



Australian Government

International Air Services Commission

DECISION

The Route: Japan
The Applicant: Qantas Airways Limited
(ABN 16 009 661 901)

Decision: [2025] IASC 207
Variation Of: [2024] IASC 107
Public Register File: IASC/APP/202511

Decision: [2025] IASC 208
Variation Of: [2024] IASC 108
Public Register File: IASC/APP/202511

Decision: [2025] IASC 209
Variation Of: [2021] IASC 101
Public Register File: IASC/APP/202511

The Commission varies Determination [2024] IASC 107 and Determination [2024] IASC 108 to permit the use of capacity on the Japan (Tokyo-Haneda) route for code sharing between Qantas Airways Limited and EL AL Israel Airlines Ltd, subject to certain conditions. The Commission also varies Determination [2021] IASC 101 to permit the use of the capacity on the Japan route (other than to Tokyo-Haneda) for code sharing between Qantas Airways Limited and EL AL Israel Airlines Ltd, subject to certain conditions. These permissions are valid for the duration of each determination commencing from the date of issue of this decision.

1 The application

1.1 On 21 May 2025, the International Air Services Commission (the Commission) received an application from Qantas Airways Limited (Qantas) seeking to vary the following determinations, to permit Qantas to utilise the capacity to provide code share services with EL AL Israel Airlines Ltd (EL AL) on the Japan route, from 1 July 2025:

- Determination [2024] IASC 107 which allocates to Qantas seven frequencies of passenger capacity per week in each direction, to serve Tokyo Haneda Airport, subject to certain conditions; and
- Determination [2024] IASC 108 which allocates to Qantas one daily frequency of passenger capacity per week in each direction, to serve Tokyo Haneda Airport, subject to certain conditions.

- Determination [2021] IASC 101 which allocates to Qantas unlimited capacity to operate passenger services on the Japan route (other than to Tokyo Haneda Airport), subject to certain conditions.

1.2 Qantas provided the Commission with a copy of the code share agreement with EL AL, on a confidential basis.

1.3 In its application, Qantas specified that under the proposed arrangement EL AL plans to code share on Qantas operated services between Australia and Tokyo (Haneda and Narita) (vv) on a free sale basis. Additionally, Qantas plans to place its code on EL AL operated services between Tokyo (Narita) and Tel Aviv (vv) on a free sale basis.

1.4 Qantas submits that the proposed code share arrangements would enable EL AL to provide connectivity to Australia via the airline's operated flights to Japan. It notes that the ability for EL AL to expand its selling proposition by independently marketing and pricing services between Australia and Japan enhances the range of choices and benefits for consumers.

1.5 In accordance with section 22 of the *International Air Services Commission Act 1992* (the Act), the Commission published, on 23 May 2025, a notice inviting submissions about the application. No submissions were received.

1.6 All non-confidential material supplied by the applicant is available on the Commission's website (www.iasc.gov.au).

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). Any variation made to an existing allocation of capacity should also not be contrary to any restrictions on capacity contained in a bilateral arrangement(s).

2.2 The Australia-Japan air services arrangements provide for unlimited frequencies and slots between any points in Australia and any points in Japan, except to or from Tokyo Haneda Airport.

2.3 Additionally, designated carriers of Australia may enter into code share services on the specified routes with a designated airline(s) of Australia, with a designated airline(s) of Japan or with an airline(s) of third countries, subject to approvals of the aeronautical authorities of both countries.

3 The Commission's consideration

3.1 Qantas' application seeks to vary the determinations to include a condition of a kind referred to in paragraph 15(2)(e) of the Act. In view of this, the application is a transfer application as so defined in subsection 4(1) of the Act. The Commission has assessed the application in accordance with section 25 of the Act.

3.2 Subsection 25(1) of the Act provides that the Commission must make a decision varying the determination in a way that gives effect to the variation requested, subject to subsection 25(2). Subsection 25(2) states that the Commission must not make a decision

varying the determination in a way that varies, or has the effect of varying an allocation of capacity if the Commission is satisfied that the allocation, as so varied, would not be of benefit to the public.

3.3 Under section 26 of the Act, in assessing the benefit to the public of a variation of an allocation of capacity, the Commission is required to apply the criteria set out in any policy statement issued by the Minister under section 11 of the Act.

3.4 Under section 11 of the Act, the Minister made 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.

3.5 Section 18 of the Policy Statement specifically deals with transfer applications such as this one. It provides that, in assessing whether the variation requested would not be of benefit to the public for the purpose of subsection 25(2) of the Act, the Commission is to have regard to the ‘reasonable capability criterion’ set out in section 8 of the Policy Statement and may have regard to any of the additional criteria set out in section 9 that the Commission considers to be relevant. The Commission is also to have regard to the matters specified in paragraph 18(2)(b) of the Policy Statement to the extent that they are relevant to the variation under consideration.

