



Australian Government

Department of Infrastructure, Regional Development and Cities



# Fourth ICAO Air Transport Symposium

8 May 2019

Session 2 – Sharing Regional Experiences in Liberalisation

Brendan McRandle, Executive Director

*Aviation and Airports, Department of Infrastructure, Regional Development & Cities*

# International Air Services – the Framework

- 1944 Chicago Convention – aviation markets are closed until governments open them.
- Bilateral air services agreements are the tool to do this.
- Australia has bilateral arrangements with over 100 economies, which cover:
  - Capacity
  - Traffic rights
  - Code sharing arrangements
  - Rules on setting airfares
  - Rules governing ownership and control of airlines of each country

# Australia's Approach

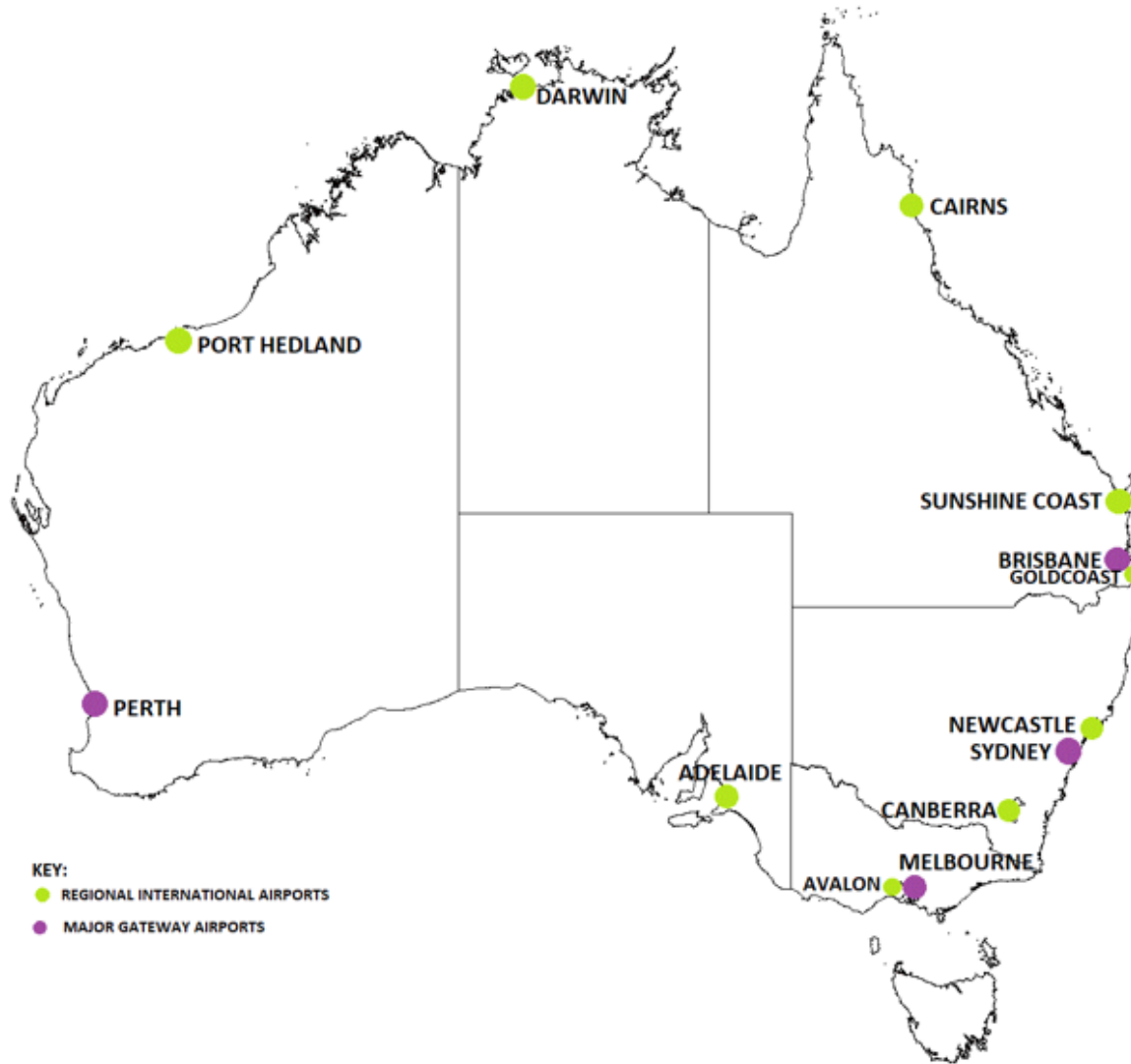
- Australian Government policy is to increase liberalisation to support our nation's interests.
- The breadth of the air services arrangements Australia has in place provides:
  - Increased global connectivity
  - Economic benefits for both sides
  - The ability to establish comprehensive code share networks
  - Opportunities for Australian industries



