



Australian Government

International Air Services Commission

RENEWAL DETERMINATION

Determination: [2016] IASC 105
Renewal of: [2006] IASC 126
The Route: Singapore
The Applicant: Qantas Airways Ltd
(ABN 16 009 661 901) (Qantas)
Public Register File: IASC/APP/201625

The Commission's delegate makes a fresh determination allocating to Qantas unlimited frequency and capacity for all-cargo services on the Singapore route capacity. The determination is valid for 10 years from 7 May 2017.

1 The application for renewal

1.1 On 26 October 2006, the Commission's delegate issued Determination [2006] IASC 126 (the Determination) allocating unlimited frequency and capacity for all-cargo services on the Singapore route under the Australia - Singapore air services arrangements. The Determination is valid for 10 years from 7 May 2007.

1.2 Under the *International Air Services Commission Act 1992* (the Act), the Commission must start its consideration of the renewal of a determination at least 12 months before the expiry of the Determination. The Determination expires on 6 May 2017.

1.3 Qantas applied to the Commission on 30 May 2016 for a renewal of the Determination. The Commission published a notice on the same date inviting other applications for an allocation of the capacity subject to renewal. No other applications were received.

1.4 In its renewal application, Qantas sought an allocation for a period of 10 years, consistent with the open capacity regime under the Australia - Singapore air services arrangements.

1.5 All non-confidential material supplied by the applicant is filed on the Register of Public Documents and made available on the Commission's website (www.iasc.gov.au).

2 Delegate's consideration

2.1 In accordance with section 27AB of the Act and regulation 3A of the International Air Services Commission Regulations 1992, the delegate of the Commission may consider the Qantas application. (For purposes of this determination, all references to the Commission include the delegate of the Commission.)

2.2 In considering an application for renewal of a determination under section 8 of the Act, the Commission must make the same allocation of capacity as the original determination unless the Commission is satisfied that the allocation is no longer of benefit to the public. In assessing the benefit to the public of an allocation of capacity, the Commission must apply the criteria set out for that purpose in the policy statement made by the Minister under section 11 of the Act.

2.3 Under the Minister's Policy Statement (No. 5) of 19 May 2004, where capacity is not limited under a bilateral arrangement, as in this case, the criteria set out in paragraph 4 apply. Under paragraph 4, the use of entitlements by an Australian carrier that is reasonably capable of obtaining the necessary approvals and of implementing its proposals 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.

2.4 In these circumstances, the delegate concludes that the renewal of Determination [2006] IASC 126 would be of benefit to the public.

2.5 Under the Minister's policy statement, where capacity and route rights are not constrained, the Commission may issue a determination for a ten year period. The delegate will do so in this case.

2.6 The wording of the fresh determination below reflects the view of the Commission that determinations which renew original determinations should contain updated terms and conditions consistent with the Commission's current practice and current air services arrangements. Under section 15 of the Act, the Commission may make changes to the terms and conditions included in the original determination where warranted by changes in circumstances since the original determination was made.

3 Determination for renewal of Determination [2006] IASC 126 allocating capacity on the Singapore route to Qantas ([2016] IASC 105)

3.1 The delegate, on behalf of the Commission, makes a determination in accordance with section 8 of the Act in favour of Qantas, allocating unlimited frequency and capacity for all-cargo services on the Singapore route under the Australia – Singapore air services arrangements.

3.2 The determination is for ten years from 7 May 2017.

3.3 The determination is subject to the following conditions:

- Qantas is required to fully utilise the capacity;
- only Qantas is permitted to utilise the capacity;
- Qantas 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 Qantas are permitted except to the extent that any change:
 - results in the designation of the airline as an Australian carrier under the Australia – Singapore 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 Qantas or be in a position to exercise effective control of Qantas, without the prior consent of the Commission; and
- changes in relation to the management, status or location of operations and Head Office of Qantas 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 – Singapore air services arrangements.

Dated: 16 June 2016



Marlene Tucker
Executive Director
Delegate of the IASC Commissioners