



INTERNATIONAL AIR SERVICES COMMISSION

RENEWAL DETERMINATION

DETERMINATION NO: [2002] IASC 113
RENEWAL OF: DETERMINATION IASC/DET/9621
THE ROUTE: INDONESIA
THE APPLICANT: QANTAS AIRWAYS LIMITED
(ACN 009 661 901) (QANTAS)
PUBLIC REGISTER FILE: IASC/APP/200124

1 The application for renewal

1.1 On 26 November 1996, the Commission issued Determination IASC/DET/9621 (the determination) allocating 7.6 B747 equivalent services per week in each direction on the Australia – Indonesia route. The determination expires on 30 June 2002.

1.2 Qantas has applied to the Commission for a renewal of the determination. The Commission published a notice on 31 August 2001 inviting submissions about the application, and other applications for an allocation of the capacity subject to renewal. No submissions or other applications were received.

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

2 Commission's consideration

2.1 Under the Minister's Policy Statement (No. 3), of 23 April 1997, as amended on 9 March 1999, there is a rebuttable presumption in favour of the carrier seeking the renewal.

2.2 The Commission notes that Qantas, which has a total allocation of 13.15 B747 equivalent services, has not been fully utilising all of its allocated capacity on the route. However, Qantas is planning to increase utilisation in the current scheduling period and has recently informed the Commission that it will not seek to renew IASC/DET/9730 which expires in September 2002 and allocates 0.8 B747 services per week. Qantas has requested that it retain its current allocation so that it may respond quickly to demand for increased services.

2.3 The Commission also notes that:

- There are 13.85 B747 equivalent services available for immediate allocation;
- there are no other applicants seeking capacity on the route; and

- there is no evidence that Qantas has failed to service the route effectively.

2.4 In these circumstances, the Commission concludes that the renewal of Determination IASC/DET/9621 would be of benefit to the public.

2.5 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 the *International Air Services Commission Act 1992*, 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 IASC/DET/9621 allocating capacity on the Indonesia route to Qantas ([2002] IASC 113)

3.1 The Commission makes a fresh determination in favour of Qantas Airways Limited, allocating 7.6 B747 equivalent services per week in each direction on the Australia – Indonesia route.

3.2 The determination is for five years from 1 July 2002.

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 – Indonesia 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 – Indonesia air services arrangements.

Dated: 2 April 2002

Ross Jones
Chairman

Michael Lawriwsky
Member

Stephen Lonergan
Member