3.6 ‘Reasonable capability criterion’ is defined in section 8 of the Policy Statement to mean the extent to which Australian carriers are reasonably capable of: a) obtaining the necessary approvals to operate on and service the route; and b) using the capacity allocated under the determination. The ‘additional criteria’ to which the Commission may have regard are set out in section 9 of the Policy Statement.

3.7 The Commission notes that Qantas is an established Australian international carrier currently operating services on the Australia-Japan route, and therefore finds that the airline is reasonably capable of obtaining the necessary regulatory approvals and of using the capacity allocated under the determinations.

3.8 The Commission notes it has received no submissions opposing the variations sought in Qantas’ transfer application.

3.9 The Commission considers that the public benefits associated with Qantas’ application relate to travel between Australia and Israel. It is noted that the Israel-Australia market is serviced by EL AL and a small number of other carriers operating one stop services via the Middle East and Asia. EL AL operates services between Tel Aviv and Bangkok, connecting through to Australia by code sharing on Qantas’ Bangkok-Sydney (vv) services¹ and by code sharing on Thai Airways International services between Bangkok and Sydney (vv). EL AL also operates services between Tel Aviv and Abu Dhabi, connecting through to Australia by code sharing on Etihad Airways services between Abu Dhabi and Melbourne/Sydney (vv).²

3.10 For the Northern Summer 2025 IATA scheduling season³, Qantas is the largest airline on the Australia-Japan route, operating up to 28 direct services per week between

¹ [NS25 TT Summary](#), Israel route, EL AL entry

² Data sourced from FlightConnections.com

³ [Northern Summer 2025 Timetable summary - Japan](#)

Australia and Japan (Brisbane-Narita (vv), Melbourne-Narita (vv) and Sydney-Haneda (vv)). Qantas' wholly-owned subsidiary, Jetstar Airways Pty Limited (Jetstar) operates up to 25 direct services per week between Australia and Japan (Cairns-Kansai (vv), Cairns-Narita (vv), Brisbane-Narita (vv), Brisbane-Kansai (vv) and Sydney-Kansai (vv)). Japanese carriers operate up to 41 services per week, with All Nippon Airways operating up to 18 services per week (Haneda-Sydney (vv), and Narita-Perth (vv)) and Japan Airlines operates up to 23 services per week (between Narita-Melbourne (vv) and Haneda-Sydney (vv)).

3.11 For the Japan route, the Commission notes that only EL AL operates direct services three times a week between Tel Aviv and Tokyo (Narita) (vv), with Qantas code sharing on these services. No airline currently operates direct services between Tel Aviv and Tokyo (Haneda) (vv).⁴

3.12 EL AL plans to code share, as marketing carrier, on Qantas operated services between points in Australia and Tokyo (Haneda and Narita) (vv) on a free sale basis. Qantas already code shares as marketing carrier, on EL AL operated services between Tokyo (Narita) and Tel Aviv (vv).

3.13 The Commission considers that the proposed expanded arrangement between Qantas and EL AL will provide additional options and choice for consumers and tourists travelling between Australia and Israel (vv) over Japan, in particular via Tokyo Narita Airport.

3.14 Noting the scope of cooperation proposed, the Commission does not consider that its assessment of benefit to the public for the purpose of subsection 25(2) of the Act would be assisted by having regard to the additional criteria in section 9 of the Policy Statement.

3.15 The Commission finds that the matters specified in subsection 18(2)(b) of the Policy Statement are not relevant to the variation under consideration. The Commission does not have information to suggest that Qantas' transfer application involves speculative activity. Qantas is an established international carrier that currently holds multiple determinations and other regulatory approvals enabling the carrier to operate scheduled international air services on various routes, including the Australia-Japan route.

3.16 Having considered the criteria set out in section 18 of the Policy Statement, the Commission is satisfied that the allocations, as proposed to be varied, would be of benefit to the public. The Commission considers that there is unlikely to be any lessening of public benefit through authorising the proposed code sharing arrangements in relation to the Japan route. Therefore, in accordance with section 25 of the Act, the Commission must make a decision varying the determinations in a way that gives effect to the variation requested in Qantas' transfer application.

3.17 Subsection 15(1) of the Act empowers the Commission to include such terms and conditions in a determination as it thinks fit. Paragraph 15(2)(e) requires the inclusion of a condition stating the extent to which the carrier may use capacity allocated under a determination in joint services with another carrier.

