [2007] IASC 118

Under the joint venture (JV) between the Virgin Australia group of airlines (Virgin Australia) and Air New Zealand, each carrier will seek to code share on all services on the Australia – New Zealand route which the other carrier operates. In addition, Virgin Australia will also code share on domestic services within New Zealand operated by Air New Zealand, while Air New Zealand will code share on domestic services within Australia operated by Virgin Australia.

While Virgin Australia's services on the Australia – New Zealand route are currently operated by Pacific Blue Australia, we are attending to the relevant regulatory arrangements which will see all our domestic and international services operated by Virgin Australia by the end of 2011. In the interim, we wish to seek a variation to Determination [2007] IASC 118, which allocates capacity to Pacific Blue Australia on the Australia – New Zealand route, to permit the utilisation of such capacity for code share services with Air New Zealand.

Please find attached a signed copy of Virgin Australia's confidential code share agreement with Air New Zealand.

We request that the Commission consider this application against the general criteria for assessing the benefit to the public in Paragraph 4 of the Minister's Policy Statement.

The Paragraph 4 criteria provide that the use of entitlements by an Australian carrier under a bilateral air services agreement is of benefit to the public, provided that the carrier is reasonably capable of obtaining the necessary approvals and implementing the proposal.

Should you require any further information, please do not hesitate to contact Lee-Anne Tomkins on (02) 8093 7114.

Yours sincerely

Jane McKeon
Group Executive
Government Relations