



Australian Government
International Air Services Commission

International Air Services Commission
ANNUAL REPORT 2020–21



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Australian Government

International Air Services Commission

The Hon Barnaby Joyce 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-ninth Annual Report of the International Air Services Commission, for the year ended 30 June 2021.

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

A stylized, handwritten signature in black ink.

Dr Ian Douglas
Chairperson

A handwritten signature in black ink, appearing to read 'K. Gosling'.

Karen Gosling
Commissioner

A handwritten signature in black ink, appearing to read 'Genevieve Butler'.

Genevieve Butler
Commissioner

12 August 2021

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-ninth year of operations of the International Air Services Commission (the Commission) and was without doubt the most difficult year for aviation in the Commission's history. It is my pleasure to provide an overview of the activities of the Commission for the last 12 months.

The two major events shaping Australian international aviation during the past year were the severe limits on international travel due to the coronavirus (COVID-19) pandemic, and the restructure of Virgin Australia as it moved through voluntary administration and into new ownership. Wherever possible, the Commission was proactive, and adopted a flexible approach both in its dealings with airlines, and in monitoring the use of traffic rights. Engagement with Australian carriers continued throughout the year despite the large reduction in flying. As both Qantas and Virgin Australia suspended scheduled international passenger services in early 2020 due to Government travel restrictions to prevent the further spread of COVID-19, the Commission has extended the utilisation dates for capacity allocations in line with the extended border closures.

At the time of this review, many foreign carriers serving Australia have permanently grounded portions of their long-haul fleet, particularly large four-engine jets. Malaysia Airlines, Thai Airways International, British Airways, Singapore Airlines, Air New Zealand and Japan Airlines are among carriers to have scrapped Airbus A380, Boeing B747, and Boeing B777-200 aircraft. Codeshare partners of Australian carriers, including KLM, Air France, and Virgin Atlantic have also scrapped Airbus A380, Boeing B747, and Airbus A340-600 aircraft. This extensive fleet rationalisation will be reflected in the capacity that returns to international long-haul routes as air travel resumes.

In its restructure, Virgin Australia simplified its fleet, disposing of its widebody aircraft and turbo props to focus on a single type, the Boeing 737-800. This aircraft has sufficient range to reach Bali, New Zealand, and the islands of the Southwest Pacific. Once travel constraints are eased, the resumption of operations to North America and the commencement of services to Japan will require aircraft with greater range.

While passenger services have been extremely limited, air cargo demand has been high. The combination of strong demand and the lost freight capacity in the belly space of scheduled passenger services has led to the adaptation of passenger aircraft to freight operations. In the case of Emirates Airline, this included the removal of passenger seats from 19 of the company's Boeing 777 jets to improve their freight carrying capability.

The Commission continues its focus on the route between Australia and Tokyo-Haneda Airport. Both Qantas and Virgin Australia were allocated capacity for services to Tokyo-Haneda that were to be commenced by the end of March 2020. Throughout the year the Commission has extended the 'use from' dates for this capacity with a series of resolutions, recently aligning these extensions with the IATA schedule seasons.

The Commission expects that the return of international passenger services will be piecemeal and fragmented as various jurisdictions adjust border constraints in line with levels of vaccination and the perceived risk of further COVID-19 outbreaks. Evidence of the complexity of re-opening routes can already been seen in Europe, and in the frequently delayed corridor between Hong Kong and Singapore. Analysis by the International Air Transport Association suggests that traffic will initially return to domestic and short-haul services, then to large international gateways, potentially leaving secondary cities and regional points underserved until markets fully recover. The Commission will maintain its flexible and adaptable approach with Australian carriers as scheduled international flying returns.

The Commission held a total of 13 meetings during the year. While some meetings were conducted face-to-face in Canberra, the Commission also carried out its work by teleconference or by email, wherever possible. This included videoconferences with both Qantas and Virgin Australia executive officers.

International scheduled passenger traffic in May 2021 was 214,246 passengers. The Trans-Tasman travel bubble contributed to lifting this from 52,989 passengers in May 2020, but it still fell far short of the 3.208 million passengers who travelled in May 2019.¹ The suspension of the Trans-Tasman travel bubble in July 2021 underlined how fragmented the return to international airline operations is likely to be.

In 2020, scheduled dedicated freighter operations accounted for 62.2 per cent of total airfreight, split between 68.7 per cent of inbound and 55.2 per cent of outbound freight. BITRE reported that several airlines that had suspended passenger air services continued to operate 'freight-only' services to and from Australia. Where scheduled air services did not carry passengers, they were recorded as 'dedicated freighters' in the BITRE data.

