



INTERNATIONAL AIR SERVICES COMMISSION

RENEWAL DETERMINATION

DETERMINATION NO: [2002] IASC 115
RENEWAL OF: DETERMINATION IASC/DET/9724
THE ROUTE: PAPUA NEW GUINEA
THE APPLICANT: QANTAS AIRWAYS LIMITED
(ACN 009 661 901) (QANTAS)
PUBLIC REGISTER FILE: IASC/APP/200124

1 The application for renewal

1.1 On 6 June 1997, the Commission issued Determination IASC/DET/9724 (the determination) allocating 1550 seats per week in each direction on the Papua New Guinea route. The determination expires on 5 June 2002.

1.2 Qantas has applied to the Commission for a renewal of the determination. The Commission published a notice on 31 August 2001 inviting submissions about the application, and other applications for an allocation of the capacity subject to renewal. No submissions or other applications were received.

1.3 All material supplied by the applicant is filed on the Register of Public Documents.

2 Commission's consideration

2.1 Under the Minister's Policy Statement (No. 3), of 23 April 1997, as amended on 9 March 1999, there is a rebuttable presumption in favour of the carrier seeking the renewal.

2.2 The Commission notes that Qantas has not been fully utilising all of its allocated capacity on the route. Qantas has a total allocation of 1550 seats and has recently been using 1014 seats by code sharing on Air Niugini services. Qantas has requested that it retain its current allocation and will be reviewing its requirements during 2002. There are 1230 seats remaining available for immediate allocation.

2.3 The Commission also notes that:

- there are no other applicants seeking capacity on the route; and
- there is no evidence that Qantas has failed to service the route effectively.

2.4 In these circumstances, the Commission concludes that the renewal of Determination IASC/DET/9724 would be of benefit to the public.

2.5 The wording of the fresh determination below reflects the view of the Commission that determinations which renew original determinations should contain updated terms and conditions consistent with the Commission's current practice and current air services arrangements. Under the *International Air Services Commission Act 1992*, the Commission may make changes to the terms and conditions included in the original determination where warranted by changes in circumstances since the original determination was made.

3 Determination for renewal of Determination IASC/DET/9724 allocating capacity on the Papua New Guinea route to Qantas ([2002] IASC 115)

3.1 The Commission makes a fresh determination in favour of Qantas Airways Limited, 1550 seats per week in each direction on the Australia – Papua New Guinea route.

3.2 The determination is for five years from 1 July 2002.

3.3 The determination is subject to the following conditions:

- Qantas is required to fully utilise the capacity;
- only Qantas is permitted to utilise the capacity;
- the capacity may be used by Qantas to provide services jointly with Air Nuigini in accordance with:
 - the code share agreement dated 23 October 1987;
 - or any subsequent code share agreement between Qantas with Air Nuigini for operations on the Australia-Papua New Guinea route with the prior approval of the Commission; and
- under any code share agreement with Air Nuigini:
 - Qantas must price and sell its services on the route independently of Air Nuigini;
 - Qantas must not share or pool revenues on the route with Air Nuigini;
- to the extent that the capacity is used to provide joint services on the route, Qantas must take all reasonable steps to ensure that passengers are informed of the carrier actually operating the flight at the time of booking;
- changes in relation to the ownership and control of Qantas are permitted except to the extent that any change:
 - results in the designation of the airline as an Australian carrier under the Australia – Papua New Guinea air services arrangements being withdrawn; or

- has the effect that another Australian carrier, or a person (or group of persons) having substantial ownership or effective control of another Australian carrier, would take substantial ownership of Qantas or be in a position to exercise effective control of Qantas, without the prior consent of the Commission; and
- changes in relation to the management, status or location of operations and Head Office of Qantas are permitted except to the extent that any change would result in the airline ceasing to be an airline designated by the Australian Government for the purposes of the Australia – Papua New Guinea air services arrangements.

Dated: 2 April 2002

Ross Jones
Chairman

Michael Lawriwsky
Member

Stephen Lonergan
Member