



INTERNATIONAL AIR SERVICES COMMISSION

DECISION

DECISION: [2003] IASC 210
VARIATION OF: [2002] IASC 127
THE ROUTE: PHILIPPINES
THE APPLICANT: QANTAS AIRWAYS LIMITED
(QANTAS) (ACN 009 661 991)
PUBLIC REGISTER FILE: IASC/APP/200319

1 The application

1.1 On 1 October 2003, Qantas applied to the Commission seeking additional capacity on the Philippines route. Qantas requested a variation of Determination [2002] IASC 127 to increase the allocation of capacity by 400 seats per week from the currently allocated 229 seats per week. Qantas plans to use the extra capacity, together with capacity it holds under two other determinations on the route, to operate three B747-300 services per week. These flights will replace the smaller capacity B767-300 aircraft currently flying the route four times per week. The aircraft change is planned for implementation from 27 October 2003. The new services require 350 additional seats per week. Qantas has sought 50 seats more than this to provide it with some operational flexibility if required from time to time.

1.2 The Commission published a notice on 7 October 2003 inviting applications for capacity on the route or submissions about the Qantas application. No applications or submissions were received. All material supplied by the applicant is filed on the Register of Public Documents.

2 Provisions of relevant air services arrangements

2.1 The proposal is consistent with rights available to Australia's designated airlines under the Australia – Philippines air services arrangements. There are 1,584 seats available for allocation on the Register of Available Capacity.

3 Commission's assessment

3.1 When considering applications to vary determinations the Commission must determine whether the determination, as varied, would be of benefit to the public. Under paragraph 6.2 of the Minister's policy statement, in the absence of submissions about or opposing an application, the Commission is required only to apply the criteria in paragraph 4 of the policy statement. Under paragraph 4, the use of Australian

entitlements by a 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.

3.2 The Commission is agreeable to Qantas' request for an allocation of 400 seats, 50 seats more than necessary to support the proposed services, thus allowing some operational flexibility. The Commission notes that a substantial amount of capacity will remain available for allocation (1,184 seats per week) and no concerns have been raised by other parties about the Qantas application. The Commission will vary Determination [2002] IASC 127 as requested.

4 Decision [2003] IASC 210

4.1 In accordance with section 24 of the Act, as requested by Qantas, the Commission varies Determination [2002] IASC 127 by *replacing* paragraph 3.1 of the Determination with:

“3.1 The Commission makes a fresh determination in favour of Qantas, allocating 629 seats per week in each direction between Australia and the Philippines.”

Dated: 24 October 2003

Stephen Lonergan
Member Presiding

Michael Lawriwsky
Member