



**Australian Government**  

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**International Air Services Commission**

**RENEWAL DETERMINATION**

<b>Determination:</b>	<b>[2025] IASC 110</b>
<b>Renewal of:</b>	<b>[2019] IASC 124</b>
<b>The Route:</b>	<b>France-Route 1</b>
<b>The Applicant:</b>	<b>Virgin Australia International Airlines Pty Ltd (ABN 63 125 580 823)</b>
<b>Public Register File:</b>	<b>IASC/APP/202520</b>

**The Commission makes a fresh determination allocating to Virgin Australia International Airlines Pty Ltd 150 one-way code share seats per day on an average basis, on the France-Route 1. The capacity may be utilised by Virgin Australia International Airlines Pty Ltd to offer code share services with Qatar Airways, subject to certain conditions. The determination is valid for five years from 25 October 2025.**

## **1 The application**

1.1 On 28 November 2019, the International Air Services Commission (the Commission) issued Determination [2019] IASC 124 (the Determination), allocating, in favour of Virgin Australia, 150 one-way code share seats per day, averaged over 12 months, in each direction on the France-Route 1. The Determination is subject to certain conditions including permission for the capacity to be utilised by Virgin Australia to provide code share services with Singapore Airlines.

1.2 On 10 August 2022, the Determination was varied by Decision [2022] IASC 209 to permit the use of the capacity for code sharing between Virgin Australia and Qatar Airways, and to remove conditions permitting the use of the capacity for code sharing between Virgin Australia and Etihad Airways.

1.3 Section 17 of the International Air Services Commission Act 1992 (the Act) requires the Commission to start its consideration of the renewal of a determination at least 12 months before the expiry of the original determination. The original Determination is due to expire on 24 October 2025. In view of this, the Commission sent, on 29 October 2024, a letter to Virgin Australia inviting it to apply for renewal if it wished to renew the Determination.

1.4 On 5 August 2025, Virgin Australia applied to the Commission for a renewal of the Determination for a further five-year period from 24 October 2025, and requested the retention of conditions permitting the capacity to be utilised by Virgin Australia to offer code share services with Qatar Airways.

1.5 As required by sections 12 and 17 of the Act, the Commission published, on

8 August 2025 a notice on its website and subsequently sent a notification by email to stakeholders inviting other applications for capacity on the route. No other applications were received.

1.6 All non-confidential material supplied by the applicant is available on the Commission's website.

## **2 Air services arrangements**

2.1 Paragraph 7(2)(aa) of the Act provides that the Commission must not allocate available capacity contrary to any restrictions on capacity contained in a bilateral arrangement(s).

2.2 The Australia-France air services arrangements provide that the designated airline(s) of Australia may operate 3.0 units of capacity per week from Australia to Paris and one additional point in France. According to the Register of Available Capacity there is 1.0 unit of capacity per week available for allocation to Australian carriers to operate services on the France-Route 1, with Qantas holding an allocation of 2.0 units of capacity.

2.3 Additionally, Australian designated airlines may enter into arrangements with other airlines, including airlines of third countries, to undertake services through code share, blocked space, or other joint venture arrangements.

2.4 The total traffic carried through code share or other joint venture arrangements by the Australian designated airline(s) will not exceed 400 one-way seats daily in each direction averaged over 12 months. Qantas has been allocated 250 one-way code share seats and Virgin Australia has been allocated 150 one-way code share seats on the France-Route 1. There are currently no seats available for allocation.

## **3 Commission's consideration**

3.1 Section 8 of the Act provides that the Commission may, at any time while a determination is in force, make a fresh determination allocating the capacity to which the original determination relates. Subsection 8(2) provides in part that the fresh determination must make the same allocation of capacity as the original determination unless the Commission is satisfied that the allocation is no longer of benefit to the public.

3.2 In assessing the benefit to the public of an allocation of capacity, the Commission must apply the criteria set out for that purpose in the policy statement made by the Minister under section 11 of the Act.

3.3 Pursuant to section 11 of the Act, the Minister issued the International Air Services Commission Policy Statement 2018 (the Policy Statement) which came into effect on 28 March 2018. The Policy Statement sets out the criteria which the Commission is required to apply in assessing the benefit to the public of allocations of capacity.