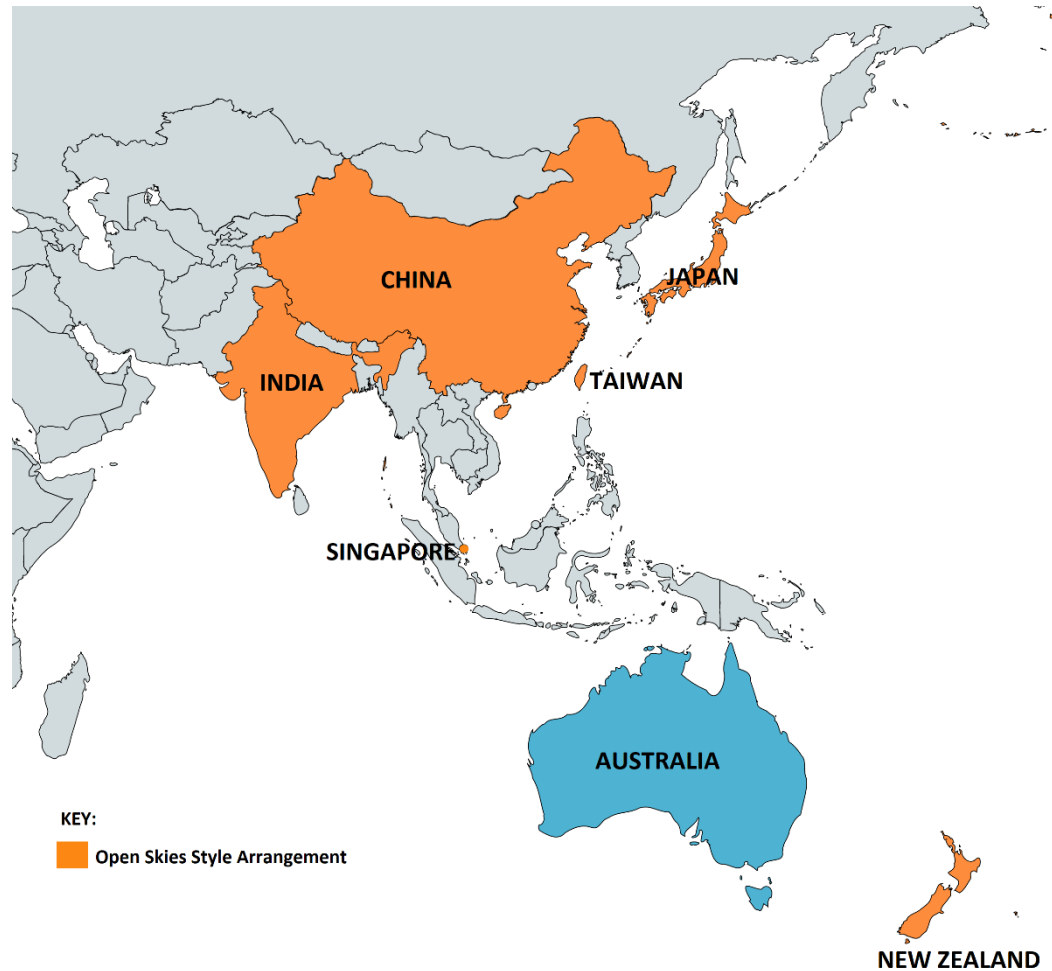
# Australia's approach

- Our approach is to:
  - Negotiate capacity ahead of demand
  - Promote fairness for both sides
  - Generate economic benefits through increased connections
- How do we prioritise who we negotiate with?
  - Industry – we seek views of Australian industry in the aviation, tourism and trade sectors
  - Bilateral partners – we take into account the views of our bilateral partners and foreign airlines
  - Economic trends – we analyse trends to determine which markets are growing