1 Bureau of Infrastructure, Transport and Regional Economics (BITRE) Statistical Report, Aviation International airline activity, May 2020-May 2021

The Qantas Group (Qantas/ Jetstar) suspended their scheduled international services from March 2020 in line with the Australian Government's border closure. Despite this, they continued to hold the largest international passenger share. This was generated from their non-scheduled flying, repatriating Australian nationals stranded overseas. The Qantas Group held 25 per cent of international passenger traffic (16.5 per cent for Qantas and 8.5 per cent for Jetstar); followed by Singapore Airlines with 8.0 per cent; Air New Zealand with 7.6 per cent; Emirates with 7.1 per cent; and Virgin Australia (which also operated non-scheduled repatriation flights during the pandemic) with 6.5 per cent.²

Appointment matters

During the reporting period, Ms Genevieve Butler was appointed as Commission Member on 14 May 2021. As my term as Chairperson ends on 13 August 2021, Ms Butler will assume the role of Commission Chair.

I would like to thank my fellow Commissioners Ms Karen Gosling and Ms Butler whose contributions were essential to the work of the Commission in this difficult year, and to the Executive Director, Ms Marlene Tucker, and her small team in the Secretariat who kept the Commission functioning smoothly despite the complexities of lockdowns and industry disruption.

Dr Ian Douglas

A handwritten signature in black ink, appearing to read 'Ian Douglas', with a stylized flourish at the end.

Chairperson

² Bureau of Infrastructure, Transport and Regional Economics (BITRE) Statistical Report, Aviation International airline activity, calendar year 2020



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.³

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.⁴ 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.⁵

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.

3 Section 20, International Air Services Commission Policy Statement 2018

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

5 Section 14, International Air Services Commission Policy Statement 2018

The Commission conducts a review of the determination and as required by the Act, it invites submissions about the application.⁶ In relation to an application for variation other than a transfer application⁷ (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.⁸

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.⁹ If the Commission finds that a transfer application would not be of benefit to the public the Commission must not vary the determination as requested¹⁰.

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.¹¹ 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.¹²

Having conducted such a review, the Commission may confirm, vary, suspend or revoke the determination.¹³

6 Section 22, International Air Services Commission Act 1992

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

8 Section 17, International Air Services Commission Policy Statement 2018

9 Section 18, International Air Services Commission Policy Statement 2018

10 Section 25, International Air Services Commission Act 1992

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

12 Section 24, International Air Services Commission Policy Statement 2018

13 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 Karen Gosling and Ms Genevieve Butler (who joined the Commission on 14 May 2021).

The membership of the Commission as at 30 June 2021 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 further periods of 12 months until 13 May 2021. Dr Douglas' appointment was further extended by then Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development the Hon Michael McCormack until 13 August 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 strategy.

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, Hainan Airlines, Asian Wings Airways and HNA Airports. He has spoken at several recent online forums hosted by the German Aviation Research Society to assess the impact of COVID19 on international aviation, and is a regular presenter at the European Aviation Conference, the Air Transport Research Society, and the Civil Aviation Management Program hosted by the Civil Aviation Authority of Singapore.

In February 2021, Dr Douglas was appointed as an Honorary Senior Fellow of the Faculty of Business and Law at the University of Wollongong.

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. She was subsequently appointed as Acting Member of the Commission by then Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development the Hon Michael McCormack for the period of 31 October 2020 to 30 January 2021. On 2 March 2021, the Governor-General re-appointed Ms Gosling as Commission Member for a two-year period until 1 March 2023.

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.

Ms Genevieve Butler



Ms Genevieve Butler was appointed by then Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development the Hon Michael McCormack as Member of the Commission, pursuant to subsection 48(1) of the International Air Services Commission Act 1992, with effect from 14 May 2021. The appointment is on a part-time basis.

Ms Butler is a government lawyer with a broad governance background. She is currently a national Board Member and ACT President of the Association of Corporate Counsel Australia. She also serves on the ACT Brand Strategic Advisory Board and is Chair of the ACT Animal Welfare Advisory Committee. Ms Butler is a Member of the ACT Law Society's Government Law Committee and Military Law Committee. She has previously served on the Board of Directors of Community Services #1 and is a former editor of the Aviation Law Association of Australia and New Zealand's periodical.

