



Committee Secretary
Senate Standing Committees on Rural
and Regional Affairs and Transport
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Dear Committee Secretary

IATA Submission: Sydney Airport Demand Management Amendment Bill 2024

The International Air Transport Association (IATA) is the trade association for the world's airlines, representing some 330 airlines and 80% of global air traffic. Our representation includes Qantas, Virgin Australia, Link Airways and most international airlines operating at Sydney Airport. We support many areas of aviation activity and help formulate industry policy on critical aviation issues.

IATA commends the Australian Government's efforts to reform the Sydney Airport Demand Management Act 1997 (the Act). We support the reform objectives aimed at improving the efficient use of capacity at Sydney Airport, improving competition, and establishing a fair compliance regime. All are representative of the Worldwide Airport Slot Guidelines (WASG) objectives and the Harris Review recommendations to better align with the WASG, as is applied at other Australian Level 3 airports.

IATA makes the following recommendations to help strengthen the Act's alignment with the WASG, and to realise our shared objectives.

General recommendations:

1. The Act represents inflexible airport coordination policy in comparison to the WASG. This is likely to conflict with the realities of global schedule planning and the use of slots. WASG policy retains flexibility at its core to ensure its applicability to all airline and airport types, at both ends of every route, and to account for global planning and operational practicalities. IATA recommends the Act, and any subsequent guidance, to include pragmatic levels of flexibility in the Act's requirements and execution.
2. The compliance process would benefit from improved clarity and process implementation. A published guidance document would help provide explanations as to how subsequent legislation should be implemented, providing transparency to all stakeholders.
3. Existing levels of stakeholder reporting is already significant. IATA encourages streamlined reporting requirements that do not become onerous.
4. Transparency should be at the core of the Compliance Committee and subsequent Sydney Airport Demand Management legislation.
5. The Act rightly focuses on the airline use of slots, but lacks accountability of other service and supply partners who contribute towards the efficient use of capacity at the airport. The broader aviation ecosystem should be monitored for the impact they may have on the use of slots. Specifically, the supply of capacity by the airport and delivery of services (e.g. air traffic control) in accordance with the declared capacity, the Act and related Regulation.



Specific recommendations:

Reference	Act	IATA Comment/Recommendation
Division 1: 7.6 (1) (b)	<i>"during a *recovery hour—85 aircraft movements in the hour."</i>	<p>IATA appreciates the inclusion of the recovery hour, but we recommend the operation being able to maximise the use of this recovery period, in order to prevent its longevity.</p> <p>IATA suggests not referring to a limit of 85 aircraft movements, but instead referring to the capability of the operation in that hour. For example, 90 might be possible at the time of recovery, thereby preventing the need for an extended recovery hour, and helping the recovery to take place quicker. This approach will also help the Act remain relevant as future technology exceeds today's perceived limitations.</p>
Division 2: 9A (3)	<i>"A *recovery period declaration must be made on the same day as the period to which it relates."</i>	Restricting the recovery period declaration to the same day may be too limited under circumstances where ongoing disruption is expected to roll into the next day, or if disruption occurs early in the day prior to the morning peak. We suggest removing this restriction, or extending it to include next day applicability, to facilitate improved operational planning and customer certainty of flights.
Division 2: 9B (2):	<i>"The *recovery period may be expressed to be either of the following: (a) 1 whole hour; (b) 2 consecutive whole hours."</i>	Limiting the length of the recovery period may result in multiple recovery periods being published, creating administrative delay, and operational uncertainty. We recommend removing this limit and instead relying on Division 4.9B (4) which specifies the start and end of the recovery period.
Division 4: 15, 16, 17, 18, 19, 20	Applies to multiple references throughout this division.	The reasons for failing to comply with allocated slots are diverse and may not be anticipated. IATA recommends declaring exemptions that align to Annex A , but to also accept reasonings that are declared ex-post.
	Multiple references throughout this division. E.g. <i>"Civil penalty: 60 penalty units."</i>	Reference is made to 60 penalty units. It is not clear what the value of a penalty unit is. A set number of units is also an inflexible manner to gain compliance. IATA recommends publishing a link to the value of a penalty unit, and introducing compliance measures that align to WASG Chapter 9. This includes an escalation to compliance, including initial coordinator and airline dialogue, a warning letter, and subsequent increases up to 60 penalty units should compliance not improve.



Division 4:
20 (d):

*"the airline does not return the slots to the *Slot Manager, or transfer the slots to another person who holds slots under the Slot Management Scheme:*

(i) in the case of subparagraph (c)(i)—within 14 days after making the decision; or

(ii) in the case of subparagraph (c)(ii)—within 14 days after becoming aware of the other circumstances."

