



INTERNATIONAL AIR SERVICES COMMISSION

DETERMINATION

DETERMINATION NO: [2002] IASC 116
THE ROUTE: JAPAN
THE APPLICANT: QANTAS AIRWAYS LIMITED
(ACN 009 661 901)
PUBLIC REGISTER FILE: IASC/APP/200209

1 The application

1.1 On 8 April 2002, Qantas applied for an allocation of 2.4 B767-200 units per week on the Japan route under the Australia – Japan air services arrangements.

1.2 Qantas proposes that the capacity be used by Australian Airlines to operate two of its planned three new services between Cairns and Fukuoka from November 2002. The remaining 1.2 units required for the new services will be drawn from capacity currently held by Qantas.

1.3 On 12 April 2002, the Commission published a notice inviting submissions from interested parties about the application. No 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 Operation of the capacity involved in each application is consistent with the provisions of the Australia-Japan air services arrangements.

3 Commission's consideration

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. For an established international carrier such as Qantas, this means that there is public benefit arising from the use of the entitlements.

3.2 The Commission has previously considered and approved the use of capacity by a wholly owned subsidiary of Qantas Airways Limited on the Japan route (see [2002] IASC 203).

3.3 Therefore, the Commission concludes that an allocation to Qantas of 2.4 B767-200 units per week on the Japan route would be of benefit to the public.

4 Determination allocating capacity on the Japan route to Qantas ([2002] IASC 116)

4.1 The Commission makes a determination in favour of Qantas Airways Limited, allocating 2.4 B767-200 units of capacity per week in each direction between Australia and Japan.

4.2 The determination is for five years from the date of this Determination.

4.3 The determination is subject to the following conditions:

- Qantas is required to commence utilisation no later than 30 November 2002 and fully utilise the capacity from no later than 30 April 2003, or from such other date approved by the Commission;
- only Qantas or another Australian carrier which is a wholly owned subsidiary of Qantas is permitted to utilise the capacity;
- neither Qantas nor another Australian carrier which is a wholly owned subsidiary of Qantas is 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 - 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: 22 April 2002

Ross Jones
Chairman

Michael Lawriwsky
Member

Stephen Lonergan
Member