Ms Butler has provided in-house legal advice to the Australian Transport Safety Bureau since 2016. Previously, she provided legal advice and conducted litigation for the ACT Government Solicitor. She also worked as a Senior Legal Researcher in the Department of Parliamentary Services, focusing on intellectual property law, international human rights and administrative law. Ms Butler's international career includes working in the United Nations Department of Peacekeeping Operations as External Affairs Officer, based in New York and Addis Ababa. She was also based in Brussels as Public Affairs Manager at the Australian Embassy to Belgium and Mission to the European Union and NATO.

Ms Butler holds the following degrees: Bachelor of Laws (Hons), Graduate Diploma of Legal Practice, Master of Journalism and Bachelor of Arts. She is admitted as a practitioner of the Supreme Court of NSW and holds an Unrestricted Government Practicing Certificate from the ACT Law Society. She speaks fluent French.

Commissioners' attendance at meetings in 2020–2021

Commissioner	Number of meetings possible	Number of meetings attended
Dr Ian Douglas	13	13
Ms Karen Gosling	13	13
Ms Genevieve Butler	2	2



L-R: Marlene Tucker (Executive Director), Ian Douglas (Chairperson), Karen Gosling (Commission Member, standing), Genevieve Butler (Commission Member), Anita Robinson (Administrative Officer, standing), Kate McWilliam (Regulatory and 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 by a Regulatory and 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 18–19.

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.



L-R: Marlene Tucker (Executive Director), Ian Douglas (Chairperson), Karen Gosling (Commission Member), Kate McWilliam (Regulatory and Administrative Officer).



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.

Two major events in financial year 2020–21 resulted in a decrease of applications received by the Commission – the COVID-19 pandemic which caused countries, including Australia, to close their borders and impose travel restrictions, and the restructure of Virgin Australia coming out of voluntary administration. In 2020–21, there were only three applications for an allocation of new capacity, all by freighter carriers to operate dedicated freight services. Tasman Cargo was allocated five weekly frequencies on the Hong Kong route and unlimited capacity on the Singapore route to operate all-cargo services. Qantas was allocated unlimited freight capacity on the Korea route and was issued a renewal of unlimited capacity between points in Australia and points in Japan, other than Tokyo-Haneda.

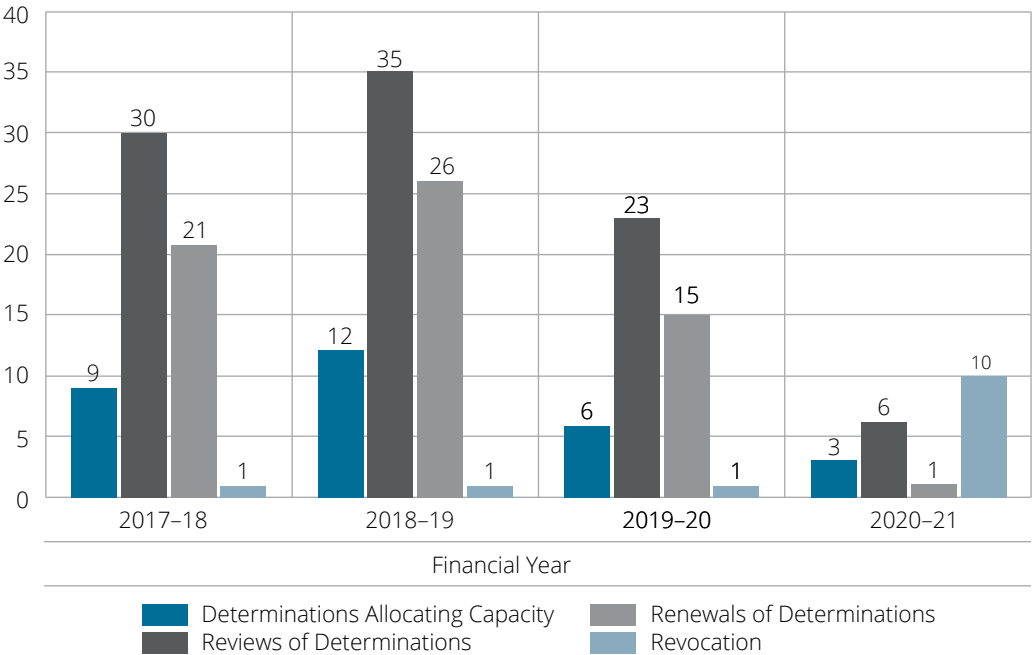
The renewal determination on the Japan route permits Qantas to code share with LATAM and Fiji Airways and for Jetstar to code share with Finnair and Japan Airlines. The permission for Jetstar to code share with Japan Airlines is limited until 22 February 2027 and to specific city pair routes, all involving secondary gateways at one or both ends of the route: Cairns-Tokyo (Narita) vv; Cairns-Osaka (Kansai) vv; and Gold Coast-Tokyo (Narita). Virgin Australia restructured its fleet retaining only Boeing 737 aircraft. ATR72, Boeing 777, Airbus 330 and (former Tiger Airways) Airbus 320 aircraft were removed. Following the fleet restructuring and the suspension of longhaul international flying, Virgin Australia returned all capacity that had been allocated on three routes: Cook Islands, Hong Kong and Papua New Guinea. Virgin Australia applied for and was granted renewal of 120 seats of passenger capacity on the Indonesia route, in anticipation of the resumption of its services to Denpasar when travel restrictions are lifted.

