

**Response of AUSTRALIA
to questions concerning its current policy, position and practice
on air carrier ownership and control**

(Date of response: 19/09/07)

No.	Question	Yes	No	Case by Case	Note/Comment
1.	When designating your airline to operate the agreed services under an air services agreement, do you require it to be substantially (or majority) owned and effectively controlled by nationals of your country?			X	Australian law requires Australian international airlines other than Qantas to be no more than 49% owned by foreign persons. Total foreign ownership of Qantas Airways Ltd. is restricted to a maximum of 49% in aggregate, with individual holdings limited to 25% and aggregate holdings by foreign airlines to 35%. In assessing a request for designation, Australia applies the criteria contained in the relevant Air Services Agreement (ASA).
2.	In dealing with the designation of foreign airlines, which of the following criteria do you accept:				It is Australian Government policy to seek to include the “incorporation and principal place of business” in all ASAs.
	a) substantially (or majority) owned and effectively controlled by the designating party or its nationals (the traditional approach)			X	Australia accepts the criteria contained in the relevant ASA.
	b) substantially (or majority) owned and effectively controlled by one or more States that are parties to an agreement or within a predefined regional grouping (e.g. a “community of interest” carrier)			X	Australia accepts the criteria contained in the relevant ASA.
	c) incorporated and having its principal place of business or permanent residence in the territory of the designating party			X	Australia accepts the criteria contained in the relevant ASA.
	d) having its principal place of business in the territory of and effective control by the designating party (without the ownership requirement)		X		

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	e) having its principal place of business in the territory of and effective regulatory control by the designating party	X			
	f) any other criteria (please describe)				
3.	In dealing with airline designations in the future, are you willing to accept criteria other than the traditional national ownership and control:				
	a) for both yourself and the foreign partner?	X			It is Australian Government policy to seek to include the “incorporation and principal place of business” in all ASAs.
	b) for the foreign partner but maintain traditional criteria for yourself?			X	Where a foreign partner’s domestic law requires the use of substantial ownership and effective control the Australian Government will accept the foreign partner applying that test, subject to the provisions of the relevant ASA.
	c) What economic regulatory conditions will you impose for such acceptance? (please describe)				
4.	Are you willing to consider the following positive action in facilitating liberalization of air carrier ownership and control:				
	a) issuing an individual statement of policy for accepting designations of foreign air carriers?		X		Australia accepts the criteria contained in the relevant ASA
	b) developing a common policy with partner States? (please indicate, if possible, with which partner(s))		X		Prefer to pursue implementation of liberalized regime through ASAs and through multilateral processes.
	c) any other action? (please describe)				

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Any other comments on your answers:					