



Australian Government

International Air Services Commission

DETERMINATION

Determination:	[2004] IASC 108
The Route:	Japan
The Applicant:	Qantas Airways Limited (Qantas) (ACN 009 661 901)
Public Register:	IASC/APP/200410

1 The application

1.1 On 19 May 2004, Qantas applied for an allocation of 2.4 B767-200 units of capacity per week on the Japan route. It is intended that Australian Airlines, a wholly owned subsidiary of Qantas, will operate two B767-300 services weekly between Cairns and Sapporo. Qantas proposes that the services will operate only during the Northern Winter scheduling period due to the seasonal nature of the traffic¹.

1.2 On 24 May 2004, the Commission published a notice inviting applications from interested parties for some or all of the capacity sought by Qantas. No applications were received.

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

2 Provisions of relevant air services arrangements

2.1 Operation of the capacity involved is consistent with the provisions of the Australia-Japan air services arrangements.

2.2 The Register of Available Capacity indicates that 15.8 units per week of capacity are available for allocation. Of this, 4.6 units may only be operated for services other than to/from Tokyo and for joint services, including those to/from Tokyo as the operating carrier, with the designated airlines of Japan ("Non-Tokyo Capacity").

3 Commission's consideration

3.1 Under paragraph 6.2 of the Minister's Policy Statement (No.5), of 19 May 2004, the Commission is required only to apply the criteria in paragraph 4 of

¹ The Northern Winter scheduling period is from approximately the end of October until approximately the end of April.

the policy statement. 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.

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) and will authorise its use in this way on this occasion.

3.3 The Commission concludes that an allocation to Qantas of 2.4 B767-200 units of Non Tokyo Capacity per week in each direction on the Japan route for the Northern Winter Scheduling period would be of benefit to the public.

4 Determination allocating capacity on the Japan route to Qantas ([2004] IASC 108)

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 of Non-Tokyo Capacity for the Northern Winter Scheduling Periods during the period of the determination

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 fully utilise the capacity from no later than 30 November 2004, 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: 29 June 2004

John Martin
Chairman

Stephen Lonergan
Member

Michael Lawriwsky
Member