IATA recommends an alignment to the WASG Slot Return Deadline (SRD) and Historic Baseline Date (HBD). These standardised deadlines for the return and management of slots provide balance between the airline ability to finalise schedules and to return slots with sufficient time to support reallocations. A myriad of external planning factors exist that influence the ability to finalise schedules and consequently when slots may be returned. These are often at the other end of the route, meaning SYD home base slots need to be held while this is resolved. Adhering to the industry deadlines accommodates those factors, whereas a 14-day lead time may provide insufficient lead time for circumstances that remain beyond an airline's control.

The text requires airlines to return slots within 14 days of a decision being made, where it is unlikely that the airline will be able to operate the slots. "Unlikely" is a subjective term and the clause is not sufficiently flexible to allow for ongoing and uncertain causes of planning disruption.

IATA highlights that despite best planning, slots may not be used on the originally intended route. It is normal for route contingency plans to exist during the planning phase. The Act should not therefore solely base returns on the planning of a particular route but retain greater flexibility to facilitate the repurposing of slots.

IATA also recommends a clause to be included that enables the Slot Manager to permit slot returns on a rolling basis, so that an airline may restart operations should the cause of the cancellations be resolved.

Division 2:
36 (1)

*"The *Slot Management Scheme must set out the circumstances in which the *Slot Manager may make a *declared exemption."*

The circumstances to be set out as "declared exemptions" should be as globally aligned as possible for consistent application at both ends of a route. IATA recommends declaring exemptions that align to [Annex A](#), but to also accept reasonings that are declared ex-post where appropriate

Division 4:
47

*"The *Slot Manager may, by instrument in writing, declare that one or more specified *gate movements that occur, or that are scheduled to occur..."*

Exemptions are often items that could not have been anticipated. Flexibility should be included to authorise ex-post circumstances that are agreed by the Slot Manager as valid exemptions.

Division 4:
49

"General matters relating to declared exemptions"

Declared exemptions should be based upon globally aligned guidance. IATA recommends basing this guidance on [Annex A](#), but while allowing for unanticipated items not yet included in [Annex A](#).



Division 5:
66

*"Membership
(2) The *Compliance Committee
consists of the following members:
(a) the Chair;
(b) a representative of the airport-
operator company (within the
meaning of the Airports Act 1996)
for Sydney Airport or, if there is
more than one such company, a
representative of the airport-
management company (within the
meaning of that Act) for Sydney
Airport;
(c) a representative of the *Slot
Manager;
(d) a representative of *Airservices
Australia;
(e) 3 other members."*

The membership of the Compliance Committee omits airline representation. Airlines are an essential part of the process and therefore should be represented.

The membership of the Compliance Committee should be adjusted according to the matter being discussed. Interested stakeholders, such as Sydney Airport representation, or Airline representation, should not be able to rule or comment on the services or compliance matters of particular airlines.

IATA's recommendations aim to facilitate Australia's alignment with international standards, while accounting for other planning and operational realities of the industry.

IATA appreciates your time in reviewing these recommendations and welcomes the opportunity to discuss the submission further.

Yours Sincerely

Matteo Zanarini
Area Manager South West Pacific



Annex A: Justified Non-Utilization of Slots Eligibility

The following occurrences are identified as eligible for Justified Non-Utilization of Slots (JNUS). Where requested by the airline, slot coordinators should consider affected slots as used by the airline. If an unforeseen qualifying event is known about in advance and can be planned for, JNUS should be granted ex-ante to carriers who wish to mitigate impacts to customers, cargo and their operations by cancelling in advance of an event. If the event has longer term impact, JNUS should be granted ex-post for a defined recovery period to support re-establishing demand and necessary service provisions in order to operate.

Where there is no agreement concerning JNUS eligibility or period of eligibility following coordinator-airline dialogue, the Coordination Committee may be asked to provide guidance.

JNUS eligibility should include, but not be limited to:

Category	Incident
Airport closure/Temporary capacity reduction	Closure, partial closure, or temporary capacity reduction, of either the airport of arrival or the airport of departure, resulting in reduced airport facility capability. This encompasses a broad range of possible circumstances that may prevent an airline from operating. For example, non-functioning airbridges or damage to a runway or taxiway. Where the flight is able to operate but is subject to operational delay, this should be considered by the coordinator when monitoring the use of slots.
Air traffic management	<p>In the event air traffic control suspends or restricts operations:</p> <ul style="list-style-type: none"> ▪ Out of the airport of departure or into the airport of arrival. ▪ Into or out of a block of air space through which the air carrier planned to travel to operate the flight. ▪ Due to a significant service level reduction ▪ Due to lack of air traffic management staff ▪ Due to equipment failure <p>Where EU261 (or equivalent passenger rights regulation) extraordinary measures apply, JNUS eligibility should be confirmed.</p>
Bird strike	Bird strikes to the aircraft causing cancellation or diversion of the flight due to damage which requires immediate mandatory checks and possible repair.
General	<ul style="list-style-type: none"> ▪ Failure of infrastructure essential to air travel. ▪ Regulatory/Political restrictions on permissible travel, or to operate flights on certain routes. ▪ Extraordinary negative impact on demand as a direct correlation to one or more of the incidents listed in this document. ▪ Public, national or religious holidays announced after the Series Return Deadline. ▪ Delayed aircraft delivery: The impact the delay has on the overall airline fleet and existing historic precedence. For example, fleet renewal requires the timely delivery of aircraft to avoid a fleet shortage. Where a delayed aircraft delivery causes a fleet shortage and there is no reasonable way to cover the use of slots. ▪ IT Infrastructure disruption



