



Australian Government

International Air Services Commission

DETERMINATION

Determination: [2004] IASC 124
The Route: India
The Applicant: Qantas Airways Limited (Qantas)
(ACN 009 661 901)
Public Register: IASC/APP/200432

1 The application

1.1 On 30 November 2004, Qantas applied for an allocation of unlimited capacity and frequency for all cargo services on the India route. The application was made concurrently with a request for unlimited freight capacity on the Germany route. Qantas plans to introduce from 15 January 2005 a twice weekly freighter service between Sydney and Frankfurt via Shanghai. One service will return via Mumbai and Singapore, with the second returning via Mumbai and Shanghai. The services are to be performed using B747 freighter 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 - India air services arrangements. According to the Register of Available Capacity, the designated airline(s) of Australia may operate dedicated cargo services on any route with unlimited frequencies and any aircraft type.

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 notes that Qantas already holds allocations of capacity on the Singapore and China routes necessary to facilitate the proposed services. The Commission concludes that an allocation to Qantas of unlimited capacity and frequency for dedicated cargo services on the India route would be of benefit to the public.

3.3 Under the Minister's policy statement, where capacity is not constrained, the Commission may issue a determination for a ten year period. The Commission will do so in this case.

4 Determination allocating capacity on the India route to Qantas ([2004] IASC 124)

4.1 The Commission makes a determination in favour of Qantas, allocating unlimited capacity and frequency for dedicated cargo services in each direction on the India route.

4.2 The determination is for ten 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 - India 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 – India air services arrangements.

Dated: 20 December 2004

John Martin
Chairman

Vanessa Fanning
Member

Michael Lawriwsky
Member