



## Australian Government

### International Air Services Commission

#### DETERMINATION

**Determination:** [2004] IASC 121  
**The Routes:** Solomon Islands  
**The Applicant:** HeavyLift Cargo Airlines Pty Ltd  
(ACN 102 571 746) (HeavyLift)  
**Public Register File:** IASC/APP/200417

#### 1 The application

1.1 On 16 August 2004, HeavyLift applied for an allocation of 25 tonnes of freight capacity per week on the Solomon Islands route. HeavyLift advised that its current capacity allocation of 75 tonnes was not sufficient to meet demand for services on the route, with a growing level of tuna exports. Currently HeavyLift is supplementing scheduled services with charter flights and is seeking the additional allocation to enable these charters to be operated as scheduled services.

1.2 The Commission published a notice on 20 August 2004 inviting other applications for capacity on the route. No applications were received. All material supplied by the applicant is filed on the Register of Public Documents.

#### 2 Provisions of relevant air services arrangements

2.1 The air services arrangements with the Solomon Islands allow for multiple designation of carriers and HeavyLift is already designated as an Australian carrier on the route. The Register of Available Capacity shows that 25 tonnes of capacity for freight services remain available for allocation on this route. HeavyLift already has an allocation of 75 tonnes of capacity per week and is now seeking the balance of the negotiated capacity. HeavyLift has in its fleet B727-51C aircraft with a previously advised capacity of 22 tonnes and Shorts SC-5 Belfast aircraft (32 tonnes). The differing capacities of the aircraft give HeavyLift flexibility to match aircraft with loads, within its overall capacity allocation.

#### 3 Commission's assessment

3.1 Under paragraph 6.2 of the Minister's policy statement, the Commission is required only to apply the criteria in paragraph 4 of the policy statement. Under paragraph 4, the use of Australian entitlements by a carrier that is reasonably capable of obtaining the necessary approvals (4(b)(i)) and of implementing its proposals (4(b)(ii))

is of benefit to the public. HeavyLift is now an established carrier on the Solomon Islands route, so there is no need for the Commission to carry out a detailed assessment of the airline's ability to meet the paragraph 4 requirements. Use of the capacity by HeavyLift means that there is public benefit arising from the use of the entitlements.

3.2 In previous cases, the Commission has made interim (three year) determinations in favour of HeavyLift. However, now that the carrier has a demonstrated track record of operations the Commission sees no reason in this case why HeavyLift should not be allocated the capacity for the standard five year period for determinations.

#### **4 Determination allocating capacity on the Solomon Islands route to HeavyLift Cargo Airlines Pty Ltd (HeavyLift) [2004] IASC 121**

4.1 The Commission makes a determination in favour of HeavyLift, allocating 25 tonnes of capacity per week in each direction under the Australia – Solomon Islands air services arrangements.

4.2 The determination is for five years from the date of the determination.

4.3 The determination is subject to the following conditions:

- HeavyLift is required to fully utilise the capacity from no later than 1 December 2004 or from such other date approved by the Commission;
- only HeavyLift is permitted to utilise the capacity;
- HeavyLift is not permitted to utilise the capacity to provide services jointly with another Australian carrier or any other person without the approval of the Commission;
- changes in relation to the ownership and control of HeavyLift are permitted except to the extent that any change:
  - results in the designation of the airline as an Australian carrier under the Australia – Solomon Islands 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 HeavyLift or be in a position to exercise effective control of HeavyLift, without the prior consent of the Commission; and

- changes in relation to the management, status or location of operations and head office of HeavyLift 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 –Solomon Islands air services arrangements.

Dated: 8 November 2004

John Martin  
Chairman

Michael Lawriwsky  
Member