

DETERMINATION

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| DETERMINATION: | [2000] IASC 109 |
| THE ROUTE: | INDONESIA |
| THE APPLICANT: | QANTAS AIRWAYS LIMITED |
| | (QANTAS) (ACN 009 661 901) |

1 The application

1.1 On 7 March 2000 Qantas applied for an allocation of freight capacity on the Indonesia route. Qantas proposes to operate two B747F freighter services per week using aircraft wet leased from Evergreen International Airlines. Qantas is seeking to commence operations from 3 April 2000.

1.2 The Commission published a notice inviting other applications for all or part of the available capacity and submissions about the application. One submission supporting Qantas' application was received from the Queensland Department of State Development. No other applications were received.

1.3 All non-confidential material supplied by the applicant is filed on the Register of Public Documents. Any confidential material supplied by the applicant is filed on the Commission's confidential register.

2 Provisions of relevant air services arrangements

2.1 The Australia - Indonesia air services arrangements allow the designated airlines of Australia to operate three all cargo services weekly with any aircraft between points in Australia and Indonesia.

3 Commission's assessment

3.1 Under the Minister's Policy Statement (No 3 of 23 April 1997, as amended on 9 March 1999) the relevant criteria to be applied, given that there is only one applicant and no submissions opposing the application, are whether Qantas is reasonably capable of obtaining the necessary approvals and of implementing its proposals. Qantas is an established international carrier and is already operating significant international passenger and freight services. The Commission concludes, therefore, that Qantas meets these criteria.

4 Determination allocating capacity on the Indonesia route to Qantas [2000] IASC 109

4.1 The Commission makes a determination in favour of Qantas, allocating 2 all cargo services weekly in each direction on the Indonesia route under the air services arrangements between Australia and Indonesia.

- 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 to fully utilise the capacity from no later than 30 April 2000 or from such other date approved by the Commission;
 - only Qantas is permitted to utilise the capacity;
 - 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 Agreement 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 Agreement.

Dated: 21 March 2000

Michael Lawriwsky
Member

Stephen Lonergan
Member