



## Australian Government

### International Air Services Commission

#### DECISION

<b>Decision:</b>	<b>[2004] IASC 209</b>
<b>Variation of:</b>	<b>[2001] IASC 106 and [2002] IASC 113</b>
<b>The Route:</b>	<b>Indonesia</b>
<b>The Applicant</b>	<b>Qantas Airways Limited (ACN 009 661 901) (Qantas)</b>
<b>Public Register File:</b>	<b>IASC/APP/200423</b>

#### 1 The application

1.1 On 6 September 2004, Qantas applied to vary two determinations allocating capacity on the Indonesia route. Qantas is seeking to have the determinations varied to reflect changes to the way capacity entitlements are expressed in the air services arrangements.

1.2 In determinations [2001] IASC 106 and [2002] IASC 113, capacity allocations are expressed in terms of B747 equivalent services. The air services arrangements now express entitlements in terms of seats weekly. Qantas is seeking to have its entitlements converted at the rate of 400 seats for each B747 equivalent unit. Capacity on the Australia – Indonesia route is only restricted between points in Indonesia and Sydney, Melbourne, Brisbane and Perth.

1.3 The Commission published a notice on 9 September 2004 inviting submissions about the application. No submissions were received. All public material supplied by the applicant is filed on the Register of Public Documents.

#### 2 Delegate's assessment

2.1 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.

2.2 When considering applications to vary determinations, the Commission (or its delegate) must decide whether the determinations, 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 Australian carriers under a bilateral arrangement is of benefit to the public.

2.3 Qantas has requested that the capacity under each determination be expressed to apply to services operated between Indonesia and all cities in Australia. Under the revised air services arrangements, there are limits on the number of seats which can be operated between Indonesia and Sydney, Melbourne, Brisbane and Perth. There is unlimited capacity available for allocation for services between Indonesia and other points in Australia. The existing allocations already allow Qantas to serve any points in Australia. The delegate has no objection to the variation proposed by Qantas. The effect of an allocation in the terms sought by Qantas is that the frequencies allocated are counted against the capacity available for services between Indonesia and Sydney, Melbourne, Brisbane and Perth. However, the capacity could be used, at Qantas' discretion, to serve other points in Australia.

2.4 The delegate, on behalf of the Commission, will make the variations to the determinations as requested by Qantas.

### **3 Decision [2004] IASC 209**

3.1 In accordance with section 24 of the Act, the delegate, on behalf of the Commission, varies Determinations [2001] IASC 106 and [2002] IASC 113 which allocate capacity on the Indonesia route by

(a) *removing* the following from paragraph 3.1 of Determination [2001] IASC 106

- “allocating 1.95 B747 equivalent services weekly between Australia and Indonesia.”

*replacing* it with

- “allocating 780 seats weekly between any points in Australia and authorised points in Indonesia.”

(b) *removing* the following from paragraph 3.1 of Determination [2002] IASC 113

- “allocating 7.6 B747 equivalent services per week in each direction on the Australia – Indonesia route.”

*replacing* it with

- “allocating 3,040 seats weekly between any points in Australia and authorised points in Indonesia.”

Dated: 20 September 2004

Michael Bird  
Executive Director  
Delegate of the IASC Commissioners