

Tesna schedules February flight

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KEY POINTS

Lindsay Fox and Solomon Lew's Tesna syndicate will reveal a flight schedule today for a February 1 relaunch of Ansett and begin taking bookings, in a vote of confidence that their bid for the airline will succeed despite many unresolved issues.

The move came as rival Qantas Airways announced Cairns as the launching pad for its all-economy class international carrier, Australian Airlines, which will begin flights to six Asian ports next September.

Tesna's Ansett will initially make 751 flights a week on eight sectors between Sydney, Melbourne, Brisbane, Adelaide and Perth using a fleet of 16 leased A320s. It will add new ports, including Canberra, as it expands its fleet to 30 by mid-2002.

Tesna has arranged a "cash-secure" trust to hold all pre-paid funds until flights are taken, in an attempt to win customer confidence.

The syndicate is expected to reveal further details of a new frequent-flyer program and commercial alliances with international airlines over the next few weeks.

Tesna is continuing negotiations with Singapore Airlines and other potential operators, but sources said a new chief executive would be appointed by Christmas.

However, Ansett staff received a blow yesterday when the Federal Court deferred a decision on whether it would approve the terms of the Federal Government's \$195 million loan to cover redundancy payments.

- The Fox-Lew syndicate plans a February 1 relaunch of Ansett.
- Qantas will base its new all-economy class international carrier Australian Airlines in Cairns.

The Government has indicated it could pay employees directly if the terms of the loan are not approved, but a lawyer for the administrators, Mr Leon Zwier, said that option would be cumbersome and leave little chance of staff receiving payments before Christmas.

Qantas' plan for Australian Airlines was welcomed by tourism authorities, although unions are concerned it could lead to the loss of aviation jobs offshore and a reduction in pay levels.

The Qantas board has made its approval conditional on the new carrier achieving a cost base of 20 per cent to 25 per cent less than the full-service airline, and the airline has begun negotiating with unions to introduce more flexible work practices and rostering.

The chief executive of Australian Airlines, Mr Denis Adams, said maintenance work may be outsourced, and Singapore, Taipei and Auckland were being considered as possible locations.

Australian Airlines will start with a fleet of four Boeing 767-300s and 350 staff flying between Cairns and Osaka, Nagoya, Singapore, Taipei, Hong Kong and Fukuoka, with connecting flights between Cairns and the Gold Coast six times a week.