In October 2019, the Commission issued Determinations [2019] IASC 118 and [2019] IASC 119 to Qantas and Virgin Australia, respectively, allocating one frequency per day in each direction to each carrier to serve Tokyo-Haneda Airport. The Determinations include several conditions including the requirement for the capacity to be utilised from no later than 29 March 2020 or from such other date approved by the Commission. During the reporting period, both Qantas and Virgin Australia sought extensions of the date of commencement of services to service Tokyo-Haneda, reflecting the COVID-19 pandemic impacts, including current travel restrictions put in place by the Australian Government in March 2020.

The Commission recognised that the COVID-19 pandemic and associated travel restrictions imposed by various countries have seriously disrupted international airline operations worldwide. Given these extraordinary circumstances, and as requested by the carriers, the Commission issued several resolutions extending the date of commencement of their use of the capacity. Determinations [2019] IASC 118 and [2019] IASC 119 were varied, deferring the 'utilised from' date, and the Commission continues to monitor the airlines' ability to utilise the capacity on the Tokyo-Haneda route.

The graph below shows a comparative data of the current reporting period (2020–21) with the three preceding years.

Historical numbers of determinations and decisions



A brief summary of all determinations and decisions for 2020–21 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

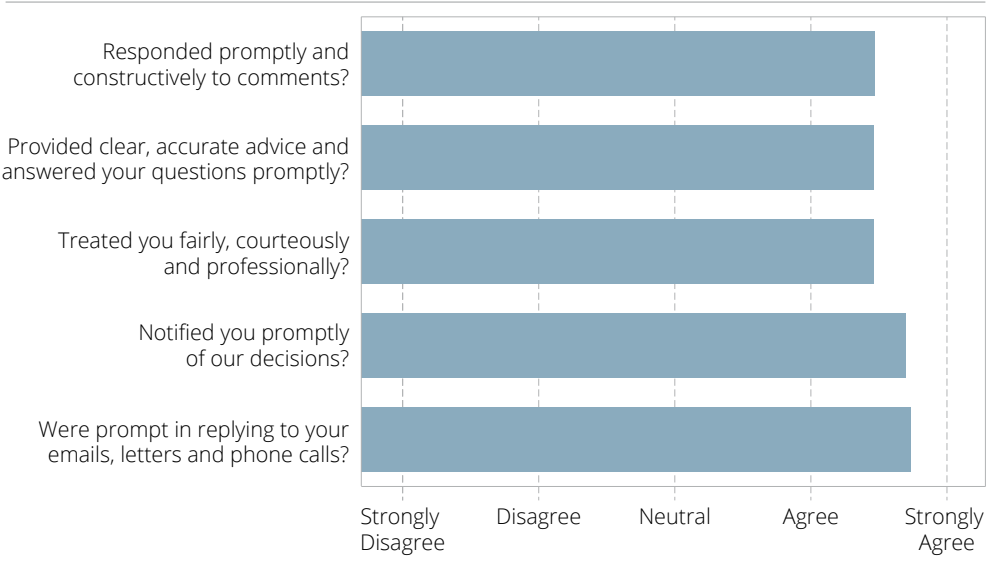
The Commission uses the detailed commitments set out in its service charter as the framework for assessing its service performance. The specific undertakings in the service charter encompass both the ways in which the Commission engages with interested parties and how it makes its decisions. This framework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

