



Australian Government

International Air Services Commission

RENEWAL DETERMINATION

Determination: [2011] IASC 127
Renewal of: [2006] IASC 122
The Route: Indonesia
The Applicant: Qantas Airways Ltd
(ACN 009 661 901) (Qantas)
Public Register File: IASC/APP/201124

1 The application for renewal

1.1 On 26 October 2006, the delegate of the Commission issued Determination [2006] IASC 122 (the Determination) allocating 3,390 seats per week in each direction of the Australia – Indonesia route.

1.2 Under the *International Air Services Commission Act 1992* (the Act), the Commission must start its consideration of the renewal of a determination at least 12 months before the expiry of the Determination. The Determination expires on 30 June 2012.

1.3 Qantas applied to the Commission on 11 October 2011 for a renewal of the Determination. The Commission published a notice on 20 October 2011 inviting submissions about the application. No submissions were received.

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

2 Delegate's consideration

2.1 In accordance with section 27AB of the Act and regulation 3A of the *International Air Services Commission Amendment Regulations 2003 (No.1)*, the delegate of the Commission considers the Qantas application.

2.2 Under the Minister's Policy Statement (No. 5) of 19 May 2004, there is a rebuttable presumption in favour of the carrier seeking the renewal. The delegate notes that:

- Qantas has been servicing the route effectively; and
- there are no other applicants seeking capacity on the route.

2.3 In these circumstances, the delegate concludes that the renewal of Determination [2006] IASC 122 would be of benefit to the public.

3 Determination for renewal of Determination [2006] IASC 122 allocating capacity on the Indonesia route to Qantas ([2011] IASC 127)

3.1 The delegate, on behalf of the Commission, makes a determination in favour of Qantas, allocating 3,390 seats weekly in each direction on the Australia – Indonesia route under the Australia – Indonesia air services arrangements.

3.2 The determination is for five years from 1 July 2012.

3.3 The determination is subject to the following conditions:

- Qantas must fully utilise the capacity;
- only Qantas or another Australian carrier which is a wholly owned subsidiary of 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;
- the capacity may be used by any wholly-owned subsidiary of Qantas to provide joint services with Qantas;
- where the capacity is used to provide joint services on the route, nothing in this determination exempts Qantas and any wholly owned subsidiary from complying with the Australian Consumer Law. The airlines are required to take all reasonable steps to ensure that passengers are informed, at the time of booking, of the carrier actually operating the flight;
- 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: 19 December 2011

Sue McIntosh

Sue McIntosh
Executive Director
Delegate of the IASC Commissioners

