



Australian Government
International Air Services Commission



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ANNUAL
REPORT

2019|20



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Australian Government
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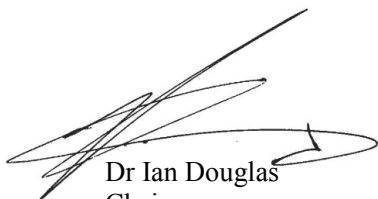
The Hon Michael McCormack MP
Deputy Prime Minister and
Minister for Infrastructure, Transport and Regional Development
Parliament House
CANBERRA ACT 2600

Dear Deputy Prime Minister

We are pleased to submit the twenty-eighth Annual Report of the International Air Services Commission, for the year ended 30 June 2020.

Our report is submitted to you in accordance with subsection 53(1) of the *International Air Services Commission Act 1992* (the Act) and is for presentation to each House of the Parliament in accordance with subsection 53(2) of the Act.

Yours sincerely



Dr Ian Douglas
Chairperson



Karen Gosling
Commissioner

12 August 2020



The International Air Services Commission is an independent statutory authority, established under the *International Air Services Commission Act 1992*. It allocates capacity available under Australia's air services arrangements with other economies to existing and prospective Australian international airlines by making formal determinations. Applications are assessed against public benefit criteria set out in a policy statement issued to the Commission by the Minister for Infrastructure, Transport and Regional Development.

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PART 1

The Year in Review by the Chairperson, Dr Ian Douglas

This annual report marks the twenty-eighth year of operations of the International Air Services Commission (the Commission). It is my pleasure to provide an overview of the activities of the Commission for the last 12 months.

The Commission remained busy, and dealt with a total of 48 applications resulting in 23 decisions varying a range of determinations (including 6 resolutions); 15 renewals of capacity allocations; six determinations allocating new capacity; and one revocation of a determination (at the request of the carrier concerned). Three matters are still pending while the Commission awaits further information from the relevant applicant airline. As in recent years, while most applications were straightforward, the success of Australia in securing additional traffic rights for two daily flights to Tokyo Haneda Airport in Japan resulted in applications by Virgin Australia for one service and by Qantas for both services. Industry submissions were received from both carriers, from airports, from tourism bodies and from the Australian Competition and Consumer Commission (ACCC). Further submissions, supporting one or other of the applications, were received from members of the public, and the applications received significant coverage in both the trade and business press. The additional rights at Haneda came with a requirement for new services to be commenced by the end of March 2020, and the Commission was obliged to implement an expedited process to allow the successful applicant(s) to file for airport slots with the Japan Civil Aviation Bureau (JCAB).

Both Qantas and Virgin Australia were each allocated one daily frequency to operate to Haneda, with Virgin Australia adding new capacity from Brisbane, and Qantas moving its Melbourne – Tokyo service from Narita to Haneda Airport. Before the new services could take to the air, border closures imposed for the control of COVID19 shut down most international flights into Australia. In light of this, the Commission extended the commencement date for Haneda services in line with the extensions of Australian border closures.

The Commission held a total of 19 meetings during the year. While some meetings were conducted face-to-face in Canberra, the Commission carried out its work by teleconference or by email, wherever possible. All but one meeting in the first half of 2020 were conducted by teleconference.

International passenger traffic for the year has been massively impacted by COVID19 shutdowns, with global air traffic down by over 95% in April 2020. The Bureau of Infrastructure, Transport and Regional Economics (BITRE) reported that in Australia, international scheduled passenger traffic in April 2020 was 69,476 compared to 3.505 million in April 2019—a decrease of 98%. Forecasts from the International Air Transport Association (IATA) indicate that when air travel resumes, demand is likely to be at least 30% below 2019 levels. This growth forecast is borne out by fleet and employee cutbacks at a range of carriers in Europe, North America, and Asia.

At the time of writing, the Commission awaits the new structure for Virgin Australia as it emerges from administration. Boston-based private equity firm Bain Capital was the successful bidder. The Commission will work with the restructured airline as it identifies the capacity it requires for ongoing international services from Australia.

Australian designated airlines increased their share of the traffic from 32.2% in 2018 to 32.8% in 2019. Qantas Airways had the largest share of the market in 2019 with 17.4% followed by Jetstar Airways with 8.7%, Singapore Airlines with 8.3%, Emirates with 6.8% and Air New Zealand with 6.8%. Virgin Australia's share was 6.7%.¹ It is interesting to note that Emirates has been reducing its operation of 5th freedom services in recent years.

With the recent travel restrictions due to COVID-19, international flying has been largely limited to repatriation and cargo flights. While most carriers grounded all commercial services, Qatar Airways continued some limited flying and its share of the dramatically reduced passenger traffic in Australia leapt from just 3% to 44.5% in April 2020 (BITRE). Air New Zealand and United Airlines both carried 4.8% of the traffic in the same month.

Routes with substantial markets but limited service by Australian carriers continued to be China, Malaysia, India, Canada, and South Korea. In these cases code share agreements, or connectivity at intermediate points support the market presence of Australian carriers.

1 Bureau of Infrastructure, Transport and Regional Economics (BITRE) Statistical Report, Aviation International airline activity 2018

Appointment matters

On 14 May 2020, my term as Chair of the Commission was extended by the Governor-General for a further period of 12 months. Due to other work commitments, Commissioner Ms Jan Harris resigned from the Commission with effect from 1 September 2019, prior to the end of her term on 25 November 2019, and I would like to thank her for her contribution to the effective work of the Commission.

I would also like to thank my fellow Commissioner Ms Karen Gosling whose experience and focus were essential to the work of the Commission in this busy year, and to the Executive Director, Ms Marlene Tucker, and her small team in the Secretariat for their valuable advice and assistance in ensuring that the Commission functions smoothly and efficiently.

A handwritten signature in black ink, consisting of several overlapping loops and a long, sweeping horizontal stroke at the end.

Dr Ian Douglas

Chairperson



PART 2

Overview of the International Air Services Commission

The role and functions of the Commission

The Commission is an independent statutory authority established under the *International Air Services Act 1992 (the Act)*. The object of the Act is to enhance the welfare of Australians by promoting economic efficiency through competition in the provision of international air services, resulting in:

- ▶ increased responsiveness by airlines to the needs of consumers, including an increased range of choices and benefits;
- ▶ growth in Australian tourism and trade; and
- ▶ the maintenance of Australian carriers capable of competing effectively with airlines of foreign countries.

The Commission's primary responsibility is to serve the object of the Act by allocating capacity entitlements to Australian airlines for the operation of international airline services. The capacity allocated by the Commission comes from entitlements available to Australia's international carriers under air services arrangements between Australia and other economies. In particular, the functions of the Commission are to:

- ▶ make determinations allocating capacity to Australian carriers in both contested and uncontested situations;
- ▶ renew determinations on application by carriers;
- ▶ conduct reviews of determinations; and
- ▶ provide advice to the Minister about any matter referred to the Commission by the Minister concerning international air operations.

The Act is complemented by a policy statement from the Minister. The Minister's policy statement sets out criteria to be applied by the Commission in various circumstances. All applications are assessed against the 'reasonable capability criterion' which means the Commission assesses the extent to which all Australian carriers that are, or would be permitted to use the capacity allocated under a determination are reasonably capable of obtaining any licences, permits and other regulatory approvals required to operate on the relevant route and of using the capacity allocated under the determination. More complex

public benefit criteria may be applied in cases where there are two carriers seeking the same limited amount of capacity or there is an opposing submission to the application. These additional public benefit criteria includes, but not limited to, competition, consumer benefit, promotion of tourism and trade and any relevant information obtained from Australian Government agencies. The Minister's policy statement is a legislative instrument under section 11 of the Act. It is reproduced at Appendix 6.

Determinations allocating capacity are usually made for a period of five years for routes where capacity entitlements or route rights are restricted. In cases where capacity entitlements and route rights are unrestricted, the determinations are valid for 99 years under the new policy statement which came into effect on 28 March 2018. In exceptional circumstances, the Commission may issue interim determinations, which are valid for a period of three years. Interim determinations are normally made when capacity is being allocated to a new Australian operator. For routes that have restricted capacity, if an applicant carrier requests that a determination be made for a shorter period, the Commission will fix the period of validity as requested, except that an interim determination should not be valid for more than 3 years and a regular determination where capacity is restricted should not be valid for more than 5 years.²

The Commission is required to start reviews of existing determinations at least one year before they expire. The Commission initiates such a review by formally asking the carrier concerned whether they wish to seek a renewal of the determination. Except for interim determinations, there is a presumption in favour of the carrier seeking renewal that the determination will be renewed as sought, unless the Commission is satisfied that the (same) allocation is no longer of benefit to the public.³ The allocation is generally no longer of benefit to the public if:

- ▶ the carrier seeking renewal has failed to service the route effectively; and
- ▶ if there are other applications for some or all of the capacity; and
- ▶ the Commission having regard to the reasonable capability criterion and any of the additional criteria that it considers relevant, is satisfied that a different allocation of the capacity would be of greater benefit to the public.⁴

From time to time, airlines apply to the Commission to vary determinations held by them. There can be a number of reasons for an airline to seek a variation – for example, an airline may request to transfer a capacity allocation to another airline entity within the same airline group or seek authorisation for a wholly-owned subsidiary to utilise the capacity. However, the most common application for variation is seeking authorisation to enable an airline to use its allocated capacity to code share with another airline. The Commission conducts a review of the determination and as required by the Act, it invites submissions about the

2 Section 20, International Air Services Commission Policy Statement 2018

3 Subparagraph 8(2)(a)(i), *International Air Services Commission Act 1992*

4 Section 14, International Air Services Commission Policy Statement 2018

application.⁵ In relation to an application for variation other than a transfer application⁶ (as discussed in the paragraph below), if the Commission does not receive any submission opposing the variation requested, then in assessing the application, the Commission is to have regard to the reasonable capability criterion and need not have regard to any other matter. If the Commission receives a submission opposing the application for variation, the Commission is to have regard to the reasonable capability criterion, and may have regard to any of the additional criteria it considers to be relevant.⁷

As earlier mentioned, most of the applications for variation of existing determinations relate to code sharing with another airline or airlines. This type of variation application is a transfer application as so defined in section 4 of the Act. In assessing whether a transfer application would not be of benefit to the public, the Commission is to have regard to: (a) the reasonable capability criterion; (b) the undesirability of approving a transfer where doing so will, or is reasonably likely to, permit or encourage any form of speculative activity, including trading in capacity allocations for commercial benefit; (c) the undesirability, other than in exceptional cases, of approving a transfer application by a carrier that has never used an allocation, or has only used an allocation for less than six months. The Commission may also have regard to any of the additional criteria it considers relevant, as set out in section 9 of the Policy Statement.⁸ If the Commission finds that a transfer application would not be of benefit to the public the Commission must not vary the determination as requested⁹.

The Commission may itself initiate a review of a determination if it is concerned that a carrier might be in breach of a condition of the determination.¹⁰ This can occur, for example, where a carrier has been allocated capacity, but had not used that capacity by the time it was required to do so by the Commission. Where the Commission has commenced a review because an Australian carrier has not complied with a condition that capacity be fully used, the Commission may have regard to the following matters:

- a) whether at the time of the review, there is an application from another Australian carrier for an allocation of capacity on the route, and the unused capacity prevents a competing applicant to be allocated capacity entitlements;
- b) whether there is seasonal variation in demand on the route in question; and
- c) any other matter that the Commission considers to be relevant.¹¹

Having conducted such a review, the Commission may confirm, vary, suspend or revoke the determination.¹²

5 Section 22, *International Air Services Commission Act 1992*

6 As defined in section 4 of the *International Air Services Commission Act 1992*

7 Section 17, *International Air Services Commission Policy Statement 2018*

8 Section 18, *International Air Services Commission Policy Statement 2018*

9 Section 25, *International Air Services Commission Act 1992*

10 See subsection 10(1) and section 23, *International Air Services Commission Act 1992*

11 Section 24, *International Air Services Commission Policy Statement 2018*

12 Subsection 23(1), *International Air Services Commission Act 1992*

Reasonable capability criterion and the additional criteria

There are two sets of criteria that the Commission is to have regard to in assessing whether an application is of benefit to the public: the 'reasonable capability criterion' under section 8 of the 2018 policy statement and the 'additional criteria' in section 9. When and how the Commission is to have regard to the criteria is set out in part 3 of the 2018 policy statement.

Under the 'reasonable capability criterion', the Commission is to assess the extent to which all Australian carriers that are, or would be, permitted to use the capacity allocated under a determination are reasonably capable of:

- a) obtaining any licences, permits or other approvals required to operate on and service the route to which the determination relates; and
- b) using the capacity allocated under the determination.

Section 9 of the policy statement lists the 'additional criteria' which the Commission may have regard to in assessing an application. The additional criteria include competition, tourism and trade, relevant information obtained from other government agencies and authorities. The list is not exhaustive. Subsection 9(l) explicitly provides that the Commission may consider 'any other matter or consideration that the Commission considers to be relevant'.

The Commission has published administrative guidelines to assist applicants in submitting their applications and interested persons in making submissions about applications to the Commission. A summary of these procedures is at Appendix 5. The aim of the procedures is to ensure that applicants and other interested parties understand the requirements for making applications or submissions, are familiar with the Commission's decision-making processes, and are aware of their rights and obligations.

Executive profile

The Act provides for a Chairperson and two Commission members. During the reporting period, the Commission was comprised of a Chairperson, Dr Ian Douglas, and two Members, Ms Jan Harris and Ms Karen Gosling. All were appointed by the Governor-General on a part-time basis for a term of three years. Ms Harris finished her term on 1 September 2019.

