



Australian Government

International Air Services Commission

DECISION

Decision:	[2010] IASC 203
Variation of:	[2008] IASC 121
The Route:	China
The Applicant:	Qantas Airways Limited (Qantas) (ACN 009 661 901)
Public Register:	IASC/APP/201014

1 The application

1.1 On 24 August 2010, Qantas applied for a variation to Determination [2008] IASC 121, to increase the allocation of seats by 166 per week in each direction to a total of 2,301 seats per week on the China route. The airline plans to upgrade aircraft from the Airbus 330 to a Boeing 747 aircraft during the Northern Winter 2010 scheduling season.

1.2 The Commission published a notice on 26 August 2010 inviting submissions about the application from interested parties. A brief submission supporting the application was received from the Victorian State Government on 8 September 2010. All material supplied by the applicant is filed on the Register of Public Documents.

2 Provisions of relevant air services arrangements

2.1 Under the Australia – China air services arrangements, there are 10,500 seats of capacity per week available for allocation to the designated airlines of Australia. The Commission has previously allocated 2,135 seats per week to Qantas. The Register of Available Capacity shows that there are 8,365 seats per week available for immediate allocation in each direction between China and 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 considers the Qantas application.

3.2 When considering an application to vary determination, the Commission must decide whether the determination, as varied, would be of benefit to the public. Under section 6.3 of the Minister's policy statement, where a carrier requests a variation of a determination to allow it flexibility in operating its capacity and no submission is received about the application, only the criteria in paragraph 4 of the policy statement are applicable. 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.

3.3 The Explanatory Memorandum to the Minister's policy statement provides guidance to the Commission in relation to requests to vary determinations to add minor amounts of capacity. It states that a minor increase in capacity would not generally exceed one B747 equivalent per week. In this case, Qantas is only seeking an additional 166 seats. Accordingly, the delegate will vary the Determination as sought by Qantas.

4 Decision [2010] IASC 203

4.1 In accordance with section 24 of the Act, the delegate, on behalf of the Commission, varies Determination [2008] IASC 121, as requested by Qantas, by:

removing the following from paragraph 3.1 of Determination [2008] IASC 121

- “allocating 2,135 seats per week in each direction on the China route under the Australia - China air services arrangements”

replacing it with

- “allocating 2,301 seats per week in each direction on the China route under the Australia - China air services arrangements”;

Dated: 13 September 2010

Michael Bird
Executive Director
Delegate of the IASC Commissioners