



**Australian Government**  

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**International Air Services Commission**

**DETERMINATION**

**Determination:** [2011] IASC 113  
**The Route:** China  
**The Applicant:** Qantas Airways Limited (Qantas)  
(ABN 16 009 661 901)  
**Public Register:** IASC/APP/201117

**1 The application**

1.1 On 13 July 2011 Qantas applied for an allocation of 2,170 seats per week on the China route under the Australia – People’s Republic of China (China) air services arrangements. Qantas is seeking permission for the capacity to be utilised either by Qantas or a wholly-owned subsidiary. Qantas has indicated that the current plan is for its wholly-owned subsidiary, Jetstar, to commence daily services in late 2011 using two-class A330-200 aircraft. Qantas sought approval for these services to be operated by no later than April 2012.

1.2 On 15 July 2011, the Commission published a notice inviting applications from interested parties for some or all of the capacity sought by Qantas. 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 the application is consistent with the provisions of the Australia - China air services arrangements. According to the Register of Available Capacity there are 16,288 seats each way per week to and from Sydney, Melbourne, Brisbane and Perth.

### **3 Delegate's consideration**

2.1 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 Qantas application.

2.2 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 Qantas, this means that there is public benefit arising from the use of the entitlements.

2.3 The delegate concludes that an allocation to Qantas of 2,170 seats per week in each direction on the China route would be of benefit to the public.

### **3 Determination allocating capacity on the China route to Qantas Airways ([2011] IASC 113)**

3.1 The delegate, on behalf of the Commission, makes a determination in favour of Qantas allocating 2,170 seats of capacity per week in each direction between Australia and China, from the seats of capacity available to the designated airlines of Australia to and from Sydney, Melbourne, Brisbane and Perth.

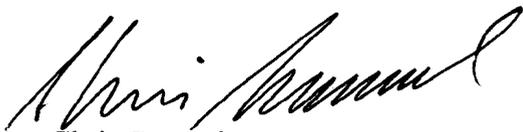
3.2 The determination is for five years from the date of this determination.

3.3 The determination is subject to the following conditions:

- Qantas is required to utilise the capacity by no later than 1 April 2012 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 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 – 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 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 – China air services arrangements.

Dated: 25 August 2011



Chris Samuel  
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Delegate of the IASC Commissioners