The membership of the Commission as at 30 June 2020 is as follows:

Dr Ian Douglas



Dr Ian Douglas was appointed by the Governor-General as part-time Chairperson of the Commission for a three-year term commencing on 5 May 2016. The Governor-General has extended his appointment for a further period of 12 months until 4 May 2020 and was further extended until 13 May 2021.

Dr Douglas has been a Member of the Commission since November 2012. He was Acting Chairperson from October 2015 to May 2016.

From July 2007 to August 2019, Dr Douglas was a Senior Lecturer in Aviation Management in the School of Aviation at the University of New South Wales (UNSW). He holds a Doctor of Business Administration and a post graduate qualification in Higher Education. His doctoral research addressed the impacts of state ownership and economic freedom on airline financial performance. His ongoing research interests encompass the areas of air transport economics and airline business model convergence.

Prior to academia, Dr Douglas had a long career with Qantas Airways, with senior roles in pricing, business development, route management, strategic planning and the Joint Services Agreement with British Airways. Since leaving Qantas, he has consulted to a range of companies including Malaysia Airlines, Thai Airways International, Bain & Co Singapore, Hainan Airlines, Asian Wings Airways and HNA Airports. He has spoken recently at several international forums, including the European Aviation Conference, the Air Transport Research Society, and the ICAO International Air Transport Symposium. Dr. Douglas is also a regular contributor to the Civil Aviation Management Program hosted by the Civil Aviation Authority of Singapore.

Ms Karen Gosling



Ms Karen Gosling was appointed by the Governor-General as a part-time Commission Member for a three-year-term commencing on 1 November 2017.

Ms Gosling's Australian Public Service career included leadership roles in the cultural, regional development and transport portfolios. From 2005 to 2012 Ms Gosling was in the Infrastructure, Transport and Regional Development department/s. Her senior executive focus in transport was industry consultation, administering legislation and regulatory reform. In the aviation group, Ms Gosling administered legislation governing leased federal airports and chaired the Sydney Airport Slot Management Committee. As Executive Director of the Surface Transport Policy Division, Ms Gosling advised on maritime, coastal shipping, road transport, vehicle and road safety standards and national transport regulatory reforms.

Prior to 2005, Ms Gosling was in the arts portfolio working with the boards of Australia’s national cultural institutions on funding, governance and risk.

Ms Gosling graduated from the Australian National University with a degree in Arts/Law in 1984 and with a Graduate Diploma in Public Law in 1990. In 2001, Ms Gosling received the Centenary of Federation Medal in recognition of her outstanding contribution to the Centenary of Federation program.

Commissioners’ attendance at meetings in 2018–2019

Commissioner	Number of meetings possible	Number of meetings attended
Dr Ian Douglas	19	19
Ms Jan Harris	4	4
Ms Karen Gosling	19	19



L-R: Ian Douglas (Chairperson), Karen Gosling (Commission Member), Marlene Tucker (Executive Director), Jan Harris (Commission Member), Anita Robinson (Administrative Officer)

The Secretariat

The Commission is assisted in its work by a small Secretariat. The Secretariat is comprised of officers of the Department of Infrastructure, Transport, Regional Development and Communications (the Department). The Secretariat is headed by an Executive Director, supported on a part-time basis by an Administrative Officer. The Secretariat provides advice and assistance to the Commissioners on all aspects of the Commission’s operations.

Communications with interested parties

There are many stakeholders with a direct or indirect interest in what the Commission does. They include:

- ▶ the Minister;
- ▶ current and prospective Australian international airlines;
- ▶ the broader aviation industry, including airport owners, providers of services to airlines and employee associations;
- ▶ the international tourism and freight industries, including Australian exporters;
- ▶ Australian and State Government departments and agencies;
- ▶ aviation industry investors, analysts and journalists; and
- ▶ the travelling public.

The Commission places great importance on maintaining effective relationships with those stakeholders. The Commission takes into account the views of stakeholders in its decision-making processes, as appropriate to particular cases. Interested members of the public and aviation stakeholders (who have requested to be included in the Commission's notification list) are regularly notified, by email, of applications received and the Commission's determinations and decisions. The Commission's website is likewise updated to inform the public of ongoing applications and determinations and decisions made by the Commission. At the conclusion of each financial year, the Commission invites stakeholders to provide feedback about the Commission's performance throughout the year. The aggregated results of responses to the survey this year are presented in this annual report at pages 15 to 16.

The role of the Department of Infrastructure, Transport, Regional Development and Communications

The Commission works closely with the Department. The Department is responsible for the negotiation and administration of air services arrangements between Australia and other economies. An important part of the negotiating process is to provide opportunities for Australian and foreign airlines to expand their services between Australia and other economies.

The capacity and route entitlements for Australian carriers under each set of air services arrangements are recorded by the Department in a Register of Available Capacity. This is maintained by the Department, in accordance with the requirements of the Act and is available on the Department's website: <https://infrastructure.gov.au/aviation/international/capacity.aspx>

An Australian carrier may apply to the Commission for allocation of capacity recorded on the register as available for immediate allocation. The entitlements on the Register of Available Capacity are adjusted as determinations allocating capacity are made by the



Commission, as airlines hand back unused capacity and when the Department negotiates new or revised capacity entitlements on behalf of the Australian Government. There is regular communication between the Department and the Commission on these matters.

Another area where the roles of the Commission and the Department intersect is in relation to applications from prospective new Australian airlines wishing to operate scheduled international services. Before allocating capacity to an applicant airline, the Commission must be satisfied that the airline is both reasonably capable of obtaining any licences, permits and other regulatory approvals necessary to operate on and service the route to which the determination relates and of using the capacity allocated under the determination. The Department is responsible for designating and licensing Australian airlines to operate regular scheduled international services. The Commission consults the Department as to whether an Australian airline is reasonably capable of obtaining the regulatory approvals necessary to operate on the relevant route. Furthermore, an airline must hold an allocation of capacity from the Commission before the Department can make operational decisions in relation to the capacity on the route, including the issue of licenses and scheduled international timetable approvals. The Commission and the Department therefore consult closely in cases involving proposed international air service operations by Australian carriers.

PART 3

Report on performance

Overview

The Commission's performance report is based on an assessment of its results for the year using a range of criteria. Three sets of criteria have been adopted by the Commission to enable a thorough assessment of all aspects of its operations. Broadly, the criteria encompass:

- ▶ how well the object of the Act has been met by the Commission's decision making;
- ▶ how fair and effective the Commission has been in dealing with applicants and interested parties; and
- ▶ how efficient the Commission has been in the use of financial resources available to it.

The Commission's assessment of its performance against each of these criteria is set out below.

Results against performance targets

Serving the object of the Act

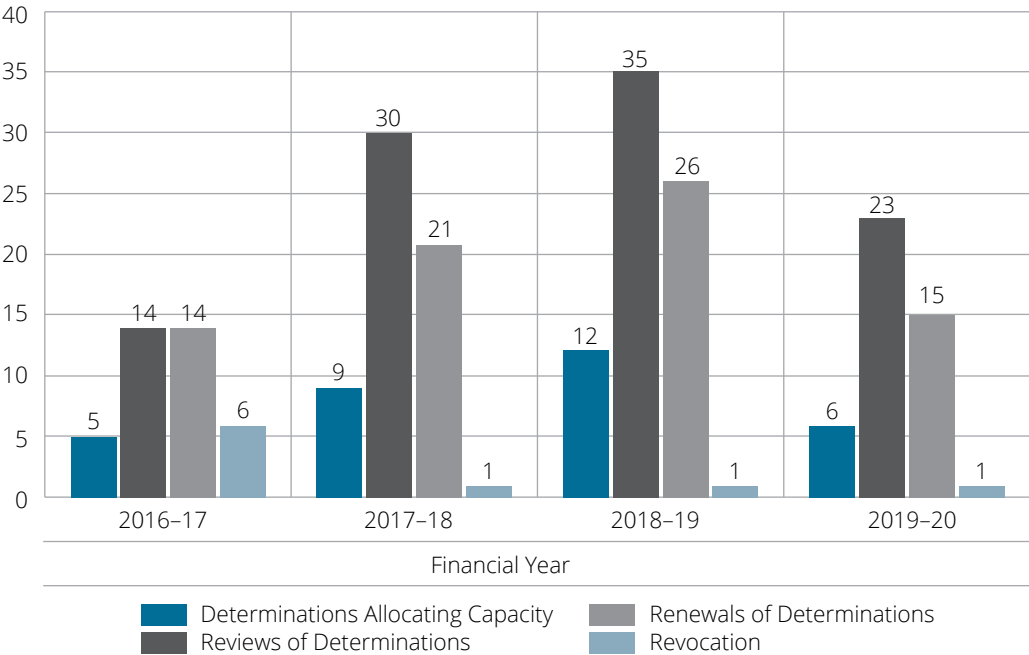
The object of the Act is to enhance the welfare of Australians by promoting economic efficiency through competition in the provision of international air services. Under the Act, the Commission's functions are to make determinations; review determinations; and provide advice to the Minister about any matter referred to the Commission by the Minister concerning international air operations. In fulfilling its functions, the Act requires the Commission to comply with policy statements made by the Minister under section 11 and to have regard to Australia's international obligations concerning the operation of international air services.

The Commission records annually the number of determinations and decisions (involving reviews and variations of determinations) made for the year. The volume of activity varies from year to year, and the Commission's work is dictated by the number of applications made by airlines. The allocation of new capacity is similarly directly related to the response of Australian carriers to the demand for air services. In the financial year 2019-20, the

Commission issued six determinations allocating new capacity; 15 renewal of capacity allocations; 23 decisions varying various determinations including six resolutions extending the date of utilisation of the capacity; and one revocation of capacity allocation.

The graph below shows a comparative data of the current reporting period (2019-20) with the three preceding years.

Historical numbers of determinations and decisions



In 2019-20, Qantas sought and was issued a total new capacity allocation of 1,414 seats per week on the Indonesia route. This enabled its wholly-owned subsidiary Jetstar to add four additional weekly services between Australia and Indonesia from August 2019 and two additional weekly services from January 2020. `Virgin Australia also sought and was granted additional capacity 880 seats to operate additional services on the Indonesia route.

In September 2019, two daily frequencies in each direction were made available to Australian carriers to operate services to and from Tokyo-Haneda Airport. Qantas applied for both daily frequencies while Virgin Australia applied for one frequency to operate a daily service between Brisbane and Tokyo-Haneda. The Commission decided to issue one frequency each to Qantas and Virgin Australia. The original plans of both airlines to commence operating the new services to Tokyo-Haneda from no later than end of March 2020 did not materialise because of the travel restrictions imposed due to the coronavirus pandemic. (The competing applications by Qantas and Virgin Australia for capacity to operate services to Tokyo—Haneda are discussed in further detail in the case study).

Virgin Australia sought and was granted renewal of its capacity allocations on the following routes: Bangladesh, Cook Islands, France and Tonga. Additionally, Virgin Australia applied for variation to permit the use of its capacity allocations on the Vanuatu to code share with Etihad Airways. The Commission also authorised Virgin Australia to use its capacity allocation on the United States route to code share with Aeromexico.

Qantas applied for and was granted renewal of its capacity allocations on the following routes: Chile, Cook Islands, Hong Kong, New Caledonia, Philippines, Singapore, and Thailand. Qantas sought and was granted variation of various determinations on the Indonesia route to permit the use of the capacity for code sharing between Qantas' wholly-owned subsidiary Jetstar and KLM royal Dutch Airlines. The Commission also authorised Qantas to use its capacity allocations on the Singapore-Colombo route for code sharing with Jetstar Asia Private Limited; and its capacity allocation on the Thailand route to code share with Societe Air France and KLM Royal Dutch Airlines.

A brief summary of all determinations and decisions for 2019–2020 is at Appendix 1. A detailed description of each case is provided at Appendix 2.

The Commission's full determinations in these cases are available from its website, <www.iasc.gov.au>.

Serving applicants and interested parties

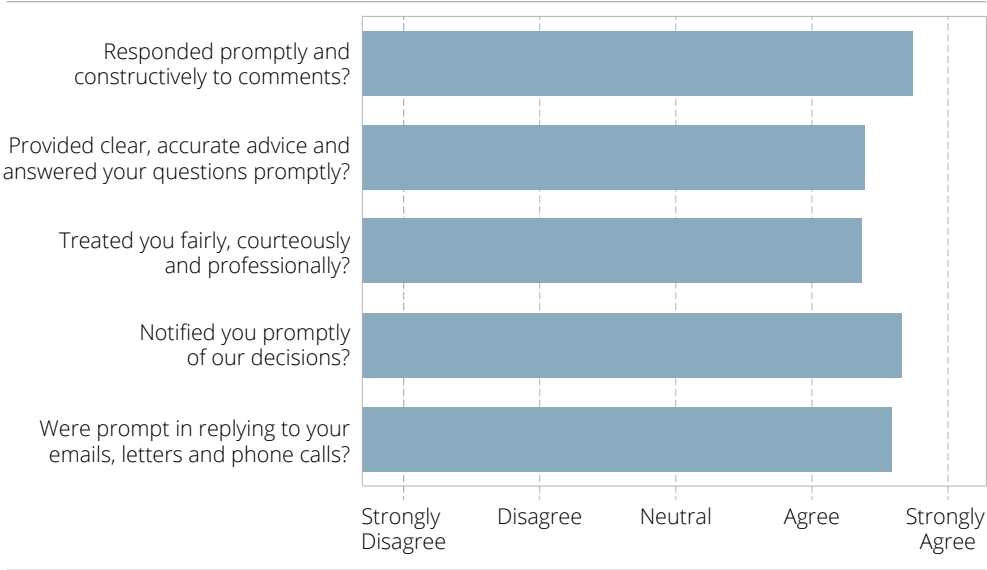
The Commission uses the detailed commitments set out in its service charter as the framework for assessing its service performance. The specific undertakings in the service charter encompass both the ways in which the Commission engages with interested parties and how it makes its decisions. This framework provides the basis for an objective assessment of the Commission's performance.

