



Australian
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NEWS RELEASE

ACCC GRANTS INTERIM AUTHORISATION TO QANTAS AND AMERICAN AIRLINES

9 July 2015

The Australian Competition and Consumer Commission has granted interim authorisation to Qantas (ASX: QAN) and American Airlines so they can introduce new joint services between Australia and the US under an expansion of their alliance.

“The ACCC considers that granting interim authorisation is likely to lead to additional capacity on the Sydney to Los Angeles route, and increased capacity and competition on the Sydney to San Francisco route,” ACCC Commissioner Dr Jill Walker said.

“This is likely to result in benefits to passengers that wish to use these services. Further, granting interim authorisation is unlikely to have any permanent impact on the market that could not be reversed in the event final authorisation is not granted.”

Interim authorisation is not indicative of whether or not final authorisation will be granted.

The alliance between Qantas and American Airlines was first authorised by the ACCC in September 2011 for 5 years. Reauthorisation has been sought for an expanded alliance, which among other things will enable commencement of new joint services from December 2015.

Authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010. Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

The ACCC also sought submissions on the substantive application from interested parties. Those submissions closed on 3 July 2015. The ACCC will now proceed to prepare its draft determination.

More information about the application for authorisation and the ACCC’s granting of interim authorisation is available at www.accc.gov.au/AuthorisationsRegister.