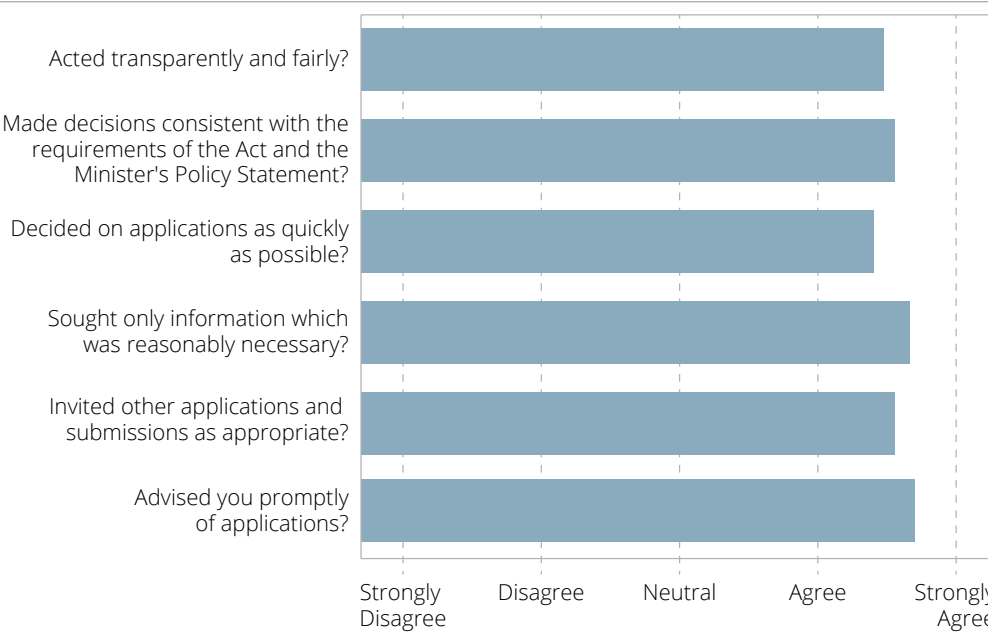
Respondent scores against each criterion are aggregated and averaged. For 2020–21, the Commission's over-all performance was rated above average, which indicates that stakeholders continue to rate the Commission's performance favourably.

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.

During the reporting period, the small Secretariat supporting the Commission was also responsible for the delivery of other COVID-19 programs, which, coupled with the availability of the part-time Commissioners, resulted in the timeline not being met with a number of cases. These somewhat minor delays had no commercial impact on airlines. Operating arrangements impacted by various border closures caused some decisions to be completed several days outside the Commission's standard timeframe.

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

Distribution of decision times by type of case

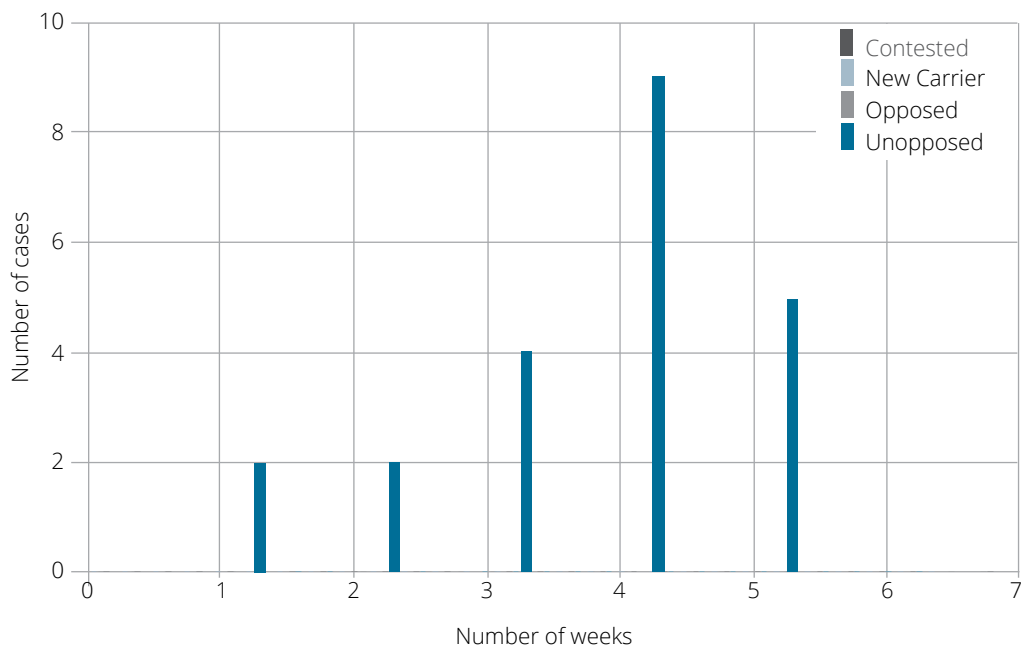




Photo © Qantas Airways Limited

Efficiency of financial resources

The Commission's budget for the year was \$287,091. 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 2020–21 was \$204,090. The Commission's underspend was due to the COVID-19 pandemic and the travel restrictions imposed, resulting in the Commission conducting more of its business online and via teleconference. Additionally, a third Commissioner was not immediately appointed when a vacancy arose in the Commission but was appointed only in the last month of the financial year.