As in prior years, stakeholders were invited to assess the Commission's performance by completing an online questionnaire that allows respondents to evaluate how well the Commission performed against each undertaking in the charter. Questionnaire responses may be made anonymously, although some of those responding chose to disclose their identity. The Commission appreciates the detailed responses, offering views on the Commission's performance.

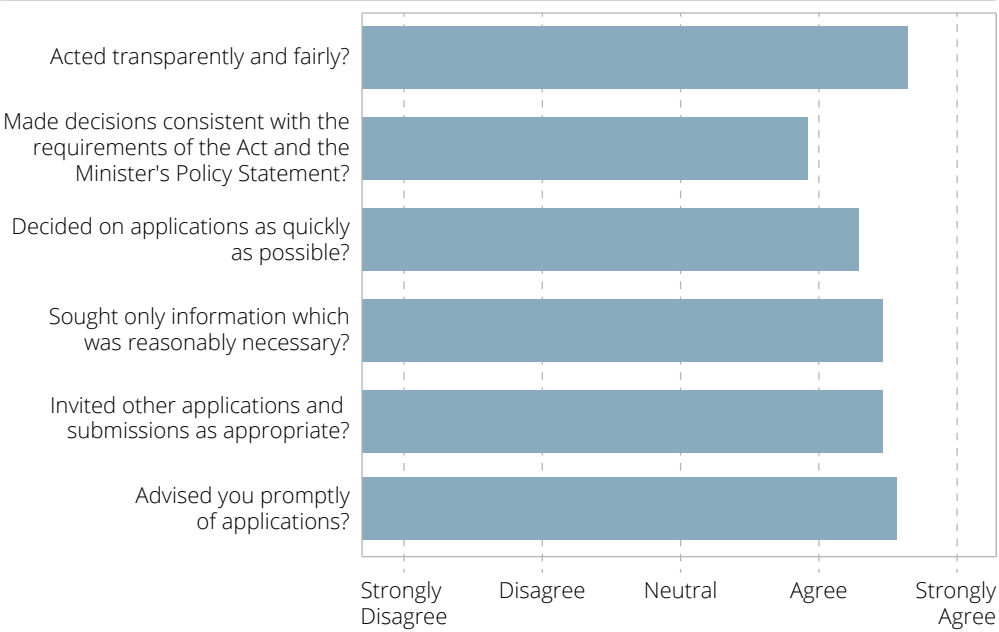
Respondent scores against each criterion are aggregated and averaged. For 2019-20, the Commission's over-all performance was rated above average, which indicates that stakeholders continue to rate the Commission's performance favourably.

The following charts summarise the feedback from stakeholders of the Commission's service performance during the year:

Dealings with stakeholders - Do you agree that we:



Decision making process - Do you agree that we:



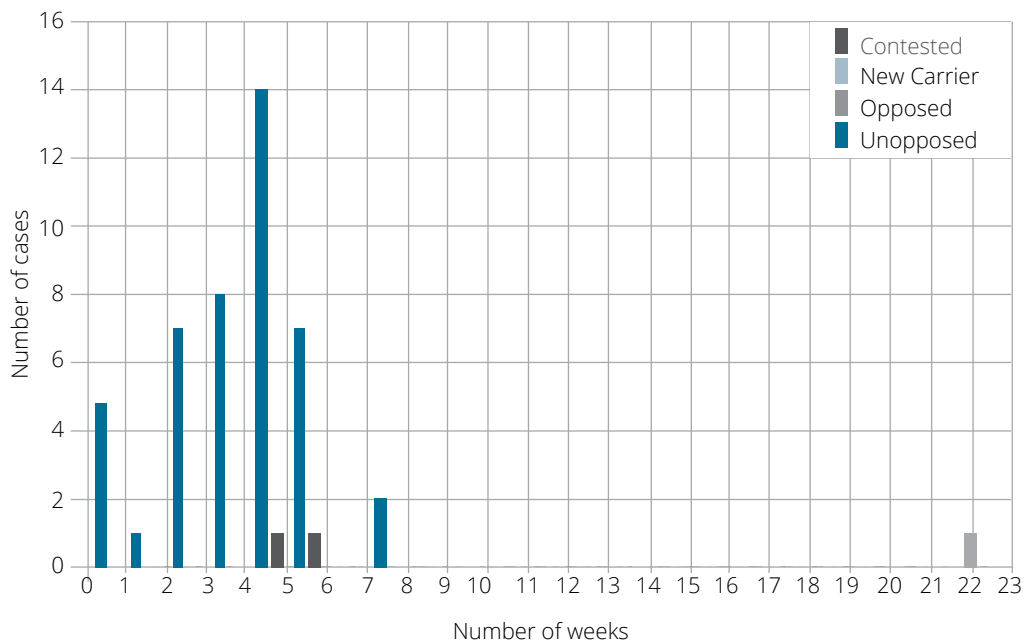
Decision times

The Commission records the time taken to make each of its decisions, and considers timeliness to be an important performance benchmark. The service charter indicates that the Commission will endeavour to make decisions about uncontested and unopposed applications within four weeks of receipt, and on contested or opposed applications within 12 weeks.

Delay in the provision of the details of codeshare arrangements is a common cause of longer decision times

Detailed information about the Commission's timeliness performance is contained in the following chart.

Distribution of decision times by type of case



Case Study – Capacity to operate to/from Tokyo-Haneda

Introduction

In its annual report each year, the Commission includes a discussion of a more complex or sensitive case matter. Often, the case study deals with one of the Commission's more complex cases, and aims to provide an insight into the assessment of more complex contested applications. This year, the Commission has decided to discuss the competing applications of Qantas and Virgin Australia for capacity to operate services at Tokyo-Haneda Airport.

Additional slots at Tokyo-Haneda Airport

Signed in 2011, the open skies agreement between Australia and Japan provides for unrestricted capacity to operate international air services, other than to Tokyo-Haneda Airport. Until 2019, the air services arrangements provided for only one frequency per day for an Australian airline to operate a passenger service to Tokyo-Haneda Airport, and that one service was limited to late night operation between 2200 and 0655. The Commission allocated this capacity to Qantas in December 2014.¹³

Ahead of the now postponed 2020 Tokyo Olympic Games, the Japanese Government announced the release of 100 additional aircraft arrivals and departures per day at Tokyo-Haneda Airport (50 return flight slots). These new slots were allocated solely for international flights, with 25 assigned to Japanese carriers and 25 assigned to foreign carriers. Australia was one of only nine countries awarded the additional slots, with the largest allocation going to the United States.

In September 2019, the Australia-Japan air services arrangements were revised, reflecting two new flights per day for Australian airlines and two for Japanese airlines to operate passenger services between Australia and Tokyo-Haneda. Unlike the earlier capacity allocation, the capacity for Australian carriers can be used during daytime hours, offering greater flexibility.

Haneda Airport is attractive to airlines and their passengers both for its extensive domestic connectivity and for its proximity to Central Tokyo. Both Japan Airlines and All Nippon Airways (ANA) operate from both Tokyo Airports, but Japan Airlines has only operated services to Australia from Tokyo-Narita, while All Nippon has served Sydney from Tokyo-Haneda and Perth from Tokyo-Narita.

Qantas and Virgin Australia both apply for capacity

On 17 September 2019 Qantas Airways applied for both additional daily frequencies, to supplement its existing daily service between Sydney and Tokyo-Haneda. In its

¹³ Determination [2014] IASC 120 which was renewed by [2019] IASC 102.

application, Qantas indicated a plan to move its existing Melbourne-Narita service to Haneda, and to mount a second daily (daytime) service between Sydney and Haneda.

On 24 September 2019, Virgin Australia International Airlines Pty Ltd (Virgin Australia) applied for one frequency to operate a daily service between Brisbane and Tokyo-Haneda Airport and requested authorisation to use of the capacity to provide code share services with ANA.

Submissions

As the applications sought more than the available capacity, the Commission required both applicants to address additional criteria found in section 9 of the Policy Statement. These criteria address factors including competition, consumer benefits, tourism, and trade. The Commission sought advice/comments from the Department of Infrastructure, Transport, Cities and Regional Development (the Department) and the Australian Competition and Consumer Commission (the ACCC). The Commission also invited submissions from the public as provided for in the International Air Services Commission Act 1992 and section 7 of the International Air Services Commission Regulations 2018.

The Commission received a total of 13 submissions, two of which were confidential.¹⁴

In its submission, the ACCC considered that allocating one frequency to each of Qantas and Virgin Australia 'would promote competition to a much greater extent than allocating both frequencies to Qantas'. The ACCC further noted that a capacity allocation to Virgin Australia would introduce a fourth airline to the route, stating that "in (its) experience, introducing more players into a market generally leads to greater competition and better outcomes for consumers". The ACCC anticipates that Virgin Australia's entry would stimulate competition for flights between Australia and Japan, as Virgin Australia would be incentivised to compete on price and/or services to win customers from other airlines and attract new customers. Virgin Australia's behaviour would likely elicit a competitive response from the other airlines operating between Australia and Japan, to the benefit of consumers through lower prices and improved service.

¹⁴ Public submissions were received from: (1) Brisbane Airport Corporation, dated 30 September 2019; (2) Mr Toru Adachi dated 1 October 2019; (3) the Australian Competition and Consumer Commission dated 2 October 2019; (4) Qantas, with a public version dated 2 October 2019; (5) the Queensland Government's Department of Innovation and Tourism Industry Development dated 2 October 2019; (6) Tourism Australia dated 2 October 2019; (7) Mr Phillip Emmanuel dated 8 October 2019; (8) the Hon. Kate Jones MP (Queensland Minister for Innovation and Tourism Industry Development) dated 10 October 2019; (9) Destination NSW which was undated but received on 15 October 2019; (10) the Hon. Stuart Ayers MP (NSW Minister for Jobs, Investment, Tourism and Western Sydney) which was undated but received on 15 October 2019 (11) Tourism Australia (a supplementary submission) on 11 October 2019. Confidential submissions were received from the Department of Infrastructure, Transport, Cities and Regional Development, the Victorian Government's Department of Jobs, Precincts and Regions, and the applicants.

Support for the Virgin Australia application came from the Queensland Department of Innovation and Tourism Industry Development (DITID). DITID identified Japan as Queensland's second largest export destination (\$11.87 billion in FY 2017-18) and third largest import source (\$4.7 billion). DITID further noted that while Queensland is Australia's largest market for Japanese visitors, Brisbane had received no increase in air services since Qantas commenced flights between Brisbane and Tokyo-Narita in July 2015 despite the growing market. The Queensland Minister for Innovation and Tourism Industry Development the Hon Kate Jones MP expressed further support to Virgin Australia's bid to operate new services between Brisbane and Tokyo-Haneda.

Brisbane Airport likewise supported Virgin Australia's application, indicating that "Brisbane Airport's position in the direction of travel from Japan makes it Australia's best located major gateway to spread passenger traffic across Australia and thereby increase dispersal."

Tourism Australia likewise supported Virgin Australia's bid to access Tokyo-Haneda from Brisbane. It said that "this opportunity will enable a fourth airline to enter the Japan route, bringing a new source of competition which would deliver significant benefits for travellers, boosting tourism flows between the two countries". Tourism Australia also identified the potential benefits of Virgin Australia's planned partnership with ANA.

In a supplementary submission, Tourism Australia welcomed the fact that any allocation decision will provide valuable additional access into Australia, regardless of which carrier or carriers received allocations, and noted that Tourism Australia has a "deep and long-standing ties with both Qantas and Virgin Australia and works closely with both airlines".

Destination New South Wales supported Qantas' application which it noted would bring an additional daily service between Sydney and Tokyo-Haneda. It indicated that "Japan is one of NSW's key priority international tourism markets and an important source of investment into the State's economy". In the year ended June 2019, NSW welcomed 205,000 visitors from Japan.

In supporting the Qantas application, the New South Wales Minister for Jobs, Investment, Tourism and Western Sydney (The Hon Stuart Ayres MP), said that "in the year ending June 2019, Japan recorded strong growth in visitation and surpassed Korea in our State's top five source markets. Japanese visitors to NSW grew by 19.8 per cent compared to the previous year. These visitors stayed 16.8 per cent more nights and spent 9.2 per cent more than the previous year". The Minister further said that the "NSW Government is committed to continue growing the State's \$41.5 billion tourism industry and cement NSW's position as number one destination in Australia, and the additional Qantas Airways' service will be key to achieve this".

Commission's assessment of the applications

Where more than one application is received relating to an allocation of capacity (as in this case), the Commission must not allocate available capacity unless the it is satisfied that the allocation would be of benefit to the public, and must not allocate capacity contrary to any restrictions on capacity contained in a bilateral arrangement.

Further, in assessing the benefit of an allocation of capacity, the Commission must apply the criteria set out in the International Air Services Commission Policy Statement 2018 (the Policy Statement), which came into effect on 28 March 2018. The Policy Statement requires the Commission to have regard to the reasonable capability of an airline to use the capacity sought, and enjoys flexibility to address additional criteria that it considers to be relevant.

To assess reasonable capability, the Commission had to be satisfied that Qantas and Virgin Australia were reasonably capable of obtaining any licences, permits or other approvals required to operate on the route, and could use the capacity allocated under the determination.

