

**SENATE RURAL AFFAIRS & TRANSPORT
LEGISLATION COMMITTEE**

INDEX OF TABLED DOCUMENTS

**Inquiry into Air Navigation & Civil Aviation Amendment (Aircraft Crew) Bill
2011; and Qantas Sale Amendment (Still Call Australia Home) Bill 2011**

FRIDAY, 4 NOVEMBER 2011

LODGED BY	TITLE/SUBJECT	PAGES
Mr Alan Joyce, CEO, Qantas	Opening Statement;	4
Senator Nick Xenophon	Letter from Qantas to International Air Services Commission, dated 11/10/11, regarding Renewal Commission Determinations;	4

OPENING STATEMENT BY ALAN JOYCE

FRIDAY, 4 NOVEMBER 2011

The primary purpose of the Qantas Sale Act was to ensure that Qantas would remain a majority Australian owned flag carrier.

The Government has acknowledged that nothing Qantas is doing is in contravention of the spirit or intent of the Act.

The Bill being proposed would not do more to protect Australia's Qantas. It would not make us more Australian.

It would not protect Australian jobs. It would have the opposite effect.

It would put our business in jeopardy. It would threaten Australian jobs.

The Bill contemplates locking Qantas inside Australian borders.

This is protectionism. No company can hide from the threats and opportunities of globalisation.

Qantas operates in a global aviation industry and if we want to survive and succeed we must be free to pursue global opportunities.

Qantas has a range of investments in Asia through Jetstar, and plans to invest in a premium airline in Asia. Some of these airlines do not fly to or from Australia.

The Qantas Group's investments in Asia are well within the Act's intent.

These new airlines are businesses in which Qantas will have a minority shareholding under the laws of the countries in which they are based.

They are Japanese airlines; they are Vietnamese airlines; they are Singaporean or Malaysian airlines; they are businesses in which Qantas is investing.

But the revenue and profits will flow back to Australia, enabling us to invest in our Australian operations and protect and grow Australian jobs.

So this Bill would have a perverse and worrying effect.

It would prevent Qantas from creating new businesses in the fastest growing aviation markets in the world.

It would impose conditions on Qantas that would not be contemplated for any other Australian company looking to invest offshore.

It would actually diminish our competitiveness when we are under more pressure than ever to compete effectively.

I can assure you that Qantas proudly calls Australia home and we will always do so.

The vast majority of our operations are here and will always stay here:

- We conduct 90% of our aircraft maintenance in Australia
- 92% of our 35,000 people are based here
- Out of our fleet of 293 aircraft, 213 Qantas and QantasLink aircraft are dedicated to servicing Australia
- We have seven catering facilities around the country, including a new \$72 million investment in a state-of-the-art catering centre in Brisbane
- 10 maintenance ports and 12 hangars
- 39 lounges

The weight of our business will always remain in Australia.

But we need to be realistic about the challenges facing Qantas, and the reasons for expanding beyond our borders.

We have a relatively small home market, that is not a major global destination. We have no global hub ports.

Some may think the best that Australia can do is to shrink inside our borders and shut out the world. But that is a defeatist view and I reject it.

It is a recipe for long-term failure.

Qantas has got this far by being true to our core values, our commitment to safety, our technical innovation and forward thinking, and representing the best of Australia.

I say that nothing could be more Australian than taking on the world and winning.

Winning for Australia's Qantas, Australia's reputation, Australian tourism and Australian jobs.



11 October 2011

Ms Sue McIntosh
Executive Director
International Air Services Commission
GPO Box 630
Canberra ACT 2601

Dear Ms McIntosh *Sue*

Re: Renewal of Commission Determinations

Thank you for your recent letter which invited Qantas to express its interest in the renewal of determinations allocating capacity to the Qantas Group which will expire in 2012.

Qantas' requests in relation to these determinations are outlined in the attachment to this letter.

We would be pleased to provide any further information the Commission might require in considering our renewal requests.

Yours sincerely

Tony Wheelens
General Manager
Group Government and Industry Affairs



Qantas Airways Limited ABN 16 009 661 901
Qantas Centre 203 Coward Street Mascot NSW 2020 Australia
Telephone 61 (2) 9691 3636

qantas.com

ATTACHMENT

[2006] IASC 107 - Germany Route

Qantas is fully utilising the capacity under this determination. We therefore request renewal of this determination, as varied by Decision 214/2007, which allocates four frequencies per week on the Germany route and permits joint services with British Airways and Iberia Airlines, for five years from 1 July 2012.

