



Australian Government

International Air Services Commission

DETERMINATION

Determination: [2011] IASC 109
The Route: Indonesia
The Applicant: Qantas Airways (Qantas)
(ABN 16 009 661 901)
Public Register: IASC/APP/20110704

1 The application

1.1 On 15 July 2011 Qantas applied for an allocation of 7,350 seats per week on the Indonesia route to be utilised by its wholly owned subsidiary, Jetstar Airways. Jetstar plans to introduce additional services between Australia and Denpasar using one class A320 aircraft and two class A330 aircraft. Jetstar proposes to fully utilise this capacity by 1 April 2014.

1.2 The Commission published a notice on 15 July 2011 inviting other applications for capacity. No applications were received. All public material supplied by the applicant is filed on the Register of Public Documents.

2 Provisions of relevant air services arrangements

2.1 Operation of the capacity is consistent with the provisions of the Australia – Indonesia air services arrangements.

2.2 According to the Register of Available Capacity the following seats are available per week in each direction:

- 10,200 seats to Sydney, Melbourne (including Avalon), Brisbane and Perth; and
- an additional 2,500 seats to Sydney, Melbourne (including Avalon), Brisbane and Perth provided such services operate via or beyond a point in Australia other than Sydney, Melbourne (including Avalon), Brisbane and Perth.

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. 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.

3.2 Qantas is an established airline which is clearly capable of obtaining the necessary approvals and of implementing the proposed operations. In terms of paragraph 4, this means that there is public benefit arising from the use of the entitlements on each of the routes concerned.

3.3 The Commission will allocate to Qantas the capacity it has sought on the Indonesia route.

4 Determination allocating capacity on the Indonesia route to Qantas ([2011] IASC 109)

4.1 The Commission makes a determination in favour of Qantas allocating 7,350 seats on the Indonesia route.

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

4.3 The determination is subject to the following conditions:

- is required to fully utilise the capacity from no later than 1 April 2014 or from such other date approved by the Commission;
- only Qantas, or 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 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 – Indonesia 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 – Indonesia air services arrangements.

Dated: 30 August 2011

Handwritten signature of Dr Jill Walker in black ink.

Dr Jill Walker
Chairwoman

Handwritten signature of Stephen Bartos in black ink.

Stephen Bartos
Member