The Commission identified Qantas as an established carrier that had maintained operations between Australia and Japan for over 70 years, including operations to Haneda since 2015. In relation to Virgin Australia, Qantas expressed the view in a submission to the Commission "that Virgin Australia has not demonstrated that its application will meet the reasonable capability criterion considering the unique circumstances relevant to the availability of additional access of Haneda Airport for Australian carriers". Qantas urged the Commission to rigorously examine if Virgin Australia satisfied this criterion.

As Virgin Australia was a prospective new operator of air services between Australia and Japan and in line with its normal practice for potential new entrant carriers on a route or in a market, the Commission sought advice from the then Department of Infrastructure, Transport, Cities and Regional Development as to whether Virgin Australia is reasonably capable of: (a) obtaining any licences, permits or other approvals required to operate on and service the Australia-Japan route (and Australia-Tokyo (Haneda) services in particular; and (b) using the capacity allocated under the determination. The Department advised that based on information before it, it considered that Virgin Australia International Airlines (VAIA) "is reasonably capable of obtaining the relevant licences, permits and other approvals required to operate on and service the Australia-Tokyo (Haneda) route and using the capacity that VAIA has sought in its application".

Satisfied that there were no obstacles to a new entrant on the Australia-Japan route operating services to and from Haneda, and that Virgin Australia was reasonably capable, the Commission moved to consider the broader criteria found in section

9 of the Policy Statement. Section 9(a) of the Minister's Policy Statement requires the Commission to consider the desirability of fostering an environment in which Australian carriers can compete with each other and with foreign carriers.

Allocating both frequencies to Qantas would maintain four airlines (from three companies) operating direct services from points in Australia and Japan: Qantas, Jetstar, ANA and Japan Airlines. Allocating one frequency each to Qantas and Virgin Australia, rather than both to Qantas would see a fifth airline enter the market.

The Commission agreed with the ACCC's view that "introducing more players into a market generally leads to greater competition and better outcomes to consumers".¹⁵ The Commission found, consistently with the ACCC's submission, that Virgin Australia's entry to the Australia-Japan route would likely stimulate competition, and that all airlines would be incentivised to compete on price and/or services to attract customers. The prospect of improved services and airfare competition, was viewed as providing greater benefit to the public. The Commission further considered that if Qantas was allocated both frequencies it would be unlikely to gain a competitor on the Brisbane-Tokyo route.

In weighing up the likely impacts on airfares, product choice, innovation and market stimulation, the Commission found that allocating one frequency per day to Virgin Australia would likely broaden product choice and introduce greater competition on the Australia-Japan route, as well as allowing the choice of two Tokyo airports from Brisbane.

In terms of tourism and trade, the Commission recognised the investment made by Qantas on the Japan route. However, after considering the submissions by various bodies on how the applications would promote tourism and trade for Australia, the Commission concluded that allocating one frequency to each carrier would likely see a broader promotion of trade and tourism to Australia, with the carriers promoting tourism to a wider area within Australia than if both frequencies were awarded to Qantas.

The Commission recognised that both Qantas and Virgin Australia bring various opportunities for connections with their respective airline partners, and that allocating one frequency to each carrier would provide the broadest route possibilities to and beyond foreign gateways.

In terms of enhancing freight movements, the Commission noted three carriers providing combined passenger and freight services between Sydney and Tokyo. Melbourne is also served by two carriers, while Brisbane is served only by a Qantas flight into Narita. As with passenger capacity, the Commission considered that the

¹⁵ ACCC submission dated 2 October 2019, page 2

allocation of one frequency to each carrier had the potential to broaden air freight service competition to a wider area within Australia.

Draft and Final Determinations

After assessing the applications and submissions, the Commission issued, on 21 October 2019, the Determinations [2019] IASC 118d and [2019] IASC 119d allocating one daily frequency to each of Qantas and Virgin Australia with authorisation for Virgin Australia to utilise the capacity for code sharing with ANA. The Commission invited submissions to the Draft Determinations.

While Qantas and Virgin Australia did not make a submission, a member of the public (Amy Tomoe) lodged a submission outlining her views on why Virgin Australia should not be allocated any Haneda slots at this time. Virgin Australia responded to the views expressed by Ms Tomoe, noting that Ms Tomoe's submission did not raise new issues and that the Commission had already addressed Virgin Australia's reasonable capability in its draft determinations.

The Commission also received a submission to the draft determinations from Canberra Airport which supported the Commission's proposed decision of allocating one frequency each to Qantas and Virgin Australia.

On 28 October 2019, the Commission issued (final) Determinations [2019] IASC 118 and [2019] IASC 119 affirming its decision to allocate one daily frequency each to Qantas and Virgin Australia with authorisation for Virgin Australia to utilise the capacity for code sharing with ANA, subject to certain conditions.



Photo © Pacific Air Express

Efficiency of financial resources

The Commission's budget for the year was \$440,000. These funds were made available from the resources of the Aviation and Airports Division of the Department. The Commission's budget expenditure is mostly attributable to the salaries and superannuation of Secretariat staff and fees paid to Commission members including superannuation. Other expenditures include the Commissioners' expenses in connection with their travel to Canberra to attend meetings and the production of the annual report. Most corporate overheads and property operating expenditures are paid for by the Department, as the Commission is housed in a departmental building.

The Commission's total expenditure for 2019–20 was \$419,000. The Commission's small overspend met superannuation benefits not originally included in salary projections and slightly higher travel arrangements for interstate Commissioners to attend meetings in Canberra.

The Commission considers the expenditures to have been made efficiently and effectively. The Commission has delivered steady efficiency gains over a long period. During the year, officers from the Department provided administrative support to the Commission.

Part 5 of this report details the Commission's financial performance.

PART 4

Management and accountability

Corporate governance practices

As the Commission is a small organisation, it requires less complex corporate governance structures than those of larger bodies such as Government departments. The Commission considers its corporate governance arrangements to be appropriate for its small size and consistent with its statutory role and responsibilities. There are two parts to the governance arrangements. The first of these addresses the Commission's responsibilities under the *International Air Services Commission Act 1992* (the Act). The second part of the governance structure concerns staffing of the Commission's Secretariat and the expenditure of the Commission's budget.

Part 4 of the Act sets out procedures with which the Commission must comply. The Commission considers that it meets these requirements in full. The most significant of the requirements concerns the holding of meetings. The Commission usually meets at its offices in Canberra. However, when urgent issues arise and it is not practicable to have a face-to-face meeting in Canberra, as in the second half of the financial year, the Commission conducts meetings by email or by teleconference. The use of electronic media for conducting meetings reduces travel costs associated with face-to-face meetings, representing a saving to the Commission's budget. A quorum of members is present at all meetings and minutes are kept of proceedings at all of its meetings.

During its meetings, the Commission discusses the applications from carriers and make determinations and decisions in accordance with the Act and the Minister's Policy Statement. Additionally, administrative issues such as staffing, financial and risk management issues, as appropriate, are discussed at these meetings. Commissioners and the Secretariat maintain regular contact via email and telephone about matters requiring the Commission's attention in the periods between meetings.

Part 4 of the Act enables the Commission to hold hearings at its discretion. No hearings were held this year.

Part 5 of the Act deals with the membership of the Commission. The Chairperson and members are appointed by the Governor-General. A member may be appointed on a full-time or part-time basis and the Minister may determine the terms and conditions of appointment on matters not provided under the Act. The Act also provides that a Commissioner may be appointed for a period not exceeding five years. All Commissioners have been appointed as part-time and for a period of no longer than three years. When Dr Ian Douglas' three-year term as Chairperson ended in May 2019, the Governor-General reappointed him for a further 12 months until May 2020. His appointment as Chair was further extended in May 2020 for another 12-month period until 13 May 2021. The Remuneration Tribunal sets members' remuneration and travel allowances pursuant to the Remuneration Tribunal Act 1973.

The Act further provides that the Minister may appoint a person to act as Chairperson or Member of the Commission under certain circumstances.

Section 47 of the Act requires members to disclose any interest that could conflict with the performance of their functions in relation to proceedings conducted by the Commission. Commissioners disclose potential conflict of interests at every Commission meeting.

Section 53 of the Act requires the Commission to prepare and give to the Minister a report of its operations for the financial year. The Commissioners review drafts of the annual report during its preparation. The final report is cleared and signed off by them and provided to the Minister in accordance with the requirements of the Act. The report is tabled in both Houses of Parliament.

The second part of the Commission's corporate governance arrangements arises from the Commission's relationship with the Department of Infrastructure, Transport, Regional Development and Communications (the Department). Secretariat staff members are officers of the Department and are subject to the same responsibilities and obligations applying to all departmental staff. The Commission's Executive Director is responsible for the day to day management of the Secretariat, in accordance with these obligations and responsibilities.

External scrutiny

There was no formal external scrutiny of the Commission this year and no determinations or decisions made by it were the subject of judicial (or administrative) review .

Management of human resources

As at 30 June 2020, the Secretariat was comprised of one full-time Executive Level 2 officer as Executive Director (Ms Marlene Tucker) and one part-time APS 5 officer as Administrative Officer (Ms Anita Robinson).

As officers of the Department, Secretariat staff members are subject to the Australian Public Service Values and Code of Conduct and all other relevant public service terms and conditions.

The Secretariat staff members are responsible directly to the Commissioners on Commission matters. Secretariat staff support the Commission's work through the preparation of briefing and agenda papers for meetings; preparing all Commission meeting requirements; drafting determinations and decisions for consideration by Commissioners; responding to queries from the public; and providing advice to the Commissioners and other external stakeholders.

Asset management

Asset management is not a prominent aspect of the business of the Commission and is managed in accordance with Departmental policies and procedures.

Purchasing

The Commission made no significant purchases during the year.

Consultants, contractors and competitive tendering

During the reporting period, the Commission did not engage the services of consultants or contractors and did not engage in competitive tendering.



PART 5

Financial report as at 30 June 2020

	(1)	(2)	(3)	(4)
	2019–20 Budget \$'000	2019–20 Actual \$'000	Variation (Column 2–1) \$'000	2020–21 Budget \$'000
Salaries / Commissioners' fees	412	398	14	X
Revenue	0	0	0	X
Supplier expenses	28	21	7	X
TOTAL	440	419	21	X
Holders of public office (FTE)	3	2		3
Staff (FTE)	1.6	1.87		1.87

Explanatory notes

The Commission's financial report is prepared on an accrual budgeting basis.

The Commission's budget is provided from funds allocated to the Aviation and Airports Division within the Department of Infrastructure, Transport, Regional Development and Communications. The Commission's offices are in departmental premises.

In financial year 2019–20, the Commission's underspend was due to the Covid-19 pandemic and the restrictions imposed. As a result, the Commission conducted more of its business online and via teleconference. A third Commissioner was not appointed to the Commission when a vacancy occurred.

The budget for the 2020–21 financial year had not been set at the time of printing.



APPENDIX 1

Determinations and Decisions

This table summarises briefly the determinations and decisions issued in 2019–20. A full summary is at Appendix 2. Individual determinations and decisions may be viewed on the Commission's website at <www.iasc.gov.au>.

Route	Airline	IASC Number	Date	Capacity Allocated (per week in each direction)	Comment
Bangladesh	Virgin Australia	[2019] IASC 122	28 Nov 19	5 frequencies	Renewal of [2014] IASC 119
Chile	Qantas	[2019] IASC 115	16 Aug 19	1,847 seats	Renewal of [2015] IASC 107
China	Virgin Australia	[2019] IASC 209	16 Dec 19	(1,925) seats	Variation to revoke [2016] IASC 106
Cook Islands	Qantas	[2019] IASC 120	28 Nov 19	540 seats	Renewal of [2015] IASC 113
Cook Islands	Virgin Australia	[2019] IASC 123	28 Nov 19	180 seats	Renewal of [2014] IASC 114
France	Virgin Australia	[2019] IASC 124	28 Nov 19	150 seats	Renewal of [2014] IASC 118
Hong Kong	Pacific Air Express	[2019] IASC 127*	11 Nov 19	Unrestricted	Allocation of unrestricted capacity between points in Australia other than Sydney, Melbourne, Brisbane and Perth and Hong Kong
Hong Kong	Qantas	[2019] IASC 204	18 Jul 19		Decision not to vary determination [2015] IASC 115
Cook Islands	Virgin Australia	[2018] IASC 222	21 Sep 18		Variation to transfer capacity allocation in Determination [2014] IASC 114 to VAIA
Hong Kong	Qantas	[2019] IASC 114	16 Aug 19	1 all-cargo frequency	Renewal of [2014] IASC 110
Hong Kong	Qantas	[2019] IASC 129	05 Dec 19	28 frequencies	Renewal of [2015] IASC 115

Route	Airline	IASC Number	Date	Capacity Allocated (per week in each direction)	Comment
Indonesia	Qantas	[2019] IASC 116	16 Aug 19	744 seats	New capacity allocation
Indonesia	Qantas	[2020] IASC 101	21 Jan 20	670 seats	New capacity allocation
Indonesia	Qantas	[2020] IASC 203	21 Jan 20		Variation of [2013] IASC 135 to permit code sharing between Jetstar and KLM
Indonesia	Qantas	[2020] IASC 204	21 Jan 20		Variation of [2017] IASC 130 to permit code sharing between Jetstar and KLM
Indonesia	Qantas	[2020] IASC 205	21 Jan 20		Variation of [2017] IASC 112 to permit code sharing between Jetstar and KLM
Indonesia	Qantas	[2020] IASC 206	21 Jan 20		Variation of [2017] IASC 122 to permit code sharing between Jetstar and KLM
Indonesia	Qantas	[2020] IASC 207	21 Jan 20		Variation of [2018] IASC 104 to permit code sharing between Jetstar and KLM
Indonesia	Qantas	[2020] IASC 208	21 Jan 20		Variation of [2018] IASC 120 to permit code sharing between Jetstar and KLM
Indonesia	Qantas	[2020] IASC 209	21 Jan 20		Variation of [2019] IASC 106 to permit code sharing between Jetstar and KLM
Indonesia	Qantas	[2020] IASC 210	21 Jan 20		Variation of [2019] IASC 116 to permit code sharing between Jetstar and KLM
Indonesia	Virgin Australia	[2019] IASC 128	28 Nov 19	880 seats	New capacity allocation
Italy	Qantas	[2019] IASC 113	18 Jul 19	400 third country code share seats	Renewal of [2014] IASC 109
Japan	Qantas	[2019] IASC 118	28 Oct 19	1 daily frequency	New capacity allocation
Japan	Virgin Australia	[2019] IASC 119	28 Oct 19	1 daily frequency	New capacity allocation
New Caledonia	Qantas	[2020] IASC 104	19 Jun 20	788 seats	Renewal of [2016] IASC 104
New Zealand	Qantas	[2019] IASC 206	18 Jul 19		Variation of [2014] IASC 102 to permit the use of the capacity on the New Zealand route for code sharing between Qantas and Alaska Airlines