# Australian International Airport Capacity



# Australia's Open Skies Style Arrangements



# What has our policy achieved?

-  • 9.9 million visitors to Australia in 2018, up 5.1% on 2017
-  • Spend increasing to \$43.9 billion, up 7% on 2017
-  • International freight increasing over 10% on 2016-2017 FY
-  • 55 airlines providing over 3,000 services per week
-  • Flexibility and choice for passengers

# Global Considerations

- National carriers are a source of pride for many countries
- The rate and extent of liberalisation differs from country to country
- Sometimes a staged approach to liberalisation is our best option





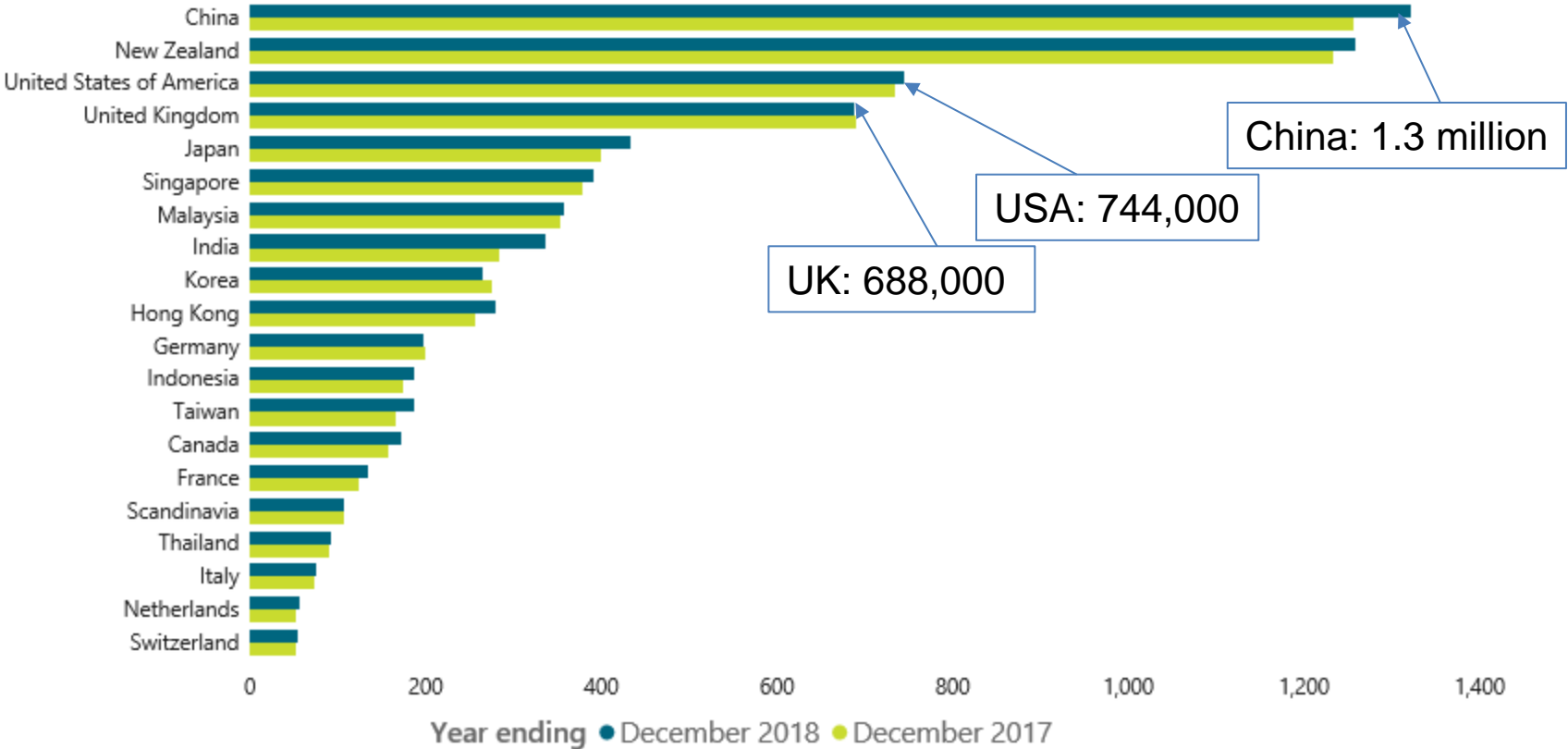
# China

- ‘Open skies’ arrangements were settled in 2016
- Unlimited capacity
- Fully open code share provisions