⁴ Data sourced from FlightConnections.com

3.18 The Commission has decided to add conditions permitting the use of the capacity for the provision of code share services between Qantas and EL AL on the Japan route, as requested.

3.19 As required by section 23 of the Policy Statement, the Commission has included a condition requiring the airlines to take all reasonable steps to ensure that passengers are informed of the carrier that is actually operating the flights.

3.20 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 Decision varying Determination [2024] IASC 107 which allocates capacity to Qantas Airways Limited on the Japan route ([2025] IASC 207)

4.1 In accordance with section 25 of the Act, the Commission varies Determination [2024] IASC 107 which allocates capacity to Qantas Airways Limited on the Japan route, to serve Tokyo-Haneda, by:

adding the following conditions to the Determination:

- The capacity may be used by Qantas Airways Limited to provide code share services with EL AL Israel Airlines Ltd in accordance with the code share agreement between Qantas Airways Limited and EL AL Israel Airlines Ltd, dated 5 June 2017, as amended, and the air services arrangements between Australia and Japan.
- Qantas Airways Limited must apply to the Commission for approval of any proposed variations to the code share agreement between Qantas Airways Limited and EL AL Israel Airlines Ltd which would change the relevant commercial aspects of the structure of the agreement from a free sale code share arrangement to a blocked space, or vice versa, or if the airlines propose to add third country routes on which the airlines will code share where Australian capacity will be used for services on that route.
- To the extent that the capacity is used to provide code share services on the route, the airlines must take all reasonable steps to ensure that passengers are informed, at the time of booking, of the carrier actually operating the flight.
- Nothing in this Determination exempts airlines from complying with Australian Consumer Law.

4.2 This decision comes into effect from the date of issue and is valid for the duration of Determination [2024] IASC 107.

5 Decision varying Determination [2024] IASC 108 which allocates capacity to Qantas Airways Limited on the Japan route ([2025] IASC 208)

5.1 In accordance with section 25 of the Act, the Commission varies Determination [2024] IASC 108 which allocates capacity to Qantas Airways Limited on the Japan route, to serve Tokyo-Haneda, by:

adding the following conditions to the Determination:

- The capacity may be used by Qantas Airways Limited to provide code share services with EL AL Israel Airlines Ltd in accordance with the code share agreement between Qantas Airways Limited and EL AL Israel Airlines Ltd, dated 5 June 2017, as amended, and the air services arrangements between Australia and Japan.
- Qantas Airways Limited must apply to the Commission for approval of any proposed variations to the code share agreement between Qantas Airways Limited and EL AL Israel Airlines Ltd which would change the relevant commercial aspects of the structure of the agreement from a free sale code share arrangement to a blocked space, or vice versa, or if the airlines propose to add third country routes on which the airlines will code share where Australian capacity will be used for services on that route.
- To the extent that the capacity is used to provide code share services on the route, the airlines must take all reasonable steps to ensure that passengers are informed, at the time of booking, of the carrier actually operating the flight.
- Nothing in this Determination exempts airlines from complying with Australian Consumer Law.

5.2 This decision comes into effect from the date of issue and is valid for the duration of Determination [2024] IASC 108.

6 Decision varying Determination [2021] IASC 101 which allocates capacity to Qantas Airways Limited on the Japan route ([2025] IASC 209)

6.1 In accordance with section 25 of the Act, the Commission varies Determination [2021] IASC 101 which allocates capacity to Qantas Airways Limited on the Japan route (other than to Tokyo-Haneda), by:

adding the following conditions to the Determination:

- The capacity may be used by Qantas Airways Limited to provide code share services with EL AL Israel Airlines Ltd in accordance with the code share agreement between Qantas Airways Limited and EL AL Israel Airlines Ltd, dated 5 June 2017, as amended, and the air services arrangements between Australia and Japan.

- Qantas Airways Limited must apply to the Commission for approval of any proposed variations to the code share agreement between Qantas Airways Limited and EL AL Israel Airlines Ltd which would change the relevant commercial aspects of the structure of the agreement from a free sale code share arrangement to a blocked space, or vice versa, or if the airlines propose to add third country routes on which the airlines will code share where Australian capacity will be used for services on that route.
- To the extent that the capacity is used to provide code share services on the route, the airlines must take all reasonable steps to ensure that passengers are informed, at the time of booking, of the carrier actually operating the flight. Nothing in this Determination exempts airlines from complying with Australian Consumer Law.

6.2 This decision comes into effect from the date of issue and is valid for the duration of Determination [2021] IASC 101.

Dated: 25 June 2025



GENEVIEVE BUTLER
Chairperson



JANE MCKEON
Commissioner