



Australian Government

International Air Services Commission

DECISION

Decision:	[2006] IASC 210
Variation of:	[2004] IASC 102 and [2004] IASC 112
The Route:	United Kingdom
The Applicant	Qantas Airways Limited (ACN 009 661 901) (Qantas)
Public Register File:	IASC/APP/200606

1 The application

1.1 On 20 April 2006, Qantas applied for a variation to Determinations [2004] IASC 102 and [2004] IASC 112 (the Determinations) to permit Air Malta to code share on additional daily Qantas services between Australia and the United Kingdom via Singapore. Qantas already has Commission authorisation to code share with Air Malta on daily services to the United Kingdom via Bangkok and on daily services to the United Kingdom via Singapore.

1.2 The proposed new code share services involve Qantas' services to the UK via Singapore which connect with services operated by Air Malta between London and Malta. Qantas would code share on Air Malta's services.

1.3 The code share agreement between Qantas and Air Malta is a free sale agreement for passenger traffic only. A signed copy of the Amendment Annex is to be submitted to the Commission shortly.

1.4 The Commission published a notice on 28 April 2006 inviting submissions about the application. No submissions were received. All public material supplied by the applicant is filed on the Register of Public Documents.

2 Provisions of the relevant air services arrangements

2.1 The Australia – United Kingdom air services arrangements include the adoption of a liberal policy, based on market demand, for the approval of free sale code share arrangements with third country carriers.

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 allocated capacity in joint services with another carrier. The Commission has previously authorised the use of capacity in joint services between Qantas and Air Malta on the UK, Thailand and Singapore routes and will do so in this case. The authorisation will be subject to the Amendment Annex to the existing code share agreement between the two carriers being submitted to the Commission, prior to the services commencing.

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

4 Decision [2006] IASC 210

4.1 In accordance with Section 24 of the Act, the Commission varies Determinations [2004] IASC 102 and [2004] IASC 112 by:

adding the following conditions to Determination [2004] IASC 102:

- the capacity may be used by Qantas to provide services jointly with Air Malta in accordance with:
 - the code share agreement dated 1 March 2005 and the finalised Amendment Annex, signed by Qantas and Air Malta, being approved by the Commission, with such additional conditions (if any) as the Commission may require, prior to the code share services commencing;
 - or any subsequent code share agreement between Qantas and Air Malta for operations on the Australia – United Kingdom route with the prior approval of the Commission;
- under any code share agreement with Air Malta:
 - Qantas must price and sell its services on the route independently of Air Malta;
 - Qantas must not share or pool revenues on the route with Air Malta.

adding the following conditions to Determination [2004] IASC 112:

- the capacity may be used by Qantas to provide services jointly with Air Malta in accordance with:
 - the code share agreement dated 1 March 2005 and the finalised Amendment Annex, signed by Qantas and Air Malta, being approved

by the Commission, with such additional conditions (if any) as the Commission may require, prior to the code share services commencing;

- or any subsequent code share agreement between Qantas and Air Malta for operations on the Australia – United Kingdom route with the prior approval of the Commission;
- under any code share agreement with Air Malta:
 - Qantas must price and sell its services on the route independently of Air Malta;
 - Qantas must not share or pool revenues on the route with Air Malta;
- 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;

Dated: 08 May 2006

John Martin
Chairman

Michael Lawriwsky
Member

Vanessa Fanning
Member