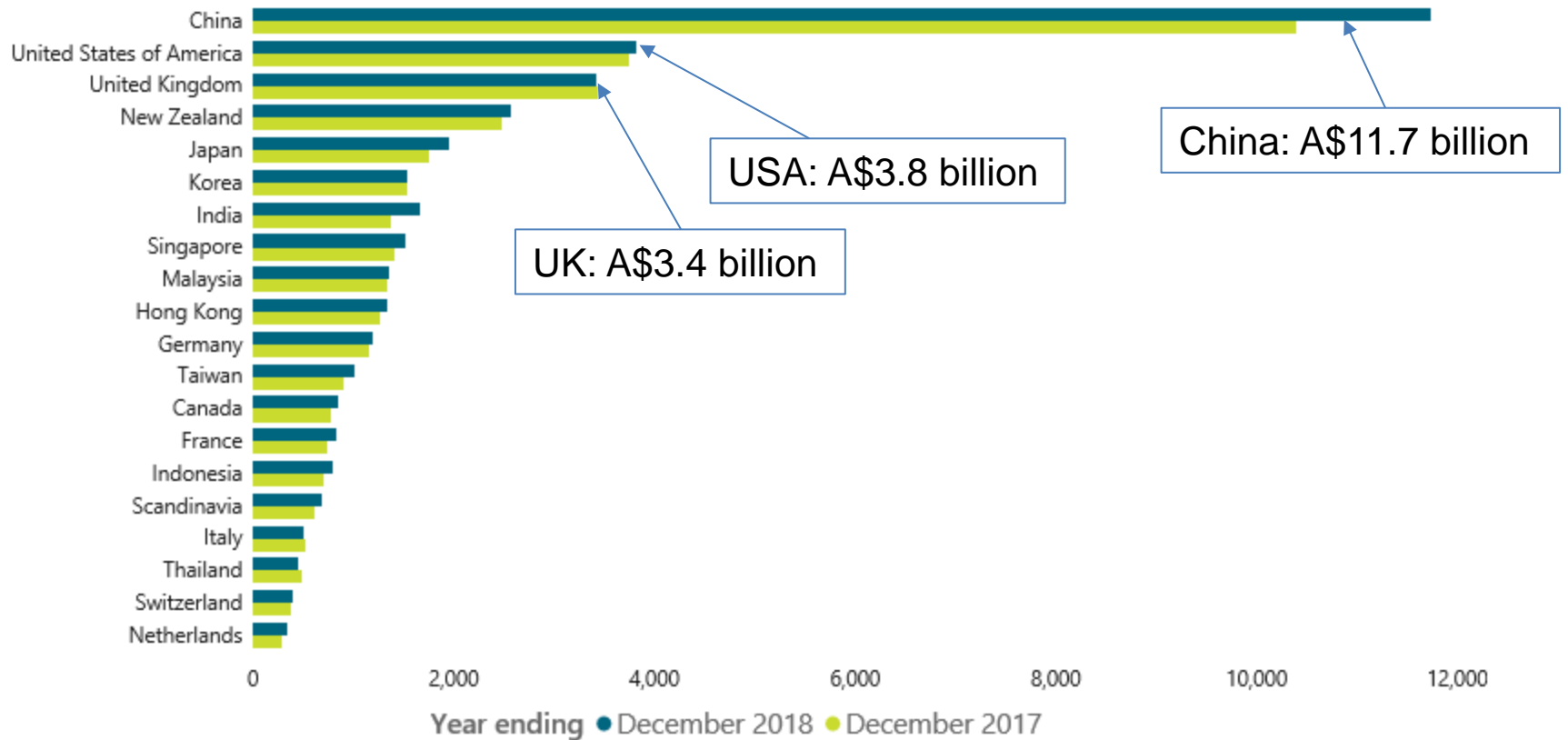
# China (continued)

Number of international visitors to Australia by market ('000)



# China (continued)

Total trip spend in Australia (\$m)



# Further liberalisation

