Media Release

ICCC to allow freight codeshare for PX-Qantas

THE Independent Consumer and Competition Commission is proposing to allow a freight codeshare agreement between Air Niugini and Qantas on the Port Moresby-Brisbane route.

In so doing the Commission has released a draft determination on Air Niugini’s application for a replacement agreement on an earlier freight codeshare, which was granted by ICCC and was part of passenger code-share agreement granted in September 2012.

The previous freight codeshare was allowed for eight months and included the Port Moresby-Sydney route. It expired on May 28, 2013.

Air Niugini in their application asked for an extension of the deadline for the freight codeshare deadline to coincide with the passenger deadline on October 1, 2015. The airline also applied for a few variations including the freight codeshare exclusion of the Port Moresby-Sydney route, a change from the B767 to the B737 on the Port Moresby – Sydney route and “material changes” that would be necessary for the change in the type of aircraft used.

In releasing the draft determination ICCC Commissioner and Chief executive Officer Dr Billy Manoka said: “The Commission is satisfied that this freight code-share agreement will benefit the public and the detriments associated with it would be outweighed if the financial viability of the route the subject of the application and those stated to be dependent on it, is sound and can be sustained.”

Authorised by

-----------------------------------------------
Dr Billy Manoka
COMMISSIONER & CHIEF EXECUTIVE OFFICER
**Background**

The Independent Consumer and Competition Commission is Papua New Guinea’s principal economic regulator and consumer watchdog. It was established by the Independent Consumer and Competition Commission Act 2002. Among its enabled powers, the ICCC can give authorization to parties to enter into business agreements that would normally be deemed illegal under the Act.

Authorisation is a transparent process under the ICCC Act where the Commission may grant immunity from legal action from conduct that might otherwise breach the ICCC Act. The Commission may authorise the parties to engage in anti-competitive conduct if it is satisfied that the public benefits resulting from engaging in the conduct would, or would be likely to, outweigh the public detriment (including the anti-competitive effects).

In reviewing an application, the Commission conducts public consultation by inviting views from interested parties to make their submissions outlining the reasons whether or not they support the application. That process is followed by the issue of a draft determination and, under the provisions of the ICCC Act, if requested by an interested party, or if the Commission decides of its own volition to call one, a conference is held prior to a determination being made.

Regarding Air Niugini, the authorisation would be conditional and would be subjected to certain terms and conditions including:

- **a)** This authorisation expires on 28 September 2015;
- **b)** Air Niugini to submit six monthly separate passenger and freight code-share profit/loss reports to the Commission, for each of the Sydney and Brisbane routes and each of the Asian routes which depend on the operation of the wide-body aircraft which operates the Brisbane route.;
- **c)** Air Niugini must price and sell its code-share services independently of Qantas;
- **d)** Air Niugini must not sell or pool its code-share revenue with Qantas; and
- **e)** All freight space booking arrangements are to be on a “hard block” basis.