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, due to border closures and travel restrictions, the Commission conducts meetings by video or telephone conference. 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 two 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, his term was extended three times -- initially for 12 months until May 2020; then a further 12-month period until 13 May 2021; then for three months until 13 August 2021.

Ms Karen Gosling's term as Commission Member ended on 31 October 2020 and was extended until 30 January 2021. On 2 March 2021, Ms Gosling was re-appointed as Commission Member by the Governor-General for a two-year period until 1 March 2023.

The Act further provides that the Minister may appoint a person to act as Chairperson or Member of the Commission under certain circumstances, pursuant to section 48 of the Act. Ms Genevieve Butler was appointed by the Minister under section 48 as Commission Member with effect from 14 May 2021.

The Remuneration Tribunal sets the Chair and Members' remuneration and travel entitlements pursuant to the *Remuneration Tribunal Act 1973*.

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) review¹⁴.

Management of human resources

As at 30 June 2021, the Secretariat was comprised of one full-time Executive Level 2 officer as Executive Director (Ms Marlene Tucker)¹⁵ and one part-time APS 5/ APS 6 officer as Regulatory and Administrative Officer.

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.

14 Decisions made by the Commission are not subject to merits review by the Administrative Appeals Tribunal.

15 During the financial year, the Executive Director was also tasked to lead a separate team within the Department with responsibility for the administration and implementation of the Government's Australian Airlines Financial Relief Program (AAFRP) which provided financial assistance to aircraft operators impacted by COVID-19.



PART 5

Financial report

Financial report as at 30 June 2021

	(1)	(2)	(3)	(4)
	2020–21 Budget \$	2020–21 Actual \$	Variance (Column 2–1) \$	2021–22 Budget
Salaries / Commissioners' fees	262,237	195,219	-67,018	252,442
Revenue	0	0	0	0
Supplier expenses	24,854	8,871	-15,983	X
TOTAL	287,091	204,090	-83,001	X
Holders of public office	3	3 ¹⁶		3
Staff	1.8	1.8		1.8

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 a departmental building.

In financial year 2020–21, the Commission's underspend was due to the COVID-19 pandemic and the travel restrictions imposed. As a result, the Commission conducted more of its business online and via teleconference. Savings were realised in relation to Commissioners' fees during the year, particularly as a third Commissioner was not immediately appointed when a vacancy arose in the Commission but was appointed only in the last month of the financial year.

¹⁶ A third Commissioner was appointed in the last month of the financial year.



APPENDIX 1

Determinations and decisions

This table summarises briefly the determinations and decisions issued during 2020–21. A full summary is at Appendix 2. Individual determinations, decisions and renewals may be viewed on the Commission's website at <www.iasc.gov.au>.

Route	Airline	IASC Number	Date	Capacity Allocated	Comment
Cook Islands	Virgin Australia	[2020] IASC 214	30 Nov 20	180 seats	Variation to revoke [2017] IASC 125
Cook Islands	Virgin Australia	[2020] IASC 215	30 Nov 20	156 seats	Variation to revoke [2018] IASC 103
Cook Islands	Virgin Australia	[2020] IASC 216	27 Nov 20	180 seats	Variation to revoke [2018] IASC 119
Cook Islands	Virgin Australia	[2020] IASC 217	30 Nov 20	360 seats	Variation to revoke [2019] IASC 110
Cook Islands	Virgin Australia	[2020] IASC 218	30 Nov 20	180 seats	Variation to revoke [2019] IASC 123
Hong Kong	Tasman Cargo (previously known as Asian Express)	[2021] IASC 103	23 Mar 21	5 frequencies	Allocation of five frequencies of freight services per week
Hong Kong	Virgin Australia	[2020] IASC 219	27 Nov 20	7 frequencies	Variation to revoke [2016] IASC 107