Route	Airline	IASC Number	Date	Capacity Allocated (per week in each direction)	Comment
Papua New Guinea	Pacific Air Express	[2019] IASC 117	13 Sep 19	17.5 tonnes of freight capacity	Renewal of [2015] IASC 104
Papua New Guinea	Pacific Air Express	[2020] IASC 102*	06 May 20	17.5 tonnes of freight capacity	Renewal of [2015] IASC 103
Philippines	Qantas	[2020] IASC 103	19 Jun 20	1,927 seats	Renewal of [2016] IASC 103
Singapore	Qantas	[2019] IASC 121	28 Nov 19	300 seats	Renewal of [2015] IASC 111
Singapore	Qantas	[2020] IASC 211	12 Mar 20		Variation of [2015] IASC 111 to permit code share with Jetstar Asia
Singapore	Qantas	[2020] IASC 212	12 Mar 20		Variation of [2017] IASC 106 to permit code share with Jetstar Asia
Singapore	Qantas	[2020] IASC 213	12 Mar 20		Variation of [2019] IASC 121 to permit code share with Jetstar Asia
Thailand	Qantas	[2019] IASC 207	28 Nov 19		Variation of [2019] IASC 108 to permit code share with Air France and KLM
Thailand	Virgin Australia	[2019] IASC 125	28 Nov 19	7 third party code share frequencies	Renewal of [2014] IASC 117
Tonga	Virgin Australia	[2019] IASC 126	28 Nov 19	360 seats	Renewal of [2014] IASC 112
United States	Virgin Australia	[2019] IASC 208	16 Dec 19		Variation of [2017] IASC 114 to permit code share with Aeromexico
Vanuatu	Virgin Australia	[2020] IASC 201	21 Jan 20		Variation of [2017] IASC 117 to permit Virgin Australia to code share with Etihad
Vanuatu	Virgin Australia	[2020] IASC 202	21 Jan 20		VA application to vary [2017] IASC 121 for code share with Etihad on Vanuatu

* Indicates a determination or decision made by the Commission's delegate.



APPENDIX 2

Route-by-route summary of Commission determinations and decisions in 2019–20

This appendix provides a summary of the Commission's determinations and decisions for 2019–20. Full determinations and decisions can be viewed on the Commission's website at <www.iasc.gov.au>.

Bangladesh

Upon the application of Virgin Australia, the Commission issued, on 28 November 2019, **Renewal Determination [2019] IASC 122**, which renewed [2014] IASC 119, allocating five frequencies per week of capacity in each direction on the Bangladesh route. Virgin Australia is also permitted to use the capacity to provide services jointly with Singapore Airlines. The determination is valid for five years from 25 October 2020.



Chile

Upon the application of Qantas, the Commission issued, on 16 August 2019, **Renewal Determination [2019] IASC 115**, which renewed [2015] IASC 107, allocating 1,847 seats of capacity per week in each direction on the Chile route. The determination is valid for five years from 15 July 2020.



China

Upon the application of Virgin Australia, the Commission issued, on 16 December 2019, **Decision [2019] IASC 209**, varying Determination [2016] IASC 106 to revoke Determination [2016] IASC 106 with effect from the date this instrument is made.



Cook Islands

Upon the application of Qantas, the Commission issued, on 28 November 2019, **Renewal Determination [2019] IASC 120**, which renewed [2015] IASC 113, allocating 540 seats per week of capacity in each direction on the Cook Islands route. The fresh determination permits the capacity to be used by either Qantas or its wholly-owned subsidiary, Jetstar Airways Pty Limited. The determination is valid for five years from 22 October 2020.

Upon the application of Virgin Australia, the Commission issued, on 28 November 2019, **Renewal Determination [2019] IASC 123**, which renewed [2014] IASC 114, allocating 180 seats per week of capacity in each direction on the Cook Islands route. The fresh determination permits the capacity to be used by either VAIA or its wholly-owned subsidiary, Tiger International Number1 Pty Ltd and is valid for five years from 13 October 2020.



France

Upon the application of Virgin Australia, the Commission issued, on 28 November 2019, **Renewal Determination [2019] IASC 124**, which renewed [2014] IASC 118, allocating 150 one way seats per day on an average basis on the France route. VAIA is also permitted to use the capacity to provide services jointly with Etihad Airways and Singapore Airlines. The determination is valid for five years from 25 October 2020.



Hong Kong

Upon the application of Pacific Air Express, the delegate of the Commission issued, on 11 November 2019, **Determination [2019] IASC 127**, which allocated unrestricted capacity to operate dedicated freight services between points in Australia, other than Sydney, Melbourne, Brisbane and Perth, and Hong Kong. The determination is valid for 99 years from 11 November 2019.

Upon the application of Qantas, the Commission issued, on 16 August 2019, **Renewal Determination [2019] IASC 114**, which renewed [2014] IASC 110, allocating to Qantas one all-cargo frequency per week on the Hong Kong route. The determination is valid for five years from 14 July 2020.

Upon the application of Qantas, the Commission issued, on 5 December 2019, **Renewal Determination [2019] IASC 129**, which renewed [2015] IASC 115, allocating to Qantas 28 frequencies of capacity per week in each direction between Australia and Hong Kong. The capacity may be utilised by Qantas or Jetstar Airways Pty Limited. Qantas is permitted to utilise the capacity to provide code share services with the following third country airlines: British Airways, Finnair, Air France, LATAM Airlines and El Al Airlines. The determination is valid for five years from 23 November 2020.

Upon the application of Qantas, the Commission issued, on 18 July 2019, **Decision [2019] IASC 204** concerning Qantas' proposal to use the capacity on the Hong Kong route for code sharing with Cathay Pacific on selected flights. The Commission, after conducting a review, decided under section 25 of the *International Air Services Commission Act 1992* not to vary Determination [2015] IASC 115 in the manner requested by Qantas.



Indonesia

Upon the application of Qantas, the Commission issued, on 16 August 2019, **Determination [2019] IASC 116**, allocating 744 seats per week in each direction of passenger capacity on the Indonesia route. The capacity may be used by either Qantas or its wholly-owned subsidiary, Jetstar Airways Pty Limited. The determination is valid for five years from 16 August 2019.

Upon the application of Qantas, the Commission issued, on 21 January 2020, **Determination [2020] IASC 101**, allocating 670 seats per week of capacity in each direction on the Indonesia route. The capacity may be utilised by Qantas or Jetstar Airways Pty Limited. The determination is valid for five years from 21 January 2020.

Upon the application of Qantas, the Commission issued, on 21 January 2020, **Decision [2020] IASC 206**, varying Determination [2017] IASC 122 to permit the use of the capacity on the Indonesia route for code sharing between Jetstar and KLM Royal Dutch Airlines (KLM). The permission is valid for the duration of the determination commencing from the date of issue of this decision.

Upon the application of Qantas, the Commission issued, on 21 January 2020, **Decision [2020] IASC 209**, varying Determination [2019] IASC 106 to permit the use of the capacity on the Indonesia route for code sharing between Jetstar and KLM Royal Dutch Airlines (KLM). The permission is valid for the duration of the determination commencing from the date of issue of this decision.

Upon the application of Qantas, the Commission issued, on 21 January 2020, **Decision [2020] IASC 204**, varying Determination [2017] IASC 130 to permit the use of the capacity on the Indonesia route for code sharing between Jetstar and KLM Royal Dutch Airlines (KLM). The permission is valid for the duration of the determination commencing from the date of issue of this decision.

Upon the application of Qantas, the Commission issued, on 21 January 2020, **Decision [2020] IASC 210**, varying Determination [2019] IASC 116 to permit the use of the capacity on the Indonesia route for code sharing between Jetstar and KLM Royal Dutch Airlines (KLM). The permission is valid for the duration of the determination commencing from the date of issue of this decision.

Upon the application of Qantas, the Commission issued, on 21 January 2020, **Decision [2020] IASC 207**, varying Determination [2018] IASC 104 to permit the use of the capacity on the Indonesia route for code sharing between Jetstar and KLM Royal Dutch Airlines (KLM). The permission is valid for the duration of the determination commencing from the date of issue of this decision.

Upon the application of Qantas, the Commission issued, on 21 January 2020, **Decision [2020] IASC 203**, varying Determination [2013] IASC 135 to permit the use of the capacity on the Indonesia route for code sharing between Jetstar and KLM Royal Dutch Airlines (KLM). The permission is valid for the duration of the determination commencing from the date of issue of this decision.

Upon the application of Qantas, the Commission issued, on 21 January 2020, **Decision [2020] IASC 205**, varying Determination [2017] IASC 112 to permit the use of the capacity on the Indonesia route for code sharing between Jetstar and KLM Royal Dutch Airlines (KLM). The permission is valid for the duration of the determination commencing from the date of issue of this decision.

Upon the application of Qantas, the Commission issued, on 21 January 2020, **Decision [2020] IASC 208**, varying Determination [2018] IASC 120 to permit the use of the capacity on the Indonesia route for code sharing between Jetstar and KLM Royal Dutch Airlines (KLM). The permission is valid for the duration of the determination commencing from the date of issue of this decision.

Upon the application of Virgin Australia, the Commission issued, on 28 November 2019, **Determination [2019] IASC 128**, allocating 880 seats per week of capacity in each direction on the Indonesia route. The determination is valid for five years from 28 November 2019.



Italy

Upon the application of Qantas, the Commission issued, on 18 July 2019, **Renewal Determination [2019] IASC 113**, which renewed [2014] IASC 109, allocating 400 third country code share seats per week on the Italy route for code share services with Emirates and British Airways. The determination is valid for five years from 8 June 2020.



Japan

Upon the application of Qantas, the Commission issued, on 28 October 2019, **Determination [2019] IASC 118**, allocating one daily frequency in each direction to operate passenger services on the Japan route to service Tokyo-Haneda. The determination is valid for five years from 28 October 2019.

Upon the application of Virgin Australia, the Commission issued, on 28 October 2019, **Determination [2019] IASC 119**, allocating one daily frequency in each direction to operate passenger services on the Australia-Japan route to service Tokyo-Haneda. The capacity may be used by Virgin Australia International Airlines Pty Ltd for the provision of code share services on the Australia-Japan route with All Nippon Airways, subject to certain conditions. The determination is valid for five years from 28 October 2019.



New Caledonia

Upon the application of Qantas, the Commission issued, on 19 June 2020, **Renewal Determination [2020] IASC 104**, which renewed [2016] IASC 104, allocating to Qantas 788 seats per week in each direction of passenger capacity on the New Caledonia route. The capacity may be used by either Qantas or its wholly-owned subsidiary, Jetstar Airways Pty Limited and for Qantas to provide code share services with Aircalin. The determination is valid for five years from 9 May 2021.



New Zealand

Upon the application of Qantas, the Commission issued, on 18 July 2019,

Decision [2019] IASC 206, varying Determination [2014] IASC 102 to permit the use of the capacity on the New Zealand route for code sharing between Qantas and Alaska Airlines. The permission is valid for the duration of the determination commencing from the date of issue of this decision.



Papua New Guinea

Upon the application of Pacific Air Express, the Commission issued, on 13 September 2019,

Renewal Determination [2019] IASC 117, which renewed [2015] IASC 104, allocating to Pacific Air Express 17.5 tonnes of capacity per week on the Papua New Guinea route. The determination is valid for five years from 15 June 2020.



Philippines

Upon the application of Qantas, the Commission issued, on 19 June 2020,

Renewal Determination [2020] IASC 103, which renewed [2016] IASC 103, allocating to Qantas 1,927 seats per week in each direction of passenger capacity on the Philippines route. The capacity may be used by either Qantas or its wholly-owned subsidiary, Jetstar Airways Pty Limited and for code share services between Qantas and a wholly-owned subsidiary of the Qantas Group. The determination is valid for five years from 9 May 2021.



Singapore

Upon the application of Qantas, the Commission issued, on 28 November 2019,

Renewal Determination [2019] IASC 121, which renewed [2015] IASC 111, allocating 300 seats per week of capacity on the Australia-Singapore route to be used to exercise own stop-over rights between Singapore and Colombo. The fresh determination permits the capacity to be used by either Qantas or its wholly-owned subsidiary, Jetstar Airways Pty Limited. The determination is valid for five years from 22 October 2020.

Upon the application of Qantas, the Commission issued, on 12 March 2020,

Decision [2020] IASC 212, varying Determination [2017] IASC 106 to permit the use of the capacity on the Singapore-Colombo route for code sharing between Qantas Airways Limited and Jetstar Asia Private Limited. The permission is valid for the duration of the determination commencing from the date of issue of this decision.

