



Australian Government

International Air Services Commission

RESOLUTIONS

Resolution: [2017] IASC R05
Determination: [2013] IASC 122
Public register file: IASC/APP/201746

Resolution: [2017] IASC R06
Determination: [2014] IASC 107
Public register file: IASC/APP/201747

Resolution: [2017] IASC R07
Determination: [2017] IASC 119
Public register file: IASC/APP/201748

The Route: Italy
The Carrier: Virgin Australia International Airlines Pty Ltd
ABN 63 125 580 823 (Virgin Australia)

On 4 September 2017, the Department of Infrastructure and Regional Development (the Department) advised the Commission of specific provisions inserted in the Australia-Italy air services arrangements during the negotiations between Australian and Italian aeronautical authorities in June 2017. These provisions include an explicit reference that the weekly capacity entitlements allocated for code share services are to be averaged over 12 months rather than reflect a weekly maximum.

Under the averaging methodology, a carrier may exceed its weekly capacity allocation for code share services from time to time so long as the total amount of capacity utilised during the year does not exceed the total annual capacity allocation (weekly capacity allocated multiplied by fifty-two weeks).

Paragraph 7(2)(aa) of the *International Air Services Commission Act 1992* (the Act) requires that a determination issued by the Commission must not be contrary to any restrictions contained in the relevant bilateral air services arrangements. In positive terms, the Act requires that a determination allocating capacity must be consistent with the relevant air services arrangements.

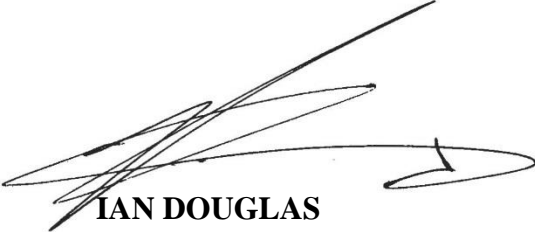
In light of the above, the Commission issues this resolution recognising the averaging-out methodology by inserting a condition to the following determinations, which states that ‘the capacity allocation is averaged over 12 months in accordance with the Australia-Italy air services arrangement’:

- [2013] IASC 122 allocating 300 third country code share seats per week, valid until 7 April 2018;
- [2017] IASC 107 allocating 300 third country code share seats per week, valid from 8 April 2018 until 7 April 2023;
- [2017] IASC 118 allocating 300 third country code share seats per week, valid until 9 August 2022.

The Commission resolves to recognise that the averaging-out methodology applies to capacity allocations on the Italy route from the date that the Australia-Italy air services arrangements came into effect on 8 June 2017.

As the variations to be made to the relevant determinations are administrative in character, and for the sole purpose of aligning the determinations with the recent updates to the Australia-Italy air services arrangements, the Commission has decided to achieve this variation by issuing a resolution on the matter.

Date: 6 September 2017



IAN DOUGLAS
Chairperson



JAN HARRIS
Commissioner