



Australian Government

International Air Services Commission

DETERMINATION

Determination: [2007] IASC 102
The Routes: Solomon Islands
The Applicant: HeavyLift Cargo Airlines Pty Ltd
(ACN 102 571 746) (HeavyLift)
Public Register File: IASC/APP/200708

1 The application

1.1 On 2 May 2007, HeavyLift applied for an allocation of 25 tonnes of freight capacity per week on the Solomon Islands route.

1.2 The Commission published a notice on 8 May 2007 inviting other applications for capacity on the route. No applications were received. The first letter supplied by the applicant is filed on the Register of Public Documents. The applicant also provided additional material on a confidential basis.

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.

2.2 Allocation of the capacity sought will exhaust Australian cargo entitlements on the route.

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.

3.2 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.

3.3 HeavyLift already has an allocation of 75 tonnes of capacity per week and is now seeking the balance of the negotiated capacity. HeavyLift's fleet for the Australian operation comprises 1 B727-200 aircraft with payload capacity of 27 tonnes, 2 B727-51C aircraft with payload capacity of 20 tonnes and 1 Shorts SC-5 Belfast aircraft with capacity previously advised as being 32 tonnes. The differing capacities of the aircraft give HeavyLift flexibility to match aircraft with loads, within its overall capacity allocation.

4 Determination allocating capacity on the Solomon Islands route to HeavyLift Cargo Airlines Pty Ltd (HeavyLift) [2007] IASC 102

4.1 The Commission makes a determination in favour of HeavyLift, allocating 25 tonnes of capacity per week in each direction on the Solomon Islands route 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 31 October 2007 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: 17 May 2007

John Martin
Chairman

Vanessa Fanning
Member