



Australian Government

International Air Services Commission

DETERMINATION

Determination: [2011] IASC 104
The Route: Indonesia
The Applicant: Qantas Airways Limited (Qantas)
(ACN 009 661 901)
Public Register: IASC/APP/201109

1 The application

- 1.1 On 21 April 2011, Qantas applied for an allocation of 540 seats per week and three frequencies per week of passenger capacity beyond Indonesia under the Australia-Indonesia air services arrangements. Qantas' wholly-owned subsidiary company, Jetstar Airways plans to introduce additional services from Australia to Denpasar and beyond to points beyond Indonesia.
- 1.2 Qantas advised that the services will be operated using a 180 seat A320 aircraft.
- 1.3 The Commission published a notice on 21 April 2011 inviting other applications for the capacity. No applications were received.
- 1.4 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-Indonesia air services arrangements, no more than seven frequencies per week may be operated beyond Denpasar.
- 2.2 The Register of Available Capacity shows that there are 14 frequencies per week utilising up to 5032 seats weekly beyond Jakarta and two points in Indonesia west of Denpasar to Singapore, points in Malaysia and a point in Thailand available for allocation. Of the 14 frequencies, three are available for services beyond Denpasar.

3 Delegate's consideration

- 3.1 In accordance with section 27AB of the *International Air Services Commission Act 1992* and regulation 3A of the *International Air Services Commission Regulations 1992*, the delegate of the Commission may consider Qantas' application.
- 3.2 Qantas currently has a total allocation of 7,118 seats per week on the Indonesia route and holds four of the seven beyond Denpasar frequencies which are available. An allocation of a further three frequencies per week will result in the utilisation of

the remaining capacity available beyond Denpasar.

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

3.4 Qantas and its subsidiary company, Jetstar, are established international carriers which are capable of obtaining the necessary approvals and of implementing the proposed operations. This means that there is public benefit arising from the use of the entitlements. The delegate, on behalf of the Commission, will allocate to Qantas the capacity it has sought.

4 Determination allocating capacity on the Indonesia route to Qantas ([2011] IASC 104)

4.1 The delegate, on behalf of the Commission, makes a determination in favour of Qantas, allocating 540 seats per week in each direction and three frequencies per week of passenger capacity beyond Indonesia, all three of which may serve Denpasar, under the Australia – Indonesia 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 2011, or from such other date approved by the Commission;
- 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;
- changes in relation to the ownership and control of Qantas are permitted except to the extent that any change:
 - results in the airline ceasing to be an Australian designated carrier under the Australia – Indonesia air services arrangements; 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.
- 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: 17 May 2011

Sue McIntosh
Executive Director
Delegate of the IASC Commissioners