



Australian Government

International Air Services Commission

DETERMINATION

Determination: [2012] IASC 101
The Route: Philippines
The Applicant: Qantas Airways Limited (Qantas)
(ACN 009 661 901)
Public Register: IASC/APP/201201

1 The application

1.1 On 10 January 2012, Qantas applied for an allocation of 180 seats of capacity per week on the Philippines route. Qantas advised that it plans to commence an extra service between Darwin and Manila from 25 March 2012, using a one-class A320 aircraft configured with 180 seats. The capacity will be fully utilised by 31 December 2012. Qantas sought a five-year determination. Qantas also requested that the capacity be able to be utilised by Qantas or another Australian carrier which is a wholly-owned subsidiary of Qantas.

1.2 Qantas also advised that all Darwin to Manila services will continue to Tokyo from 25 March 2012. Qantas already has an allocation of capacity on the Japan route which will be used to facilitate these plans.

1.3 The Commission published a notice on 12 January 2012, inviting other applications for capacity. No applications were received. All material supplied by the applicant is filed on the Register of Public Documents.

2 Provisions of relevant air services arrangements

2.1 The proposed services by Qantas are consistent with the air services arrangements between Australia and the Philippines. The Register of Available Capacity shows that for services to Manila there are 2,253 seats of capacity per week available for allocation.

3 Delegate's assessment

3.1 In accordance with section 27AB of the *International Air Services Commission Act 1992* (the Act) and regulation 3A of the *International Air Services Commission Regulations 1992*, the delegate of the Commission considers the Pacific Air Express application.

3.2 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 Australian entitlements by a carrier that is reasonably capable of obtaining the necessary approvals (4(b)(i)) and of implementing its proposals (4(b)(ii)) is of benefit to the public.

3.3 Qantas and its subsidiary are established carriers, currently operating seven services on the Philippines route. This means that there is public benefit arising from the use of the entitlements. Accordingly, the Commission will allocate the capacity sought to Qantas. The Commission has authorised use of allocated capacity by Qantas or its wholly-owned subsidiaries on a number of routes, and will do so in this case.

4 Determination allocating capacity on the Philippines route to Qantas ([2012] IASC 101)

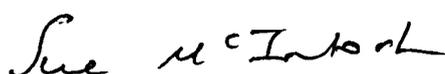
4.1 The Commission, makes a determination in favour of Qantas, allocating 180 seats of capacity per week in each direction on the Philippines route in accordance with the Australia – Philippines air services arrangements.

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

4.3 The determination is subject to the following conditions:

- Qantas is required to fully utilise the capacity from no later than 31 December 2012;
- the capacity may be utilised by Qantas or another Australian carrier which is a wholly-owned subsidiary of Qantas;
- 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 – Philippines 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 – Philippines air services arrangements.

Dated: 7 February 2012



Sue McIntosh
Executive Director
Delegate of the IASC Commissioners