Geological factors	Natural conditions incompatible with the safe operation of the flight. These conditions may arise at either the airport of departure, the airport of arrival or along the specified flight route. Examples include Earthquakes, fire; including superregional fire events disrupting operations, and floods.
Health factors	Flight restrictions related to public health matters including plague/pandemics and widespread illnesses. Flight restrictions may be caused by government advisories, travel restrictions or the ability to operate due to extraordinary levels of staff sickness.
Industrial relations matters	<p>Planned or announced industrial action that affects the operation of an air carrier. Planned or announced strike action can be severely detrimental to airlines and the consumer, and once announced, the impact cannot usually be contained, even if the strike is subsequently called off.</p> <ul style="list-style-type: none"> ▪ All strike action that makes a flight operationally or commercially not viable should be considered for JNUS. E.g.: <ul style="list-style-type: none"> – If caterers are on strike, airlines may choose not to operate longer sectors – Potential strike action can impact demand as customers seek alternatives. – Strike actions can reduce airport capacity and capabilities, causing cancellations. ▪ Airlines should strive to maintain services wherever possible, subject to coordinators offering flexibility for re-times and postponements. ▪ Planned or proposed strike action within a six-week rolling period to operation should be eligible for JNUS. If the strike action is called off within this period JNUS should still apply.
Local matters	<ul style="list-style-type: none"> ▪ Significant disruption to local ground transportation. ▪ Closure/disruption to availability of hotel accommodation. ▪ Disrupted tourist services and infrastructure including cessation of tour operator.
Manufacturing/Supply	<ul style="list-style-type: none"> ▪ Discovery of a hidden manufacturing defect by the air carrier. ▪ Supply chain disruptions (lack of available serviceable parts), including for example, delayed delivery of new/converted aircraft, parts, or components essential to the delivery of a useable aircraft. ▪ Aircraft/Engine/Avionics manufacturer advice to ground aircraft ▪ Regulatory agency's Airworthiness Directives to ground full fleet or part of specific aircraft type's fleet based on stipulated criteria.
Medical reasons	In the event a passenger or crewmember becomes seriously ill or dies onboard the aircraft or during the flight
Meteorological factors	<p>Weather conditions incompatible with the safe operation of the flight. These conditions may be forecast to arise at either the airport of departure, the airport of arrival or along the specified flight route. Examples of meteorological factors include:</p> <ul style="list-style-type: none"> ▪ Closure of the airport of departure or the airport of arrival due to bad weather conditions. ▪ Weather conditions that may result in capacity restrictions at the airport of arrival or the airport of departure. ▪ Damage to the aircraft which could affect the safety of the flight or the integrity of the aircraft and requires immediate assessment and/or repair.



- Meteorological events may include lightning strikes, hailstones, thunderstorms, severe turbulence, sandstorms, hurricanes, volcanic ash etc.

Sabotage

- Acts of sabotage to the aircraft scheduled to operate the flight or to the fleet of the air carrier.

Security reasons

Closure of the airport of departure or the airport of arrival without prior notice for security reasons. For example:

- Bomb discovery or bomb scare either onboard the aircraft or at the airport of departure or the airport of arrival.
- Hijacking of the aircraft.
- Removal of unaccompanied baggage due to a serious security concern, thus causing a flight delay or diversion.
- Removal of an unruly passenger from the aircraft for security reasons, thus causing a flight delay or diversion.

Unlawful acts

All unlawful acts (such as terrorism)

Unanticipated shortcomings affecting flight safety

Airlines may be subject to a broad range of variables including:

- Damage to the aircraft primary or secondary structure caused by third parties or foreign object.
- Technical failure of systems or life-limited parts while having been properly maintained.
- Nuclear or chemical contaminations

War/Political unrest

- Disruption arising from war, conflict, blockade or equivalent political instability of any kind where travel is not advised.
 - In the event the aircraft fuel supply is limited or unavailable upon short notice or without prior notice.
 - Riots, or civil disturbance.
 - Preventative governmental security actions limiting operating hours (curfews)
 - Safety advisories from competent authorities warning against the use of critical airspace, e.g. EASA.
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