



Australian Government

International Air Services Commission

DETERMINATION

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| Determination: | [2011] IASC 107 |
| The Route: | China |
| The Applicant: | Strategic Airlines (ACN 131 128 571) |
| Public Register: | IASC/APP/201112 |

1 The application

1.1 On 18 May 2011 Strategic Airlines applied for an allocation of 1,911 seats per week on the China route under the Australia – People’s Republic of China (China) air services arrangements. Strategic Airlines proposes to introduce three services per week between Australia and China. The flights would be carried out using an Airbus A330 aircraft. Strategic Airlines sought approval for these three weekly services to be operated by no later than the end of August 2012.

1.2 On 20 May 2011, the Commission published a notice inviting applications from interested parties for some or all of the capacity sought by Strategic Airlines. No applications were received.

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

2 Provisions of relevant air services arrangements

Operation of the capacity involved in each application is consistent with the provisions of the Australia - China air services arrangements. According to the Register of Available Capacity there are 16,199 seats each way per week to and from Sydney, Melbourne, Brisbane and Perth.

3 Delegate's consideration

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 Amendment Regulations 2003 (No.1)*, the delegate of the Commission may consider the Strategic Airlines application.

3.2 Under paragraph 6.2 of the Minister's policy statement, the Commission is required only to apply the criteria in paragraph 4 of the policy statement. 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 Strategic Airlines, this means that there is public benefit arising from the use of the entitlements.

3.3 The delegate concludes that an allocation to Strategic Airlines of 1,911 seats per week in each direction on the China route would be of benefit to the public.

4 Determination allocating capacity on the China route to Strategic Airlines ([2011] IASC 107)

4.1 The delegate, on behalf of the Commission, makes a determination in favour of Strategic Airlines allocating 1,911 seats of capacity per week in each direction between Australia and China, from the seats of capacity available to be operated by the designated airlines of Australia to and from Sydney, Melbourne, Brisbane and Perth.

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

4.3 The determination is subject to the following conditions:

- Strategic Airlines is required to utilise the capacity by no later than 31 August 2012, or from such other date approved by the Commission;
- only Strategic Airlines is permitted to utilise the capacity;
- Strategic Airlines 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 Strategic Airlines are permitted except to the extent that any change:
 - results in the designation of the airline as an Australian carrier under the Australia - China 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 Strategic Airlines or be in a position to exercise effective control of Strategic Airlines, without the prior consent of the Commission; and

- changes in relation to the management, status or location of operations and Head Office of Strategic Airlines 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 – China air services arrangements.

Dated: 6 June 2011

Sue McIntosh
Executive Director
Delegate of the IASC Commissioners