Route	Airline	IASC Number	Date	Capacity Allocated	Comment
Hong Kong	Virgin Australia	[2020] IASC 220	27 Nov 20	7 frequencies	Variation to revoke [2018] IASC 106
Indonesia	Virgin Australia	[2020] IASC 105	09 Sep 20	120 seats	Renewal of [2015] IASC 110
Indonesia	Virgin Australia	[2020] IASC R07	07 Dec 20		Extension of the date of utilisation due to travel restrictions
Indonesia	Virgin Australia	[2021] IASC R04	23 Mar 21		Extension of the date of utilisation due to travel restrictions
Indonesia	Qantas	[2021] IASC R02	06 Apr 21		Extension of the date of utilisation due to travel restrictions
Japan	Virgin Australia	[2020] IASC R09	07 Dec 20		Extension of the date of utilisation due to travel restrictions
Japan	Virgin Australia	[2021] IASC R03	06 Mar 21		Extension of the date of utilisation due to travel restrictions
Japan	Qantas	[2020] IASC R08	07 Dec 20		Extension of the date of utilisation due to travel restrictions
Japan	Qantas	[2021] IASC R01	23 Mar 21		Extension of the date of utilisation of capacity due to travel restrictions
Japan	Qantas	[2021] IASC 101	23 Mar 21	Unlimited capacity to points in Japan other than Tokyo-Haneda	Renewal of unlimited capacity between points in Australia and points in Japan other than Tokyo-Haneda with permission for Qantas and Jetstar to code share with certain airlines
Korea	Qantas	[2020] IASC 106	19 Nov 20	Unlimited freight capacity	Allocation of unlimited dedicated freight capacity on the Korea route

Route	Airline	IASC Number	Date	Capacity Allocated	Comment
Papua New Guinea	Virgin Australia	[2020] IASC 221	30 Nov 20	160 seats	Variation to revoke [2018] IASC 109
Papua New Guinea	Virgin Australia	[2020] IASC 222	30 Nov 20	900 seats	Variation to revoke [2018] IASC 114
Papua New Guinea	Virgin Australia	[2020] IASC 223	30 Nov 20	172 seats	Variation to revoke [2019] IASC 105
Singapore	Tasman Cargo (previously known as Asian Express)	[2021] IASC 104	01 Apr 21	Unlimited freight capacity	New capacity allocation



APPENDIX 2

Route-by-route summary of Commission determinations, decisions and resolutions in 2020–21

This appendix provides a summary of the Commission's determinations and decisions for 2020–21. Full determinations and decisions can be viewed on the Commission's website at www.iasc.gov.au.

Cook Islands

Upon the application of Virgin Australia, the Commission issued, on 30 November 2020, **Decision [2020] IASC 214**, to revoke Determination [2018] IASC 125 with effect from the date this instrument is made.

Upon the application of Virgin Australia, the Commission issued, on 30 November 2020, **Decision [2020] IASC 215**, to revoke Determination [2017] IASC 103 with effect from the date this instrument is made.

Upon the application of Virgin Australia, the Commission issued, on 30 November 2020, **Decision [2020] IASC 216**, to revoke Determination [2018] IASC 119 with effect from the date this instrument is made.

Upon the application of Virgin Australia, the Commission issued, on 30 November 2020, **Decision [2020] IASC 217**, to revoke Determination [2019] IASC 110 with effect from the date this instrument is made.

Upon the application of Virgin Australia, the Commission issued, on 30 November 2020, **Decision [2020] IASC 218**, to revoke Determination [2019] IASC 123 with effect from the date this instrument is made.



Hong Kong

Upon the application of Tasman Cargo, the Commission issued, on 23 March 2021, **Determination [2021] IASC 103**, which allocated to Tasman Cargo, five frequencies of capacity per week in each direction, to operate dedicated freight services between points in Australia, other than Sydney, Melbourne, Brisbane and Perth, and Hong Kong. The determination is valid for five years from 23 March 2021.

Upon the application of Virgin Australia, the Commission issued, on 27 November 2020, **Decision [2020] IASC 219**, to revoke Determination [2016] IASC 107 with effect from the date this instrument is made.

Upon the application of Virgin Australia, the Commission issued, on 27 November 2020, **Decision [2020] IASC 220**, to revoke Determination [2018] IASC 106 with effect from the date this instrument is made.



Indonesia

Upon the application of Virgin Australia, the Commission issued, on 9 September 2020, **Renewal Determination [2020] IASC 105**, which renewed [2015] IASC 110, allocating 120 seats per week on the Indonesia route. The determination is valid for five years from 30 August 2021.

Upon the application of Virgin Australia, the Commission issued, on 7 December 2020, **Resolution [2020] IASC R07**, varying Determination [2019] IASC 128 to further extend the date of utilisation of capacity from no later than 31 October 2020, to 31 March 2021. Due to the travel restrictions imposed by the Australian Government, Virgin Australia has not been able to commence the new services on the Indonesian route as originally planned.