3.4 Section 14 of the Policy Statement applies where the Commission is proposing to make a fresh determination under section 8 of the Act, and is considering whether the allocation of capacity in the original determination is no longer of benefit to the public for the purpose of section 8(2)(a)(i) of the Act. Section 14(2) of the Policy Statement provides that, without limiting the matters to which the Commission may have regard, an allocation is

generally no longer of benefit to the public if:

- the carrier has failed to service the route effectively (s 14(2)(a)); and
- there are other applications for some or all of the capacity (s 14(2)(b)); and
- the Commission is satisfied that a different allocation of capacity would be of greater benefit to the public, having regard to the criteria set out in sections 8 and 9 of the Policy Statement (s 14(2)(c)).

3.5 The Commission notes that, under subsection 14(2) of the Policy Statement, an allocation will generally no longer be of benefit to the public where all of the above conditions are satisfied.

3.6 There are no other applications for some or all of the capacity to which the determination in question relates, and therefore the condition in section 14(2)(b) of the Policy Statement is not satisfied. The Commission therefore finds that the proposed allocation does not fall within the class of allocations that are generally no longer of benefit to the public contemplated by subsection 14(2) of the Policy Statement.

3.7 However, subsection 14(2) of the Policy Statement operates ‘without limiting the matters to which the Commission may have regard’. In view of the circumstances pertaining to the COVID-19 pandemic, the Commission has proceeded to consider whether the allocation is no longer of benefit to the public in all the circumstances.

3.8 On 11 March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. In response, the Australian Government implemented a series of measures to prevent and minimise the transmission of the virus, including a travel ban on overseas travel on 24 March 2020. This travel ban was eased for certain categories of travellers from 1 November 2021 and fully lifted on 21 February 2022.

3.9 In assessing the current Virgin Australia application for the renewal of its capacity allocation, the Commission considered whether Virgin Australia has failed to service the route effectively.

3.10 Until travel restrictions linked to the COVID-19 pandemic were imposed by the Australian Government in March 2020, Virgin Australia utilised the capacity allocation to offer code share services, as marketing carrier, on flights operated by Singapore Airlines and Etihad Airways to certain points in France.<sup>1</sup> Prior to March 2020, there was no information to suggest that Virgin Australia has failed to service the France-Route 1 effectively.

3.11 Moreover, the Commission notes that Virgin Australia resumed offering code share services on flights operated by Singapore Airlines on the France-Route 1 from the Northern Winter 2022-23 scheduling season.<sup>2</sup> Virgin Australia also commenced code sharing, as marketing carrier, on Qatar Airways operated services on the France-Route 1

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<sup>1</sup> See France, Virgin Australia entry [NW 2019-20 TT Summary](#).

<sup>2</sup> See France, Virgin Australia entry [NW 2022-23 TT Summary](#)

from 12 September 2022<sup>3</sup>.

3.12 The Commission has also considered the ‘reasonable capability criterion’ in section 8 of the Policy Statement, i.e. 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.

3.13 The Commission notes that Virgin Australia is an established carrier that currently operates scheduled international services between Australia and several international points. The Commission therefore finds that the carrier is reasonably capable of obtaining the necessary regulatory approvals and of using the capacity allocated on the France-Route 1.

3.14 Based on its findings above, the Commission is not satisfied that the allocation of capacity in the original determination is no longer of benefit to the public for the purposes of section 8(2)(a)(i) of the Act. Therefore, the Commission is required to make the same allocation of capacity as the original determination (see section 8(2)(a) of the Act).

3.15 The Commission will continue to monitor the utilisation of capacity by Virgin Australia on this route.

3.16 Under section 19 of the Act, the Commission “must include the same terms and conditions as the original determination to which it relates”(subsection 19(1)(c)), but “may make such changes (if any) to the terms and conditions included in the original determination (including adding or deleting terms and conditions) as it is satisfied that are warranted because of changes in circumstances since the original determination was made” (subsection 19(3)).

