



Australian Government

International Air Services Commission

DECISION

Decision:	[2004] IASC 210
Variation of:	[2002] IASC 113
The Route:	Indonesia
The Applicant	Qantas Airways Limited (ACN 009 661 901) (Qantas)
Public Register File:	IASC/APP/200427

1 The application

1.1 On 27 September 2004, Qantas applied to vary Determination [2002] IASC 113 which allocates 3,040 seats per week between any points in Australia and authorised points in Indonesia. Qantas is seeking an allocation of an additional 350 seats per week.

1.2 Qantas currently holds allocations totalling 4,060 seats per week on the route, of which 3,985 seats per week are currently being utilised by Qantas or its subsidiary Australian Airlines.

1.3 From 2 December 2004 Australian Airlines proposes to introduce two B767-300 (271 seats) services per week between Perth and Denpasar. At the same time, Qantas proposes to withdraw one of its two weekly B737-400 (146 seats) services between Perth and Denpasar. Qantas proposes to withdraw the remaining Perth – Denpasar service from 1 February 2005.

1.4 The net effect of the proposed changes is to increase the seats operated by 396 seats per week to 4,381 seats per week until 1 February 2005. After 1 February 2005 the capacity to be operated reduces to 4,235 seats per week, this would leave 175 seats per week unutilised.

1.5 The Commission published a notice on 1 October 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. For an established international carrier such as Qantas, this means that there is public benefit arising from the use of the entitlements.

2.3 According to the Register of Available Capacity there are 6,740 seats per week available for immediate allocation between Sydney, Melbourne, Brisbane and Perth and authorised points in Indonesia. Capacity is unrestricted between other points in Australia and authorised points in Indonesia..

2.4 The delegate, on behalf of the Commission, will vary the determination as requested by Qantas.

3 Decision [2004] IASC 210

3.1 In accordance with section 24 of the Act, the delegate, on behalf of the Commission, varies Determination [2002] IASC 113 by:

removing the following from paragraph 3.1 of Determination [2002] IASC 113

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

replacing it with

- “allocating 3,390 seats weekly between any points in Australia and authorised points in Indonesia.”

Dated: 26 October 2004

Michael Bird
Executive Director
Delegate of the IASC Commissioners