Upon the application of Qantas, the Commission issued, on 12 March 2020,

Decision [2020] IASC 213, varying Determination [2019] IASC 121 to permit the use of the capacity on the Singapore-Colombo route for code sharing between Qantas Airways Limited and Jetstar Asia Private Limited. The permission is valid for the duration of the determination commencing from the date the determination comes into effect.

Upon the application of Qantas, the Commission issued, on 12 March 2020, **Decision [2020] IASC 211**, varying Determination [2015] IASC 111 to permit the use of the capacity on the Singapore-Colombo route for code sharing between Qantas Airways Limited and Jetstar Asia Private Limited. The permission is valid for the duration of the determination commencing from the date of issue of this decision.



Thailand

Upon the application of Qantas, the Commission issued, on 28 November 2019, **Decision [2019] IASC 207**, varying Determination [2017] IASC 108 to permit the use of the capacity on the Thailand route for code sharing between Qantas and Societe Air France and KLM Royal Dutch Airlines. The permission is valid for the duration of the determination commencing from the date of issue of this decision.

Upon the application of Qantas, the Commission issued, on 28 November 2019, **Renewal Determination [2019] IASC 125**, which renewed [2014] IASC 117, allocating seven third party code share frequencies per week in each direction on the Thailand route. The fresh determination permits the capacity to be used by VAIA for the provision of code share services with Singapore Airlines and SilkAir and is valid for five years from 25 October 2020.



Tonga

Upon the application of Virgin Australia, the Commission issued, on 28 November 2019, **Renewal Determination [2019] IASC 126**, which renewed [2014] IASC 112, allocating 360 seats per week of capacity in each direction on the Tonga route. The fresh determination permits the capacity to be used by either VAIA or its wholly-owned subsidiary, Tiger International Number1 Pty Ltd and is valid for five years from 8 September 2020.



United States

Upon the application of Virgin Australia, the Commission issued, on 16 December 2019, **Decision [2019] IASC 208**, varying Determination [2017] IASC 114 to permit the use of the capacity on the USA route for code sharing between Virgin Australia and Aeromexico. The permission is valid for the duration of the determination commencing from the date of issue of this decision.



Vanuatu

Upon the application of Virgin Australia, the Commission issued, on 21 January 2020, **Decision [2020] IASC 201**, varying Determination [2017] IASC 117 to permit the use of the capacity on the Vanuatu route for code sharing between Virgin Australia and Etihad Airways. The permission is valid for the duration of the determinations commencing from the date of issue of these decisions.

Upon the application of Virgin Australia, the Commission issued, on 21 January 2020, **Decision [2020] IASC 202**, varying Determination [2017] IASC 121 to permit the use of the capacity on the Vanuatu route for code sharing between Virgin Australia and Etihad Airways. The permission is valid for the duration of the determinations commencing from the date of issue of these decisions.





APPENDIX 3

Other information

Occupational health and safety

As the staff members of the Secretariat are employees of the Department of Infrastructure, Transport, Regional Development and Communications (the Department), they are subject to the same occupational health and safety arrangements as departmental officers. The Department's annual report contains details of those arrangements.

Freedom of information

The International Air Services Commission (the Commission) is an agency subject to the *Freedom of Information Act 1982* (the FOI Act). Major reforms of the FOI Act in 2011 required relevant agencies to comply with the Information Publication Scheme (IPS) set out in Part II of the FOI Act. In compliance with the IPS requirements, the Commission has established an Information Publication Plan which is available on its website <<http://www.iasc.gov.au/foi/ipp.aspx>>.

The Commission also makes available on its website information about its organisational structure; the membership of the Commission including biographical notes of the current Members of the Commission; its functions including its decision-making powers and other powers affecting the public; copies of its annual reports; its legislative framework and its guidelines and procedures; copies of all determinations and decisions issued; applications including submissions in relation to the applications (if any); contact details of the Commission and its Executive Director; and the Commission's operational information. Operational information refers to the information held by the Commission to assist it in performing or exercising its functions or powers in making decisions or recommendations affecting the public.

The information contained in this report meets the requirements of the FOI Act, as amended. Refer to Appendix 4 for further details.

The Commission received no requests under the FOI Act in 2019–20.



Photo © Pacific Air Express

Advertising and market research

The Commission does not advertise its functions and services. During the reporting period, the Commission did not pay any person for advertising or for performing any market research.

The Commission maintains its own website <www.iasc.gov.au> which provides details about its functions, the applications it receives and determinations/ decisions it has issued, among other matters. The Commission updates its website on a regular basis

Ecologically sustainable development and environmental performance reporting

The Commission's offices and Secretariat staff are located within the Department's buildings and as such are covered by the Department's processes in this area.

APPENDIX 4

Freedom of information schedule

Item	Information
Access facilities	In many cases, application for information under the <i>Freedom of Information Act 1982</i> (the FOI Act) might not be required because information or documents may be readily available on the Commission's website. Formal requests under the FOI Act must be made in writing to the Executive Director, FOI contact officer, of the Commission. The Commission maintains a dedicated FOI page on its website which sets out the information required to be published under section 8 of the FOI Act.
Arrangements for public involvement	Formal participation and consultation can be arranged by contacting the Executive Director of the Commission whose details are listed below. The Commission welcomes views and comments from members of the public and bodies outside the Commonwealth concerning its functions.
Commission powers	The Commission exercises decision-making powers under the Act. It has the power to do everything necessary or convenient to be done for, or in connection with, performing those functions. The Commission has a range of specific powers that include convening public hearings and summoning witnesses.
Decision process	The general power to grant or refuse access to Commission documents under the FOI Act is held by the Chairperson of the Commission. On 19 August 2013, the Chairperson authorised the Executive Director, and in his/her absence, the Senior Adviser, to exercise the Chairperson's powers and functions under the FOI Act.
Documents available for inspection	<p>The Commission keeps a Register of Public Documents containing public versions of applications, submissions and comments for each case before the Commission. The register is available for public scrutiny. A Register of Confidential Documents that contains material from applications and submissions deemed to be confidential by the Commission or its delegate is also maintained. The Commission applies those standards based on the FOI Act for the protection of documents relating to business affairs. Consistent with the transparency of its processes, the Commission encourages applicants and submitters to keep requests for confidential treatment of documents to a minimum.</p> <p>The Commission has published a series of guidelines that describe its procedures and processes in relation to allocating capacity. These guidelines are available on request or from the Commission's website. Documents may also be obtained from the Secretariat of the Commission via email. Operational files are maintained on all the Commission's activities and are stored at the office of the Commission. These files are not open to public access.</p>



Item	Information
Functions of the Commission and how it is organised	<p>The functions of the Commission, as set out in section 6 of the <i>International Air Services Commission Act 1992</i>, are to:</p> <ul style="list-style-type: none"> a) make determinations; b) conduct reviews of those determinations; and c) provide advice to the Minister about any matter referred to the Commission by the Minister concerning international air operations <p>The organisation of the Commission is described in Part 2 of this report.</p>
FOI Contact Officer	<p>The Executive Director, and in his/her absence, the Senior Adviser is the Commission's FOI contact officer. Any request or query on FOI matters may be directed to the:</p> <p>International Air Services Commission GPO Box 630 Canberra ACT 2601 Australia Phone: (612) 6267 1100 Email: iasc@infrastructure.gov.au</p>

APPENDIX 5

Commission procedures

The Commission has published procedures for making determinations allocating available capacity. The procedures are designed to be consistent with the requirements of the *International Air Services Commission Act 1992* (the Act), its implementing regulations, administrative law principles and the Minister's Policy Statement which complements the Act. The Commission's procedures are intended to ensure procedural fairness for both the applicants and other interested parties; ensure the Commission's processes are open and transparent; and provide guidance to anyone wishing to apply for, or make submissions about, matters being considered by the Commission. The Secretariat provides further individual guidance to applicants for capacity and other stakeholders when requested.

The Commission's procedures incorporate the following main steps:

- ▶ All public documents are published on the Commission's website and are distributed electronically to all stakeholders in its mailing list. Any member of the public may request to be included in the Commission's mailing list. The Commission requires a public version of all applications for, and submissions about, an allocation of capacity to be made available. A small amount of information received by the Commission is of a commercial-in-confidence or confidential nature and is held on the Commission's confidential register.
- ▶ The Commission will publish a notice inviting other applications for capacity in response to an initial application for capacity, and submissions about applications where required by the Act and Minister's Policy Statement.
- ▶ The Commission will assess the application in accordance with the relevant criteria set out in the Minister's Policy Statement. More complex public benefit criteria may be applied in cases where there are two carriers seeking the same limited amount of capacity, compared with an uncontested application from a well-established carrier.
- ▶ Where relevant, the Commission will invite the applicant(s) to submit further information addressing public benefit criteria.
- ▶ The Minister's Policy Statement requires the Commission to ensure that the applicant is reasonably capable of obtaining the approvals necessary to operate and of using the capacity if so granted.



- ▶ A hearing may be conducted by the Commission if further information is needed to establish the nature and extent of a proposal's public benefit and, in the case of two or more competing applications, decide which application would be of the greatest benefit to the public.
- ▶ The Commission will publish a draft determination in the case of competing applications or if it is proposed to reject an application, or where non-standard conditions are being proposed. This provides applicants and other interested parties with an opportunity to comment on the Commission's proposal prior to the issuing of a final determination. In other cases the Commission will proceed directly to a final determination.
- ▶ The Commission regularly updates its procedures. They are available from the Commission's website at <<http://www.iasc.gov.au>>, or upon request to the Commission.

APPENDIX 6

Minister’s Policy Statement

NOTE: The following policy statement was issued on 20 March 2018 by the Hon. Michael McCormack, Deputy Prime Minister and Minister for Infrastructure and Transport and it came into force and effect from 28 March 2018.

International Air Services Policy Statement 2018
made pursuant to section 11 of the
International Air Services Commission Act 1992

Part 1—Preliminary

1 Name

This instrument is the International Air Services Commission Policy Statement 2018.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1 The whole of this instrument	The day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (3) Any information in column 3 of the table is not part of this instrument Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under section 11 of the *International Air Services Commission Act 1992*.

4 Definitions

Note: A number of expressions used in this instrument are defined in section 4 of the Act, including the following:

- (a) Australian carrier;
- (b) available capacity;
- (c) bilateral arrangement;
- (d) capacity;
- (e) code sharing;
- (f) Commission;
- (g) determination;
- (h) interim determination;
- (i) joint international air services;
- (j) transfer application.

In this instrument:

ACCC means the Australian Competition and Consumer Commission.

Act means the *International Air Services Commission Act 1992*.

additional criteria: see section 9.

applicant means an Australian carrier that has applied to the Commission for a determination allocating capacity, or for the renewal or review of such a determination.

reasonable capability criterion: see section 8.

route relates to the full set of entitlements available to Australian carriers under a particular bilateral arrangement. All combinations of origin, destination, intermediate and beyond points available to Australian carriers under the bilateral arrangement constitute a single route.

5 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

6 Object

- (1) This instrument is a policy statement intended to provide guidance about the way in which the Commission is to perform its functions.
- (2) The Commission is to perform its functions in a way that will achieve the object of the Act (that is, to promote economic efficiency through competition in the provision of international air services) by fostering, encouraging and supporting competition in the provision of international air services by Australian carriers.

Part 2—Criteria for assessing benefit to the public

7 Explanatory outline of this Part

The Act requires the Commission to assess the **benefit to the public** of allocations of capacity when deciding whether to make, renew or vary a determination. This Part sets out criteria that the Commission is to have regard to in assessing the benefit to the public of allocations of capacity in particular circumstances.

There are two main sets of criteria that the Commission is to have regard to in assessing the benefit to the public: the ‘reasonable capability criterion’ and the ‘additional criteria’. When and how the Commission is to have regard to the criteria is set out in Part 3.

In certain circumstances specified in Part 3, the Commission is to have regard to other criteria which are not set out in this Part. These include, for example, the matters referred to in paragraph 18(2)(b) or subsection 16(2) of this instrument.

The criteria set out in this Part apply equally in assessing the benefit to the public of allocations to be exercised through own aircraft operations, code share arrangements and other joint international air services.

8 Reasonable capability criterion

Reasonable capability criterion means the extent to which all Australian carriers that are, or would be, permitted to use the capacity allocated under a determination are reasonably capable of:

- (a) obtaining any licences, permits or other approvals required to operate on and service the route to which the determination relates; and
- (b) using the capacity allocated under the determination.

Note: To avoid doubt, this criterion relates to all carriers that are, or would be, permitted to use the capacity allocated under a determination, including all carriers that would be entitled to use the capacity because of a condition imposed by the Commission pursuant to paragraph 15(2)(ea) of the Act.

9 Additional criteria

Additional criteria means the following criteria:

Competition criteria

- (a) the desirability of fostering an environment in which Australian carriers can effectively compete with each other and with foreign carriers on the route in question;
- (b) the number of carriers operating on the route in question and the existing distribution of capacity among Australian carriers (including through code sharing and other joint international air services);

- (c) the likely impact on consumers of the proposed allocation, including on costs of airfares, customer choice, product differentiation, stimulation of innovation by incumbent carriers, and frequency of service;
- (d) the desirability of fostering own aircraft operations by Australian carriers over code share or other joint international air services involving the marketing, by an Australian carrier, of seats on flights operated by foreign carriers;
- (e) the benefits presented by allocating the capacity to a given applicant over other competing applicants, having regard to any commercial arrangements that may be in place with other carriers;
- (f) any determinations, decisions or notifications made by the ACCC, or any determinations made by the Australian Competition Tribunal, in relation to an Australian carrier using capacity in all or part of the route;
- (g) any determinations, decisions or notifications made by a foreign agency that performs a comparable function to the ACCC or the Australian Competition Tribunal, or by a foreign aeronautical authority, in relation to a carrier using entitlements under a bilateral arrangement on all or part of the route;

Tourism and trade criteria

- (h) the level of promotion, market development and investment proposed by each of the applicants;
- (i) route service possibilities to and from points beyond Australian or foreign gateways;
- (j) the availability of frequent, low cost, reliable air freight movements for Australian importers and exporters;

Relevant information obtained from Government agencies

- (k) any information that the Commission has obtained from Australian Government agencies or statutory authorities that the Commission considers to be relevant;

Any other relevant consideration

- (l) any other matter or consideration that the Commission considers to be relevant.