As part of the renewal, Qantas seeks a variation to add conditions enabling capacity to be used by any wholly-owned subsidiary of Qantas and be used by Qantas to provide services jointly with any wholly-owned subsidiary of Qantas.

[2006] IASC 108 and [2006] IASC 114 – Hong Kong Route

Determinations 108/2006 and 114/2006 (each as varied by Decision 205/2007 to permit joint services with Air France) allocate fifteen and five frequencies per week on the Hong Kong route respectively. As Qantas is fully utilising the capacity under these determinations, we seek renewal of these determinations for five years from 1 July 2012.

As part of the renewal, Qantas seeks a variation to add a condition enabling capacity to be used by Qantas to provide services jointly with any wholly-owned subsidiary of Qantas.

[2006] IASC 110 – Thailand Route

This determination allocates seven B747 weekly services in each direction on the Thailand route, all of which is currently being utilised. Accordingly, Qantas seeks renewal of this determination for five years from 1 July 2012. We would request to retain the conditions of the determination to support the code share arrangements with British Airways, Finnair, Air Malta, Iberia Airlines and Kenya Airways.

As part of the renewal, Qantas seeks a variation to add conditions enabling capacity to be used by any wholly-owned subsidiary of Qantas and be used by Qantas to provide services jointly with any wholly-owned subsidiary of Qantas.

[2006] IASC 112 – Korea Route

Qantas seeks renewal of this determination, allocating 500 seats per week in each direction, for five years from 1 July 2012 to facilitate continuation of the code share arrangements under which Qantas places its code on Asiana Airlines' services.

[2006] IASC 116 – Switzerland Route

As Qantas is fully utilising the seven third country code share frequencies per week on the Switzerland route, we seek renewal of this determination (as varied by Decision 202/2008 to permit joint services with British Airways) for five years from 19 March 2012.

[2006] IASC 117 – Japan Route

This determination allocates 45.6 B767-200 equivalent units of capacity per week in each direction on the Japan route, all of which is currently being utilised. Accordingly, Qantas seeks renewal of this determination, as varied to enable joint services with Japan Airlines, for five from 1 July 2012. As part of the renewal, Qantas seeks a variation to add conditions to enable joint services with Qantas or any wholly-owned subsidiary of Qantas.

[2006] IASC 118 – France Route 1

Qantas seeks renewal of this determination allocating 250 one way seats per day averaged over 12 months, including the conditions relating to code sharing with Air France and British Airways, for a further five years from 22 May 2012.

[2006] IASC 119 and [2006] IASC 120 – France (Route 2 – French Polynesia)

Determinations 119/2006 and 120/2006 allocate one unit of capacity and 0.5 units of capacity per week in each direction on France (Route 2 - French Polynesia). We request renewal of these determinations, including the conditions relating to code sharing with Air Tahiti Nui, for five years from 1 July 2012 and 17 September 2012 respectively.

[2006] IASC 121 – France (Route 3 – New Caledonia)

This determination for the allocation of one unit of capacity per week in each direction is being used by Qantas as part of our four services per week to Noumea. Accordingly, Qantas seeks renewal of this determination for five years from 1 July 2012, including the conditions relating to code sharing with Air Caledonie International.

[2006] IASC 122 – Indonesia Route

Qantas seeks renewal of this determination, allocating 3,390 seats weekly in each direction on the Indonesia route, for a further five years from 1 July 2012.

[2006] IASC 123 – Philippines Route

This determination allocates 458 seats per week in each direction on the Philippines route. We seek renewal of this determination for five years from 1 July 2012. As part of the renewal, Qantas seeks a variation to add conditions enabling capacity to be used by any wholly-owned subsidiary of Qantas.

[2006] IASC 124 – Japan Route

Qantas seeks renewal of this determination allocating 0.6 B767-200 units of capacity per week in each direction on the Japan route, as varied, for five years from 22 April 2012.

[2006] IASC 129 – Papua New Guinea Route

As Qantas is fully utilising the 1,000 seats per week on the Papua New Guinea route, we seek renewal of this determination (as varied to permit joint services with Air Niugini) for five years from 1 July 2012.

[2006] IASC 130 – South Africa Route

Qantas requests renewal of this determination, as varied, which allocates one frequency per week on the South Africa route, for five years from 1 July 2012. This determination permits South African Airways to code share on these Qantas services until 31 December 2011.

Qantas has applied for an extension of these code share arrangements pursuant to this determination. We would request the renewed determination be issued when the outcome of this application is known to enable further approval to code share to be reflected, should this be authorised.

[2009] IASC 132 – Fiji Route

Qantas seeks renewal of this determination allocating 852 seats of capacity per week in each direction on the Fiji route for five years from 5 November 2012.