3.17 In its application, Virgin Australia has requested to retain existing conditions pertaining to its utilisation of the capacity allocation to offer code share services with Qatar Airways.

3.18 The Commission notes that on 28 March 2025, the Australian Competition and Consumer Commission (the ACCC) granted authorisation for Virgin Australia and Qatar Airways to engage in cooperative conduct under an integrated alliance until 23 April 2030. Under this alliance, the airlines may cooperate on matters including, but not limited to, network planning, pricing (including joint pricing), sales and marketing strategies.

3.19 The Commission further notes that Qatar Airways has become Virgin Australia’s exclusive interline, codeshare and loyalty partner. Under these arrangements, Virgin Australia will not codeshare on the international flights of other airlines to, from or within the Middle East, Europe, and Africa.<sup>4</sup>

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<sup>3</sup> [Qatar Airways and Virgin Australia celebrate new strategic partnership at Brisbane Airport launch event](#)

<sup>4</sup> See ACCC authorisation [AA1000679](#)

3.20 In light of the ACCC's decision, and changes to the scope of the alliance between the airlines since the variation<sup>5</sup> to the original determination was made by the Commission, the Commission considers that it is warranted to amend the conditions of the Determination.

3.21 The Commission has decided to issue this determination subject to the conditions set out in item 4 below.

3.22 Nothing in this decision should be taken as indicating either approval or disapproval by the Australian Competition and Consumer Commission (ACCC). This decision is made without prejudicing, in any way, possible future consideration of code share operations by the ACCC.

#### **4 Determination [2025] IASC 110 allocating capacity on France-Route 1 to Virgin Australia International Airlines Pty Ltd**

4.1 In accordance with section 8 of the Act, the Commission's delegate makes a fresh determination in favour of Virgin Australia International Airlines Pty Ltd, allocating 150 one-way seats per day, averaged over 12 months, in each direction on France Route 1, in accordance with the Australia – France air services arrangements.

4.2 The determination is valid for five years from 25 October 2025.

4.3 The determination is subject to the following conditions:

- a) Virgin Australia International Airlines Pty Ltd is required to fully utilise the capacity from no later than the date when the determination comes into effect or such other date approved by the Commission.
- b) Only Virgin Australia International Airlines Pty Ltd is permitted to utilise the capacity.
- c) Subject to the preceding condition, the capacity may be used by Virgin Australia International Airlines Pty Ltd to provide code share services with Qatar Airways Group Q.C.S.C in accordance with the code share agreement between Virgin Australia International Airlines Pty Ltd and Qatar Airways Group Q.C.S.C dated 21 June 2022, as amended.
- d) Virgin Australia International Airlines Pty Ltd and Qatar Airways may jointly price and market each other's services on the route as long as such practices are approved under the *Australian Competition and Consumer Act 2010*.
- e) Virgin Australia International Airlines Pty Ltd must obtain the Commission's written approval before implementing any variation to the code share arrangement which would change: the code share services on the route, the relevant commercial

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<sup>5</sup> [Decision \[2022\] IASC 209](#) refers

aspects of the structure of the agreement from a free sale code share arrangement to a blocked space, or if Virgin Australia International Airlines Pty Ltd proposes to add third country routes on which the airlines will code share where Australian capacity will be used for services on that route.

- f) To the extent that the capacity is used to provide code share (or joint) services on the route, the airlines must take all reasonable steps to ensure that consumers are informed, at the time of booking, of the carrier actually operating the flight. Nothing in this determination exempts the airlines from complying with Australian Consumer Law.
- g) Changes in relation to the ownership and control of Virgin Australia International Airlines Pty Ltd are permitted except to the extent that any change:
  - results in the designation of the airline as an Australian carrier under the Australia-France air services arrangements being withdrawn; or
  - has the effect that another Australian carrier, or a person (or group of persons) having substantial ownership or effective control of another Australian carrier, would take substantial ownership of Virgin Australia International Airlines Pty Ltd or be in a position to exercise effective control of Virgin Australia International Airlines Pty Ltd without the prior consent of the Commission.

Dated: 15 September 2025



GENEVIEVE BUTLER  
Chairperson



JANE MCKEON  
Commissioner