



Australian Government
International Air Services Commission

DECISION

The Route: Chile
The Applicant: Qantas Airways Limited
(ABN 16 009 661 901)
Decision: [2025] IASC 214
Variation Of: [2024] IASC 125
Public Register File: IASC/APP/202518

The Commission varies Determination [2024] IASC 125 to permit the use of the capacity on the Chile route for code sharing between Qantas Airways Limited and China Eastern Airlines Co., Ltd. The permission is valid for the duration of the Determination commencing from the date of issue of this decision.

1 The application

1.1 On 23 July 2025, Qantas Airways Limited (Qantas) applied to the International Air Services Commission (the Commission) seeking to vary Determination [2024] IASC 125 (the Determination) on the Chile route, to permit China Eastern Airlines Co., Ltd. (China Eastern) to code share on Qantas operated air services, on a free sale basis.

1.2 Qantas' application is for China Eastern to code share on Qantas' operated services between Sydney-Santiago (vv).

1.3 Qantas provided the Commission with a copy of the code share agreement with China Eastern, on a confidential basis.

1.4 In its application, Qantas submits that the proposed code share arrangement will enable China Eastern to expand its selling proposition by independently marketing and pricing services between China and Chile via Australia, enhancing 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 24 July 2025, a notice inviting submissions about the application for variation. 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 Under the Australia-Chile air services arrangements, Australian designated carriers may operate up to 21 services per week in each direction on the Australia-Chile route. In addition, Australian designated airlines may enter into cooperative marketing arrangements such as code sharing, blocked space and other cooperative service arrangements with other airlines.

2.3 Under the Australia-China air services arrangements, the designated airline(s) of Australia may determine the frequency of service, capacity and aircraft type to be operated. Designated airline(s) of Australia may also enter into cooperative marketing arrangements with another Australian airline or airlines, with a Chinese airline or airlines, or with an airline or airlines of a third country.

3 The Commission's consideration

3.1 Qantas' application seeks to vary the Determination 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.

3.6 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.

3.7 ‘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.

3.8 The Commission notes that Qantas is an established Australian international carrier that operates between 4 and 7 services per week on the Chile route¹, and therefore finds that the airline is reasonably capable of obtaining the necessary regulatory approvals and of using the capacity allocated under the Determination.

3.9 The Commission notes that it has received no submissions opposing the variation sought in Qantas’ transfer application.

3.10 The Commission considers that the public benefits associated with Qantas’ application relate to travel between China and Chile. The Commission notes that China Eastern plans to code share, as marketing carrier, on Qantas operated services between Sydney and Santiago (vv), on a free sale basis.

3.11 The Commission notes that China Eastern serves the China-Chile route through its existing code share arrangement with LATAM Airlines². The carrier operates up to 44 weekly services between China and Australia, with onward connections to Chile via LATAM Airlines operated services under the same code share arrangement.

3.12 The Commission considers that the proposed expanded arrangement between Qantas and China Eastern will provide additional options and choice for consumers and tourists travelling between China and Chile over Australia, marketed through China Eastern’s distribution channels.

3.1 The Commission considers that there is unlikely to be any lessening of public benefit through authorising the code sharing arrangement in relation to the Chile route and such authorisation would not limit the ability of other carriers to apply for or utilise the capacity on the route.

3.2 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

¹ See Chile entry: [Northern Summer 2025 Timetable Summary](#) and [Northern Winter 2024-25 Timetable Summary](#)

² See China entry: [Northern Summer 2025 Timetable Summary](#) and [Northern Winter 2024-25 Timetable Summary](#)

multiple determinations and other regulatory approvals enabling the carrier to operate scheduled international air services on various routes, including the Australia-Chile route.

3.3 Having considered the criteria set out in section 18 of the Policy Statement, the Commission is satisfied that the allocation, as proposed to be varied permitting China Eastern to code share, as marketing carrier, on flights operated by Qantas on the Chile route, would be of benefit to the public. Therefore, in accordance with section 25 of the Act, the Commission must make a decision varying the Determination in a way that gives effect to the variation requested in Qantas' transfer application.

3.4 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.

3.5 The Commission has decided to add conditions permitting the use of the capacity for the provision of code share services between Qantas and China Eastern on the Chile route. 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.

3.6 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 125 which allocates capacity to Qantas Airways Limited on the Chile route ([2025] IASC 214)

4.1 In accordance with section 25 of the Act, the Commission varies Determination [2024] IASC 125 which allocates capacity to Qantas Airways Limited on the Chile route, by:

adding the following conditions to the Determination:

- The capacity may be used by Qantas Airways Limited and China Eastern Airlines Co., Ltd in accordance with the code share agreement between Qantas Airways Limited and China Eastern Airlines Co., Ltd, made on 9 July 2008, as amended, and the air services arrangements between Australia and Chile.
- Qantas Airways Limited must apply to the Commission for approval of any proposed variations to the code share agreement 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 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 operating the flight. Nothing in this Determination exempts the airlines from complying with Australian Consumer Law.
- This decision comes into effect from the date of issue and is valid for the duration of Determination [2024] IASC 125.

Dated: 19 August 2025



GENEVIEVE BUTLER
Chairperson



JANE MCKEON
Commissioner