



# INTERNATIONAL AIR SERVICES COMMISSION

## DETERMINATION

**DETERMINATION:** [2001] IASC 112  
**THE ROUTE:** JAPAN  
**THE APPLICANT:** QANTAS AIRWAYS LIMITED  
(ACN 009 661 901) (QANTAS)  
**PUBLIC REGISTER FILES:** IASC/APP/200123

### 1 The application

1.1 Qantas applied to the Commission on 26 July 2001 for an allocation of 0.2 B767-200 units per week of capacity in order to recommence own operations to Osaka.

1.2 Qantas already has an allocation of 7 units on the Osaka route. It is seeking the additional 0.2 units to enable it to operate 6 B767-300 services per week on the route. One B767-300 is equivalent to 1.2 B767-200 units.

1.3 The Commission published a notice on 1 August 2001 inviting other applications for all or any part of the capacity and submissions from interested parties about the Qantas application. No applications or submissions were received.

1.4 All material supplied by the applicant is filed on the Register of Public Documents.

### 2 Provisions of relevant air services arrangements

2.1 According to the Register of Available Capacity there are 2.8 B767-200 units of capacity available for immediate allocation of which 2.4 units are subject to a separate application. All of the available capacity on the Register may be used to any point in Japan.

### 3 Commission's assessment

3.1 Under paragraph 6.2 of the Minister's Policy Statement, in the absence of submissions about or opposing an application, 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 and of implementing its proposals is of benefit to the public.

3.2 The Commission accepts that Qantas is reasonably capable of implementing its proposal to fully utilise the 0.2 units for which it has applied. In these circumstances, the Commission concludes that an allocation to Qantas of 0.2 units of capacity per week in each direction on the Japan route would be of benefit to the public.

### 4 Role of the ACCC

4.1 The Policy Statement and its associated Explanatory Memorandum make it clear that the ACCC retains primary responsibility for competition policy matters. Nothing in the Commission's decisions should be taken as indicating either approval or disapproval by the ACCC. The Commission's decisions are made without prejudicing, in any way, possible future consideration by the ACCC.

## **5 Determination allocating capacity on the Japan route to Qantas ([2001] IASC 112)**

5.1 The Commission makes a determination in favour of Qantas, allocating 0.2 B767-200 units of capacity per week in each direction on the Japan route under the Australia - Japan air services arrangements.

5.2 The determination is for five years from the date of the determination.

5.3 The determination is subject to the following conditions:

- Qantas is required to fully use the capacity from 1 December 2001 or from such other date approved by the Commission;
- only Qantas is permitted to utilise the capacity;
- 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 - Japan 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 - Japan air services arrangements.

Dated: 28 August 2001

Ross Jones  
Chairman

Michael Lawriwsky  
Member

Stephen Lonergan  
Member