Part 3—How the Commission is to assess benefit to the public

Division 1—Outline

10 Explanatory outline of this Part

This Part sets out how the Commission is to assess the benefit to the public of allocations of capacity in particular circumstances.

There are broadly 3 types of decision that the Commission can make under the Act:

- ▶ Making a determination allocating available capacity (see section 7 and Division 1 of Part 3 of the Act);
- ▶ Renewing a determination by making a fresh determination (see section 8 and Division 2 of Part 3 of the Act);
- ▶ Varying a determination (see section 10 and Division 3 of Part 3 of the Act).

Depending on which type of decision is being made, and the circumstances of the decision, the Commission is to apply the criteria set out in Part 2, and certain criteria specified in this Part, differently.

Division 2 sets out the criteria applicable where the Commission is proposing to make a determination that allocates available capacity under section 7 of the Act:

- ▶ Where there is unlimited available capacity, the Commission is to have regard to the reasonable capability criterion and need not have regard to any other matter (section 11);
- ▶ Where there is sufficient available capacity for all applications and the Commission does not receive any adverse submissions, the Commission is to have regard to the reasonable capability criterion and need not have regard to any other matter (subsection 12(2));
- ▶ However, where the Commission receives one or more adverse submissions, the Commission is to have regard to the reasonable capability criterion and may have regard to relevant additional criteria (subsection 12(3));
- ▶ In all other cases, the Commission is to have regard to the reasonable capability criterion and to relevant additional criteria (section 13).

Division 3 sets out the criteria applicable where the Commission is considering renewing a determination that allocates capacity under section 8 of the Act:

- ▶ Paragraph 8(2)(a) of the Act provides a presumption in favour of renewing a determination. However, the Commission may decline to do so if it is satisfied that the determination is no longer of benefit to the public. In deciding this, the Commission is to have regard to the matters set out in section 14 of this instrument;
- ▶ If the Commission declines to renew a determination, it may make a different determination. In doing so, it is to have regard to the reasonable capability criterion and to relevant additional criteria (section 15).

Division 4 sets out the criteria applicable where the Commission is considering whether to vary a determination in a way that varies, or has the effect of varying, an allocation of capacity:

- ▶ If the Commission has initiated the review, and the reason for variation relates to the condition that allocated capacity be fully used, the Commission is to have regard to the criteria set out in paragraphs 24(3)(a)-(d) and need not have regard to any other matter (subsection 16(2));
- ▶ If the Commission has initiated the review for any other reason, and the Commission does not receive any adverse submissions, the Commission is to have regard to the reasonable capability criterion and need not have regard to any other matter (subsection 16(3));
- ▶ In all other cases where the Commission has initiated the review, the Commission is to have regard to the reasonable capability criterion and may have regard to relevant additional criteria (subsection 16(4));
- ▶ If the carrier has applied for a variation, and the Commission does not receive any adverse submissions, the Commission is to have regard to the reasonable capability criterion and need not have regard to any other matter (subsection 17(2));
- ▶ In all other cases where the carrier has applied for a variation, the Commission is to have regard to the reasonable capability criterion and may have regard to relevant additional criteria (subsection 17(3));
- ▶ Where a carrier has submitted a transfer application, the Commission is to have regard to the reasonable capability criterion and to the matters set out in paragraph 18(2)(b) (as relevant), and may have regard to relevant additional criteria (section 18).

The provisions in this Part apply equally in assessing the benefit to the public of allocations to be exercised through own aircraft operations, code share arrangements and other joint international air services.

Division 2—Determinations allocating capacity

11 Available capacity not limited

- (1) This section applies where the Commission proposes to make a determination allocating available capacity on a route under section 7 of the Act, and available capacity on the route is not limited under the relevant bilateral arrangement.
- (2) In assessing the benefit to the public of the allocation of available capacity under the proposed determination, the Commission:
 - (a) have regard to the reasonable capability criterion; and
 - (b) need not have regard to any other matter.

12 One or more applicants and sufficient available capacity

- (1) This section applies where:
 - (a) the Commission has received one or more applications for determinations allocating available capacity on a route under section 7 of the Act; and
 - (b) there is sufficient available capacity on the route for the Commission to make the determinations sought in all of the applications; and
 - (c) section 11 of this instrument does not apply.
- (2) If the Commission does not receive any submissions:
 - (a) opposing the allocation of the capacity under any of the determinations sought in the applications; or
 - (b) requesting or opposing the inclusion of a specified condition in any of the determinations;then, in assessing the benefit to the public of an allocation of available capacity under the determinations, the Commission:
 - (c) is to have regard to the reasonable capability criterion; and
 - (d) need not have regard to any other matter.
- (3) In all other cases, in assessing the benefit to the public of an allocation of available capacity under a proposed determination, the Commission:
 - (a) is to have regard to the reasonable capability criterion; and
 - (b) may have regard to any of the additional criteria that it considers to be relevant.

13 All other cases (including two or more applicants and insufficient capacity)

- (1) This section applies where:
 - (a) the Commission proposes to make a determination allocating available capacity on a route under section 7 of the Act; and
 - (b) sections 11 and 12 of this instrument do not apply.

Note: For example, this section will apply where the Commission has received two or more applications for determinations allocating available capacity under section 7 of the Act, and there is insufficient available capacity for the Commission to make the determinations sought in all of the applications.

- (2) In assessing the benefit to the public of an allocation of capacity under a proposed determination, the Commission:
 - (a) is to have regard to the reasonable capability criterion; and
 - (b) is to have regard to any of the additional criteria that it considers to be relevant.

Division 3—Renewal of determinations

14 Presumption in favour of making the same allocation of capacity

- (1) This section applies where:
 - (a) the Commission is proposing, while a determination is in force, to make a fresh determination allocating the capacity to which the original determination relates under section 8 of the Act; and
 - (b) the Commission is considering whether the allocation of capacity in the original determination is no longer of benefit to the public for the purpose of subparagraph 8(2)(a)(i) of the Act.
- (2) Without limiting the matters to which the Commission may have regard, an allocation is generally no longer of benefit to the public if:
 - (a) the carrier seeking renewal has failed to service the route effectively; and
 - (b) there are other applications for some or all of the capacity; and
 - (c) the Commission, having regard to the reasonable capability criterion and any of the additional criteria that it considers relevant, is satisfied that a different allocation of the capacity would be of greater benefit to the public.

Note: In accordance with paragraph 8(2)(a) of the Act, the Commission must make the same allocation of capacity as the original determination unless it is satisfied that the allocation is no longer of benefit to the public. This operates as a presumption in favour of the incumbent carrier.

15 Making a different allocation of capacity

- (1) This section applies where, in the course of considering the renewal of a determination, the Commission is satisfied, for the purposes of subparagraph 8(2)(a)(i) of the Act, that the allocation of capacity in the original determination is no longer of benefit to the public.
- (2) In assessing whether an allocation of capacity made by a fresh determination is of benefit to the public for the purpose of subsection 8(3) of the Act, the Commission:
 - (a) is to have regard to the reasonable capability criterion; and
 - (b) is to have regard to any of the additional criteria that it considers to be relevant.

Division 4—Review of determinations

16 Variations on review for cause

- (1) This section applies where:
 - (a) the Commission has conducted a review for cause in relation to a determination pursuant to section 10 of the Act; and
 - (b) the Commission is considering making a decision to vary the determination under paragraph 23(1)(b) of the Act in a way that varies, or has the effect of varying, an allocation of capacity.
- (2) If the grounds on which the review was initiated relate to a condition imposed under paragraph 15(2)(c) of the Act, in assessing whether the allocation, as so varied, would be of benefit to the public for the purpose of subsection 23(3) of the Act, the Commission:
 - (a) may have regard to the criteria set out in paragraphs 24(3)(a) to (d) of this instrument; and
 - (b) need not have regard to any other matter.

Note: Paragraph 15(2)(c) of the Act allows for the imposition of a condition that capacity be fully used.

- (3) If the review was initiated on any other grounds, and the Commission does not receive submissions opposing the variation being considered by the Commission, then in assessing whether the allocation, as so varied, would be of benefit to the public for the purpose of subsection 23(3) of the Act, the Commission:
 - (a) is to have regard to the reasonable capability criterion; and
 - (b) need not have regard to any other matter.
- (4) In all other cases, in assessing whether the allocation, as so varied, would be of benefit to the public for the purpose of subsection 23(3) of the Act, the Commission:
 - (a) is to have regard to the reasonable capability criterion; and
 - (b) may have regard to any of the additional criteria that it considers to be relevant.

17 Variations on application

- (1) This section applies where:
 - (a) the Commission has conducted a review to decide an application (other than a transfer application) for a determination to be varied; and
 - (b) the Commission is considering making a decision to vary the determination under paragraph 24(1)(b) of the Act in a way that varies, or has the effect of varying, an allocation of capacity.

- (2) If the Commission does not receive submissions opposing the variation requested in the application then, in assessing whether the allocation, as so varied, would be of benefit to the public for the purpose of subsection 24(2) of the Act, the Commission:
 - (a) is to have regard to the reasonable capability criterion; and
 - (b) need not have regard to any other matter.
- (3) In all other cases, in assessing whether the allocation, as so varied, would be of benefit to the public for the purpose of subsection 24(2) of the Act, the Commission:
 - (a) is to have regard to the reasonable capability criterion; and
 - (b) may have regard to any of the additional criteria that it considers to be relevant.

18 Transfer applications

- (1) This section applies where:
 - (a) the Commission has conducted a review to decide a transfer application; and
 - (b) the Commission is considering making a decision to vary the determination concerned in a way that gives effect to the variation requested in the transfer application; and
 - (c) the Commission's decision to vary the determination would vary, or have the effect of varying, an allocation of capacity.
- (2) In assessing whether the allocation, as so varied, would not be of benefit to the public for the purpose of subsection 25(2) of the Act, the Commission:
 - (a) is to have regard to the reasonable capability criterion; and
 - (b) is to have regard to the following matters to the extent that they are relevant to the variation under consideration:
 - (i) the undesirability of approving a transfer where doing so will, or is reasonably likely to, permit or encourage any form of speculative activity, including trading in capacity allocations for commercial benefit;
 - (ii) the undesirability, other than in exceptional cases, of approving a transfer application made by a carrier that has never exercised an allocation, or has only exercised an allocation for a period of less than six months; and
 - (c) may have regard to any of the additional criteria that it considers to be relevant.

Part 4—Duration and types of determinations

19 Explanatory outline of this part

This Part sets out how the Commission is to fix the periods during which determinations are to be in force, and in what circumstances the Commission should make interim determinations.

20 Fixing periods during which determinations to be in force

- (1) This section sets out how the Commission is to fix the period during which a determination is to be in force.
- (2) If a determination would allocate capacity on a route where capacity is not limited under the relevant bilateral arrangement, the period during which the determination is to be in force should be fixed at 99 years.
- (3) If a determination relates to an application in which a carrier has requested that the period during which the determination is to be in force be fixed at:
 - (a) if the determination is an interim determination—less than 3 years; or
 - (b) if the determination is not an interim determination—less than 5 years;the period during which the determination is to be in force should be fixed at the period requested in the carrier's application.
- (4) In all other cases, the period during which a determination is to be in force should be fixed at:
 - (c) if the determination is an interim determination—3 years; or
 - (d) if the determination is not an interim determination—5 years.

21 Interim determinations to be made only in exceptional circumstances

The Commission should make interim determinations only in exceptional circumstances.

Part 5—Inclusion, variation and revocation of conditions in determinations

22 Explanatory outline of this part

This Part sets out matters relating to the inclusion of conditions in determinations, and the variation or revocation of such conditions.

Section 23 deals with additional conditions the Commission should include in a determination if it intends to include a condition that allows joint international air services.

Section 24 deals with how the Commission should impose conditions relating to the full use of capacity, and how the Commission should proceed if it has undertaken a review of a determination on the grounds that an Australian carrier has not complied with such a condition.

23 Conditions relating to joint international air services

If the Commission intends to include a condition in a determination that allows joint international air services pursuant to paragraph 15(2)(e) of the Act, the Commission should also include a condition requiring the Australian carrier to take reasonable steps to ensure that passengers are informed at the time of booking that one or more other carriers may operate the flight.

24 Conditions relating to the full use of capacity

- (1) For the purpose of specifying a period during which capacity need not be fully used pursuant to subparagraph 15(2)(c)(i) of the Act, the Commission:
 - (a) should specify as short a period as is reasonably possible, having regard to the full range of things necessary to be done by the Australian carrier in order to commence operating under the determination; and
 - (b) should not specify a period of more than two years other than in exceptional circumstances.
- (2) Where the Commission has commenced a review process under sections 10 and 23 of the Act because an Australian carrier has not complied with a condition that capacity be fully used, the Commission may have regard to the criteria set out in subsection (3) for the following purposes:
 - (a) deciding whether to confirm, vary, suspend or revoke the determination under subsection 23(1) of the Act;
 - (b) assessing whether the allocation, as varied, is of benefit to the public under subsection 23(3) of the Act, in accordance with subsection 16(2) of this instrument.

