



## Australian Government

### International Air Services Commission

#### DECISION

<b>Decision:</b>	<b>[2004] IASC 213</b>
<b>Variation of:</b>	<b>[2003] IASC 120</b>
<b>The Route:</b>	<b>Singapore</b>
<b>The Applicant</b>	<b>Qantas Airways Limited (ACN 009 661 901) (Qantas)</b>
<b>Public Register File:</b>	<b>IASC/APP/200429</b>

#### 1 The application

1.1 On 27 September 2004, Qantas applied for a variation to Determination [2003] IASC 120 (the Determination) to permit Air France to code share on a number of Qantas services between Singapore and Australia.

1.2 Until 31 October 2004, Qantas operated three services per week between Australia and France. Qantas is now seeking to replace the three services with a joint service with Air France whereby daily Qantas services from Brisbane, Melbourne, Perth and Sydney and six weekly services from Adelaide and Darwin connect with a daily Air France service from Paris to Singapore. The Commission, in Decision [2004] IASC 211, has already approved Qantas' code sharing on the daily Air France services.

1.3 Qantas has an allocation of unlimited passenger capacity on the Australia – Singapore route and already has authorisation from the Commission to provide joint services with British Airways, Finnair, Gulf Air and Swiss International on the route.

1.4 The Commission published a notice on 5 November 2004 inviting submissions about the application. A submission supporting the application was received from Tourism Australia. Tourism Australia emphasised the potential benefits to regional Australia and greater engagement of Air France in selling Australia as a destination. All public material supplied by the applicant is filed on the Register of Public Documents.

## **2 Provisions of relevant air services arrangements**

2.1 Under the Australia –Singapore air services arrangements, Australian designated carriers may determine the frequency, capacity and aircraft type to be operated on the routes available under the arrangements and may exercise traffic rights on these routes. The designated airlines may enter into code share, blocked space or other co-operative marketing arrangements with any other airline, including airlines of third parties, as marketing and/or operating airline, provided that the airlines hold the authority to operate or market the service.

## **3 Commission's assessment**

3.1 When considering applications to vary determinations, the Commission must decide whether the determinations, as varied, would be of benefit to the public. Under paragraph 4 of the Minister's Policy Statement (No. 5), of 19 May 2004, the use of entitlements by Australian carriers under a bilateral arrangement 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 the entitlements.

3.2 Section 15(2)(e) of the Act requires the Commission to include a condition in determinations stating the extent to which the carrier may use that capacity in joint services with another carrier. Qantas is proposing to enter into a joint services arrangement with Air France. At this stage, the Commission has been provided with a copy of a draft agreement between the carriers. The draft agreement is a free sale type agreement. The Commission will authorise the use of the capacity in joint services with Air France on the basis that the final code share agreement is materially consistent with the draft agreement and is submitted to the Commission as soon as practicable,

3.3 The Commission will vary the determination as requested by Qantas.

## **4 Decision [2004] IASC 213**

4.1 In accordance with section 24 of the Act, the Commission, varies Determination [2003] IASC 120 by:

*adding* the following conditions to the Determination:

- the capacity may be used by Qantas to provide services jointly with Air France in accordance with:
  - the code share agreement dated 28 October 2004
  - or any subsequent code share agreement between Qantas and Air France for operations on the Australia-Singapore route with the prior approval of the Commission;
- under any code share agreement with Air France:

- Qantas must price and sell its services on the route independently of Air France;
- Qantas must not share or pool revenues on the route with Air France.

Dated: 16 November 2004

John Martin  
Chairman

Michael Lawriwsky  
Member