

DECISION

DECISION: [2000] IASC 202
VARIATION OF: IASC/DET/9709
THE ROUTE: THAILAND
THE APPLICANT: QANTAS AIRWAYS LIMITED
(QANTAS) (ACN 009 661 991)

1 The application

1.1 On 6 January 2000, Qantas applied to the Commission to vary Determination IASC/DET/9709 (the Determination) allocating capacity on the Thailand route to allow Finnair to code share, on a free sale basis, on Qantas services on the route.

1.2 Qantas and Finnair propose to commence code share services between Helsinki and Australia via Bangkok on two services a week from April 2000 and increasing to four services per week from June 2000.

1.3 The Commission published a notice inviting submissions from interested parties about the Qantas application. No submissions were received.

1.4 All non-confidential material supplied by the applicant is filed on the Register of Public Documents. Any confidential material supplied by the applicant is filed on the Commission's confidential register.

2 Provisions of relevant air services arrangements

2.1 The Australia - Thailand air services arrangements allow any airline of a third country to code share as the non-operating airline with the designated airlines of each country. In addition, more than one airline may code share on a designated airlines' service.

3 Commission's assessment

3.1 When considering applications to vary determinations the Commission must determine whether the determination, as varied, would be of benefit to the public. Under paragraph 4 of the Minister's policy statement the use of Australian entitlements is of benefit to the public. For an established international carrier such as Qantas this means that there is public benefit arising from the use of capacity.

3.2 The Commission will vary the determination as requested on the condition that the code share agreement is consistent with the summary provided in the Qantas application and that the Commission approves the final code share agreement before services commence.

4 Decision [2000] IASC 202

4.1 In accordance with section 24 of the Act, the Commission varies Determination IASC/DET/9622 as requested by Qantas by:

adding the following conditions

- “the capacity may be used by Qantas to provide services jointly with Finnair in accordance with:
 - the finalised code share agreement, signed by Qantas and Finnair, being approved by the Commission, with such additional conditions (if any) as the Commission may require, prior to code share services commencing; or
 - any subsequent code share agreement between Qantas and Finnair for operations on the Australia-Thailand route with the prior approval of the Commission; and
- under any code share agreement with Finnair:
 - Qantas must price its services on the route independently;
 - Qantas must not share or pool revenues on the route; and
 - Qantas must take all reasonable steps to ensure that passengers are informed of the carrier actually operating the flight at the time of booking;”

Dated: 2 February 2000

Michael Lawriwsky
Member

Stephen Lonergan
Member