



Australian Government

International Air Services Commission

DETERMINATION

Determination: [2004] IASC 123
The Route: South Africa
The Applicant: Qantas Airways Limited (Qantas)
(ACN 009 661 901)
Public Register: IASC/APP/200431

1 The application

1.1 On 30 November 2004, Qantas applied for an allocation of one frequency per week of dedicated cargo capacity on the South Africa route. Qantas proposes to operate the once weekly service between Sydney/Perth and Johannesburg using a B747 aircraft wet leased from Atlas Air.

1.2 On 6 December 2004, the Commission published a notice inviting applications from interested parties for some or all of the capacity available on the route. No applications were received. 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 in the application is consistent with the provisions of the Australia - South Africa air services arrangements. According to the Register of Available Capacity there is one frequency per week for operation with a dedicated freight aircraft available for allocation on the South Africa route.

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 the policy statement in this case. 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 concludes that an allocation to Qantas of one frequency for all-freight operations per week in each direction on the South Africa route would be of benefit to the public.

4 Determination allocating capacity on the South Africa route to Qantas ([2004] IASC 123)

4.1 The Commission makes a determination in favour of Qantas, allocating one all-freight frequency per week in each direction on the South Africa route.

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 March 2005, or from such other date approved by the Commission;
- 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 - South Africa 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 – South Africa air services arrangements.

Dated: 20 December 2004

John Martin
Chairman

Vanessa Fanning
Member

Michael Lawriwsky
Member