- (3) The criteria which the Commission may have regard to for the purposes specified in subsection (2) are:
- (a) whether, at the time of the review, there exists an application from another Australian carrier for an allocation of capacity on the route, and the unused portion of the capacity allocated under the reviewed determination prevents the making of a determination in favour of the competing applicant; and
 - (b) whether there is seasonal variation in demand on the route in question; and
 - (c) whether the carrier was prevented from fully using the capacity by circumstances that could not reasonably have been foreseen; and
 - (d) any other matter that the Commission considers to be relevant.

Part 6—Application and Transitional provisions

25 Explanatory outline of this part

This Part sets out application and transitional provisions.

Section 26 deals with the application of this instrument and sets out transitional provisions relating to applications received by the Commission prior to the commencement of this instrument.

26 Application and transitional provisions

- (1) The Commission is to apply this instrument in deciding:
- (a) an application for a determination allocating capacity; or
 - (b) an application for renewal of a determination; or
 - (c) an application for variation of a determination;
- that is received by the Commission on or after the commencement of this instrument.
- (2) Despite the repeal of the International Air Services Policy Statement No.5 by Schedule 1, the Commission is to apply that Policy Statement in deciding
- (a) an application for a determination allocating capacity; or
 - (b) an application for renewal of a determination; or
 - (c) an application for variation of a determination;
- that is received by the Commission before the commencement of this instrument as if that repeal had not happened.

Schedule 1—Repeals

International Air Services Policy Statement No.5

1 The whole of the instrument

Repeal the instrument. Appendix 7



APPENDIX 7

Service Charter

This charter sets out what we do and the standards of service that you can expect from us.

From the Chairperson

This charter sets out the standards of service that you can expect from the International Air Services Commission and its staff. These standards apply to how we make decisions and to how we deal with you. We want to give you the best service possible and we welcome your ideas for helping us do so.

Dr Ian Douglas

Chairperson

About the Commission

The Commission is an independent statutory authority comprised of three part-time Commissioners – a Chairperson and two members – supported by a small secretariat. It is established under the *International Air Services Commission Act 1992* (the Act). The aim of the Act is to enhance the welfare of Australians by promoting economic efficiency through competition in the provision of international air services.

Our role is to allocate capacity available under Australia's bilateral air service agreements to Australian airlines so they can operate these international air services. We assess applications for capacity from airlines, using public benefit criteria in a policy statement given to us by the Minister for Infrastructure and Transport and Regional Development. If an application meets the criteria, we make a determination granting capacity to the airline concerned. We also decide on airlines' applications to vary determinations, usually to allow for code sharing, and to renew determinations.

For more straightforward cases, we have authorised our delegate, usually the Commission's executive director, to make determinations and decisions on our behalf. The Commissioners decide on the more complex applications. In either case, you can expect the same high level of service from us and our staff.

Making an application

If you wish to apply for capacity, or make a submission when we have invited these in certain cases, procedures for doing so can be found on our web site at <www.iasc.gov.au>. We suggest that prospective new airlines first contact the Commission's executive director.

Our clients

In the broadest sense, the Australian community is our primary client because competitive air services promote the welfare of Australians. At a practical level though, airlines are the clients most directly affected by our decisions. However, our work is also relevant to many other parties. These include:

- ▶ the travelling public;
- ▶ the tourism and air freight industries, including Australian exporters;
- ▶ the wider aviation industry, including airport owners, providers of services to airlines, and employee associations;
- ▶ the Minister for Infrastructure and Transport and Regional Development;
- ▶ Australian and State government departments and agencies; and
- ▶ the aviation industry media and analysts.

Our services to you

We aim to provide you with the highest standards of service, both in the way we deal with you and in making our decisions. We make these commitments to you:

In our dealings with you, we will

- ▶ act with as little formality as possible;
- ▶ treat you courteously and professionally;
- ▶ provide you with clear and accurate advice;
- ▶ include contact names and phone numbers in our correspondence;
- ▶ answer phone calls promptly by name or return any missed calls within one working day if you leave a message;
- ▶ reply to your emails within two working days;
- ▶ reply to your letters within ten working days; and
- ▶ respond constructively to your suggestions for improving our service.

In our decision-making processes, we will

- ▶ notify you within five working days of receiving an application for capacity;
- ▶ follow our published procedures for handling applications – the procedures are on our website or we will post, email or fax them to you upon request;

- ▶ seek only information that we consider is reasonably necessary for us to best carry out our functions;
- ▶ protect information you provide to us in confidence (although we prefer to keep confidential information to a minimum to ensure transparent decision making);
- ▶ make our decisions consistent with the requirements of the Act and the Minister's policy statement;
- ▶ make decisions about uncontested applications within four weeks of receipt and contested or opposed applications within twelve weeks, or inform the airline/s involved if there are reasons why a decision may take longer than this;
- ▶ finalise the renewal of existing determinations quickly and, in the case of contested renewals, at least six months prior to the expiry date, circumstances permitting; and
- ▶ notify applicants by email within one working day of a decision being made, and other interested parties by email and on our website as soon as practicable thereafter.

What we ask of you

We ask you to provide comprehensive and accurate information in good time and to be straightforward in your dealings with us. We also ask that you cooperate fully in response to requests for information that we think is relevant to a matter before us.

Accessibility

We will keep you informed quickly and comprehensively about our activities. We also endeavour to make contacting us as easy as possible. Contact details conclude this charter.

Our primary method of communication is by email. We provide information about current cases directly to interested parties who ask for it by this means. We advise you of applications received, and Commission decisions about those applications. We can email copies of these documents to you, or provide links to the documents on our website. Please contact us if you wish to be added to either notification list.

Our website at <www.iasc.gov.au> provides up-to-date information about the Commission's business. It includes applications received, documents relating to current cases and all Commission determinations and decisions. Other important documents are on the site, including the Act and the Minister's policy statement, as well as the Commission's procedures.

Feedback and improving our service

We will monitor our performance against our service commitments. We encourage you to comment on our performance, including suggesting ways in which we can improve our service. Comments should be provided to the Commission's executive director by mail, email or telephone.



At the end of each year, we will assess how we have performed against our service standards. We will invite your comments on our service performance through a brief confidential questionnaire. The aggregated results of the assessments will be summarised in our annual report.

Making a complaint

We regard complaints as part of the feedback process which helps us improve our performance.

If you are dissatisfied with any aspect of our service, it is important that you tell us so we can address your concerns. If you have a complaint you should first try to resolve the issue with the secretariat staff member you dealt with. If you are still not satisfied you should contact the executive director.

Review

We will review this charter through an ongoing consultative process with our stakeholders to ensure that it is meeting your requirements.

Contact details

International Air Services Commission

Telephone: (02) 6267 1100
 Email: iasc@infrastructure.gov.au
 Internet: www.iasc.gov.au

Postal address: GPO Box 630, Canberra ACT 2601
 Premises: Level 4, 111 Alinga Street
 Canberra, ACT

APPENDIX 8

Commission office holders since 1992

The following tables set out the Chairpersons and Members of the Commission since the Commission was established in 1992.

Chair persons	Period
Stuart Fowler	July 1992 to April 1993
James Bain	July 1993 to June 1998
Russell Miller	July 1998 to January 2000
Michael Lawriwsky and Stephen Lonergan (Members presiding at alternate meetings)	January 2000 to August 2000
Ross Jones	August 2000 to August 2003
John Martin	November 2003 to November 2009
Philippa Stone and Ian Smith (Members presiding at alternate meetings)	November 2009 to June 2010
Ian Smith and Stephen Bartos (Members presiding at alternate meetings)	July 2010 to February 2011
Jill Walker	9 February 2011 to 11 August 2014
Ian Douglas and John King (Members presiding at alternate meetings)	August 2014 to November 2015
Ian Douglas (Acting)	8 November 2015 to May 2016
Ian Douglas	5 May 2016 to present

Members	Period
Brian Johns	July 1992 to June 1997
Russell Miller	July 1992 to June 1998
Michael Lawriwsky	December 1997 to February 2007
Stephen Lonergan	August 1998 to August 2004
Vanessa Fanning	November 2004 to November 2007
Philippa Stone	July 2007 to July 2010
Ian Smith	November 2007 to February 2011
Stephen Bartos	1 July 2010 to 30 June 2013
Ian Douglas	8 November 2012 to present
John King	1 July 2013 to 31 December 2016
Jan Harris	24 November 2016 to 1 September 2019
Karen Gosling	1 November 2017 to present



APPENDIX 9

Glossary of terms

Act	in this report, means the <i>International Air Services Commission Act 1992</i> , as amended.
Air services arrangement	is a set of treaty and/or lower level understandings or arrangements between Australia and another country which permits the carriage by air of passengers or freight or both on agreed routes.
Allocation	a finding by the Commission, included in a determination, that an Australian carrier is permitted to use a specified amount of capacity.
Australian carrier	means a person who <ul style="list-style-type: none">• conducts, or proposes to conduct, an international airline service to and from Australia; and• under the air services arrangements to which the capacity applies, may be permitted to carry passengers or freight, or both passengers and freight, under that arrangement as an airline designated, nominated or otherwise authorised by Australia.
Available capacity	means that an operational decision is not in force in relation to an amount of capacity available under air services arrangements, so an Australian carrier may seek an allocation of some or all of that capacity.
Benefit to the public	occurs if the Australian carrier to whom the capacity is allocated uses that capacity.
BITRE	means Bureau of Infrastructure, Transport and Regional Economics.

Blocked space	a form of code sharing involving one airline purchasing a “block” of seats on another airline’s services, which it is then able to sell to the travelling public.
Capacity	is an amount of space available on an aircraft for the carriage of passengers and/or freight. It may be expressed within air services arrangements in various ways, such as in number of seats, units of capacity, or frequency of service, usually per week, in each direction on a route.
Code sharing	is a form of joint service between two carriers. It involves an arrangement under which one carrier sells capacity under its own name on flights operated by another airline.
Commission	means the International Air Services Commission, established by section 6 of the Act.
Commissioner	means a member of the Commission including the Chairperson.
Consolidation of determinations	means the process of consolidating into one determination the capacity entitlements of an Australian carrier originally issued in separate determinations. affects an existing determination, either by confirming, varying, suspending or revoking it.
Contested application	involves two or more applicants seeking an allocation of the same limited amount of capacity.
Decision	affects an existing determination, either by confirming, varying, suspending or revoking it.
Determination	allocates capacity to an Australian carrier, usually for a period of five years, but in some cases for three years (an interim determination), or for ten years (where capacity is not limited under the air services arrangements in question).
Department	means the Department of Infrastructure, Transport, Regional Development and Communications
Free-sale	a form of code sharing involving one airline selling seats on another airline’s services and paying that other airline an agreed amount for the number of seats actually sold.
Frequency	refers to the number of flights that may be or are being operated, usually on a weekly basis.
Gulf carriers	refers to Emirates Airline, Etihad Airways and Qatar Airways.

Hand-back	where a carrier decides it no longer wishes to use allocated capacity, and applies to return some or all of the capacity.
IASC	means the International Air Services Commission, established by section 6 of the Act.
IATA	means International Air Transport Association.
Interim determination	is a determination that is in force for three years, rather than the five (or in some cases 10) years for a standard determination. It does not carry the rebuttable presumption in favour of an incumbent carrier that usually attaches to a standard determination at the renewal stage.
Jetstar	means Jetstar Airways Pty Limited.
Joint service	an arrangement entered into by an Australian carrier with another carrier to operate services on a joint basis. It may take different forms such as one or more of code sharing, joint pricing, or revenue and/or cost sharing or pooling. Australian carriers must receive approval from the Commission before using allocated capacity in joint services.
Member	means a member of the Commission.
Minister's policy statement	is a written instrument made by the then Minister for Transport and Regional Services on 20 March 2018 under subsection 11(1) of the Act. It sets out the way in which the Commission is to perform its functions under the Act.
Opposed application	a situation in which an interested party makes a submission arguing that an application from a carrier should not be granted by the Commission.
Pacific Air Express	means Pacific Air Express (Australia) Pty Limited.
Qantas	means Qantas Airways Limited
Reduced capacity	where the amount of capacity allocated to a carrier is reduced, including to nil.
Register of available capacity	sets out the amount of capacity under each of Australia's air services arrangements available for allocation, after deducting any allocations already made by the Commission. The Department maintains the Register and is publicly available on its website.
Renewal determination	a new determination that renews an allocation of capacity made under a determination that is approaching its expiry. It may include updated terms and conditions at the Commission's discretion.



Review	involves an examination of an existing determination, either at the request of a carrier which wishes to vary the determination, or on the Commission's initiative if it is concerned that a carrier has or will breach a condition of the determination. In the case of a carrier-initiated review, the Commission may either vary the determination as requested by the carrier or confirm the determination. For a Commission-initiated review, the Commission may decide to confirm, vary, suspend or revoke the determination.
Revocation	a decision by the Commission to revoke (cancel) a determination.
Route	is the combination of origin, destination, intermediate and beyond points (cities) which an Australian carrier may serve under an air services arrangement.
Tasman Cargo	means Tasman Cargo Airlines
Tigerair	means Tiger International Number1 Pty Ltd
Uplift-Discharge data	These data detail, by direction, the revenue traffic between the actual points of uplift and discharge within each flight. It shows the movement of traffic between two airports not necessarily directly connected but within the same flight number.
Use it or lose it	a principle requiring allocated capacity to be used, or else be returned for reallocation.
US/ USA	United States of America
Variation	a decision amending a determination, including conditions attached to it.
Virgin Australia	refers to Virgin Australia International Airlines Pty Ltd and/ or Virgin Australia Airlines (SE Asia) Pty Ltd.

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