

9 September 2010

Mr Michael Bird
Executive Director
International Air Services Commission
GPO Box 630
Canberra ACT 2601

Dear Mr Bird 

Application for a variation of Determinations [2009] IASC 131 and [2008] IASC 129 – Fiji Route

The Commission in late 2009 took a series of decisions which enabled V Australia in December 2009 to commence daily B777-300ER services between Australia and Fiji. Capacity allocated to V Australia comprised capacity transferred from Pacific Blue (Aust) and that assigned to V Australia. The Commission agreed subsequently to a request from V Australia to transfer back to PBA 360 seats which had been allocated by [2009] IASC 215.

V Australia now seeks the agreement of the Commission to transfer back to PBA the remaining 2167 seats it operates currently to Nadi. The change-over from V Australia to PBA will occur between 19 - 25 October. The transfer of capacity to PBA will enable V Australia to participate in recently announced network re-alignments and partnership arrangements with Etihad Airways while ensuring the Group continues to support fully its significant and on-going investment in the Fiji market. PBA would use this capacity to increase services from Melbourne, Brisbane and Sydney to Nadi. We believe such an outcome would be fully consistent with the underlying principles for this market which were articulated by the Commission in [2009] IASC 131. V Australia has operated on the Australia – Fiji route since December 2009 and meets the “reasonable period” test set down in paragraph 10 of the Minister’s Policy Statement. As a part of the network re-alignment V Australia has announced it will also withdraw services from Johannesburg and Phuket. We will write separately to the Commission in respect of these matters and the partnership arrangements with Etihad Airways.

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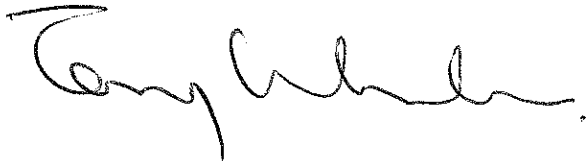


IASC Act and Policy Statement Considerations

We request the Commission consider this application against the general criteria for assessing the benefit to the public in Paragraph 4 of the Minister's Policy Statement.

Paragraph 4 criteria provides that the use of entitlements by an Australian carrier under a bilateral air services agreement is of benefit to the public, provided that the carrier is reasonably capable of obtaining the necessary approvals and implementing the proposal. We would be pleased to provide any further information the Commission may require in support of this application.

Yours sincerely



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