

DECISION

DECISION: [2000] IASC 218
VARIATION OF: [2000] IASC 116
THE ROUTE: INDIA
THE APPLICANT: QANTAS AIRWAYS LIMITED
(QANTAS) (ACN 009 661 901)

1 The application

1.1 Qantas applied to the Commission on 16 November 2000 for a capacity allocation of 304 seats per week on the India route. Qantas subsequently changed its application and instead sought a variation of Determination [2000] IASC 116 to increase the total allocation under that determination by 304 seats to 497 seats per week. Qantas plans to substitute B747 aircraft in place of B767s on two of its daily services to India, the first substitution to take effect from 2 February and the second from 26 March 2001.

1.2 The Commission published a notice on 23 November 2000 inviting other applications for the capacity and submissions from interested parties. None were received.

1.3 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 – India air services arrangements, the current passenger capacity entitlement for Australian designated airlines is 2100 seats per week in each direction. There are 304 seats per week remaining available for allocation.

3 Commission's assessment

3.1 Paragraph 6.3 of the Minister's Policy Statement relates to circumstances where a carrier requests a variation of a determination to allow it flexibility in operating its capacity, including changes in aircraft type, which may result in minor increases in capacity. As the proposed increase in capacity is less than one B747 equivalent per week it is sufficiently small to fit within the intent of paragraph 6.3.

3.2 Qantas actually requires only 246 of the 304 seats of unallocated capacity in order to meet its aircraft substitution requirements. However, as the remaining 58 seats would not constitute a useable level of capacity for any other applicant in future the Commission would see no benefit in withholding these seats. In the absence of submissions about or opposing an application, the Commission need only apply the criteria in paragraph 4 of the Policy Statement. Paragraph 4 states that the use of Australian entitlements is of benefit to the public. For an established international

carrier such as Qantas, which is already providing services on the route, this means that there is a public benefit arising from the utilisation of the capacity.

3.3 The Commission therefore concludes that Determination [2000] IASC 116 should be varied as requested.

4 Decision ([2000] IASC 218)

4.1 In accordance with section 24 of the Act, the Commission varies Determination [2000] IASC 116 on the India route by *adding* 304 seats of capacity per week in each direction.

Dated: 7 December 2000

Ross Jones
Chairman

Michael Lawriwsky
Member

Stephen Lonergan
Member