Upon the application of Virgin Australia, the Commission issued, on 6 April 2021, **Resolution [2021] IASC R04**, varying Determination [2019] IASC 128 to further extend the date of utilisation of capacity from no later than 31 March 2021, to 31 October 2021. Due to the travel restrictions imposed by the Australian Government, Virgin Australia has not been able to commence the new services on the Indonesian route as originally planned.

Upon the application of Qantas, the Commission issued, on 23 March 2021, **Resolution [2021] IASC R02**, varying Determination [2020] IASC 101 to further extend the date of utilisation of capacity from no later than 30 June 2020, to 31 October 2021. Due to the travel restrictions imposed by the Australian Government, Qantas has not been able to commence the new services on the Indonesian route as originally planned.



Japan

Upon the application of Virgin Australia, the Commission issued, on 7 December 2020, **Resolution [2020] IASC R09**, varying Determination [2019] IASC 119 to further extend the date of utilisation of capacity from no later than 31 October 2020, to 31 March 2021. Due to the travel restrictions imposed by the Australian Government, Virgin Australia has not been able to commence the new services on the Japan route to serve Tokyo-Haneda Airport as originally planned.

Upon the application of Virgin Australia, the Commission issued, on 6 April 2021, **Resolution [2021] IASC R03**, varying Determination [2019] IASC 119 to further extend the date of utilisation of capacity from no later than 31 March 2021, to 31 October 2021. Due to the travel restrictions imposed by the Australian Government, Virgin Australia has not been able to commence the new services on the Japan route to serve Tokyo-Haneda Airport as originally planned.

Upon the application of Qantas, the Commission issued, on 7 December 2020, **Resolution [2020] IASC R08**, varying Determination [2019] IASC 118 to further extend the date of utilisation of capacity from no later than 30 October 2020, to 31 March 2021. Due to the travel restrictions imposed by the Australian Government, Qantas has not been able to commence the new services on the Japan route to serve Tokyo-Haneda Airport as originally planned.

Upon the application of Qantas, the Commission issued, on 23 March 2021, **Resolution [2021] IASC R01**, varying Determination [2019] IASC 118 to further extend the date of utilisation of capacity from no later than 31 March 2021, to 31 October 2021. Due to the travel restrictions imposed by the Australian Government, Qantas has not been able to commence the new services on the Japan route to serve Tokyo-Haneda Airport as originally planned.

Upon the application of Qantas, the Commission issued, on 23 March 2021, **Renewal Determination [2021] IASC 101**, which renewed [2012] IASC 102, allocating to Qantas unlimited capacity to operate passenger services between points in Australia and points in Japan, other than Tokyo-Haneda. The capacity may be used by either Qantas or its wholly-owned subsidiary, Jetstar Airways Pty Limited. The determination also permits Qantas to provide code share services with LATAM and Fiji Airways, and for Jetstar to provide code share services with Japan Airlines and Finnair, subject to certain conditions. The determination is valid for 99 years from 23 February 2022.



Korea

Upon the application of Qantas, the Commission issued, on 19 November 2020, **Determination [2020] IASC 106**, allocating to Qantas unlimited all-cargo capacity on the Korea route. The determination is valid for 99 years from the date the instrument is made.



Papua New Guinea

Upon the application of Virgin Australia, the Commission issued, on 30 November 2020, **Decision [2020] IASC 221**, to revoke Determination [2018] IASC 109 with effect from the date this instrument is made.



Upon the application of Virgin Australia, the Commission issued, on 30 November 2020, **Decision [2020] IASC 222**, to revoke Determination [2018] IASC 114 with effect from the date this instrument is made.

Upon the application of Virgin Australia, the Commission issued, on 30 November 2020, **Decision [2020] IASC 223**, to revoke Determination [2019] IASC 105 with effect from the date this instrument is made.



Singapore

Upon the application of Tasman Cargo, the Commission issued, on 1 April 2021, **Determination [2021] IASC 104**, which allocated to Tasman Cargo, unlimited frequencies per week, to operate dedicated freight services between Australia and Singapore. The determination is valid for 99 years from 1 April 2021.

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 2020–21.



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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.



Photo © Virgin Australia

Item	Information
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>
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.



Photo © Pacific Air Express

- ▶ 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.

(2) 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:

- (c) obtaining any licences, permits or other approvals required to operate on and service the route to which the determination relates; and
- (d) 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.

Chairs	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 13 August 2021

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 8 November 2015
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
Genevieve Butler	14 May 2021 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.
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.
Delegate	refers to the IASC Executive Director who has been given delegation to perform certain functions of the Commission.
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 Ltd.
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 Ltd.
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
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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