



Australian Government

International Air Services Commission

DETERMINATION

Determination: [2005] IASC 102
The Route: THAILAND
The Applicant: Qantas Airways Limited (Qantas)
(ACN 009 661 901)
Public Register: IASC/APP/200504

1 The application

1.1 On 2 March 2005, Qantas applied for an allocation of one all-cargo service per week on the Thailand route. Qantas intends to commence operating a weekly freighter service on a routing of Sydney – Shanghai – Frankfurt – Mumbai – Bangkok - Sydney, using a B747 wet-leased from Atlas Air. Qantas plans to start its services as soon as all regulatory requirements have been met.

1.2 The Commission published a notice on 7 March 2005 inviting other applications for capacity. No applications were received.

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

2 Provisions of relevant air services arrangements

2.1 Under the Australia – Thailand air services arrangements, the designated airlines of Australia may operate all cargo services with any type of aircraft between points in Australia via intermediate points to points in Thailand and beyond.

2.2 The Register of Available Capacity shows that there are seven all-cargo services per week with any type of aircraft available for allocation.

2.3 Qantas already holds allocations of capacity on the other routes involved, consistent with the operation of the services on the Thailand 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. The Commission

concludes that an allocation to Qantas of one all cargo service per week in each direction on the Thailand route would be of benefit to the public.

3.2 The Commission notes that Qantas already holds allocations of capacity on the China, Germany and India routes necessary to facilitate the proposed services.

4 Determination allocating capacity on the Thailand route to Qantas ([2005] IASC 102)

4.1 The Commission makes a determination in favour of Qantas, allocating one all-cargo service per week in each direction on the Thailand route under the Australia - Thailand 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 30 June 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 – Thailand 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 – Thailand air services arrangements.

Dated: 17 March 2005

John Martin
Chairman

Michael Lawriwsky
Member

Vanessa Fanning
Member