



Australian Government
International Air Services Commission

DECISION

The Route:	Indonesia
The Applicant:	Qantas Airways Limited (ABN 16 009 661 901)
Decision:	[2025] IASC 216
Variation Of:	[2024] IASC 128, [2023] IASC 107
Public Register File:	IASC/APP/202520

The Commission varies Determinations [2024] IASC 128 and [2023] IASC 107 to permit the use of the capacity on the Indonesia route for code sharing between Jetstar Airways Pty Limited and Finnair Plc. The permission is valid for the duration of the determinations commencing from the date of issue of this decision.

1 The application

1.1 On 11 July 2025, Qantas Airways Limited (Qantas) applied to the International Air Services Commission (the Commission) seeking vary Determinations [2024] IASC 128 and [2023] IASC 107 on the Indonesia route, to permit Finnair to code share on Jetstar's operated services from Melbourne to Denpasar and beyond to Singapore, on a free sale basis.

1.2 Qantas provided the Commission with a copy of Jetstar's code share agreement with Finnair, on a confidential basis.

1.3 In its application, Qantas submits that the proposed code share arrangement will enable Finnair to expand its selling proposition by independently marketing and pricing services between Australia and Indonesia to connect to services to Finland, enhancing the range of choices and benefits for consumers.

1.4 In accordance with section 22 of the *International Air Services Commission Act 1992* (the Act), the Commission published, on 14 July 2025, a notice inviting submissions about the application for variation. No submissions were received.

1.5 On 4 August 2025 the Commission wrote to Qantas requesting confirmation of the Jetstar-Finnair code share agreement with respect to the city pairs specified in Qantas' application. On 22 August 2025, Qantas provided the Commission with an updated annex to the Jetstar-Finnair code share agreement, on a confidential basis.

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-Indonesia air services arrangements, Australian designated airlines may enter into code share, blocked space or other cooperative marketing arrangements, as the marketing and/or operating carrier with another Australian designated airline(s), with a designated airline(s) of Indonesia or with airline(s) of a third country.

3 The Commission's consideration

3.1 Qantas seeks to vary Determination [2023] IASC 107 which allocates 14,468 seats per week for the exercise of third and fourth freedom rights on the Indonesia route. The capacity may be utilised by Qantas and/or its wholly-owned subsidiary, Jetstar, and for the latter to provide services jointly with Emirates and KLM Royal Dutch Airlines.

3.2 Qantas also seeks to vary Determination [2024] IASC 128 which allocates 1,624 seats for the exercise of beyond traffic rights with 7 frequencies per week, to be operated beyond Indonesia from Denpasar to Singapore. The capacity may be utilised by Qantas and/or its wholly-owned subsidiary, Jetstar.

3.3 Qantas' application seeks to vary each 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.

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 ‘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.

3.9 The Commission notes that Jetstar is an established Australian international carrier that currently operates up to 93 services per week on the Indonesia route¹, and therefore finds that the airline is reasonably capable of obtaining the necessary regulatory approvals and of using the capacity allocated under Determinations [2024] IASC 128 and [2023] IASC 107.

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

3.11 Finnair plans to code share, as marketing carrier, on Jetstar’s operated service from Melbourne-Denpasar-Singapore, on a free sale basis.

3.12 The Commission considers that the proposed arrangement between Jetstar and Finnair will provide additional options and choice for consumers and tourists travelling between Australia and Finland, over Denpasar beyond to Singapore, connecting through to Finnair operated services from Singapore to Helsinki.

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

3.14 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 and Jetstar are established international carriers that currently hold multiple determinations and other regulatory approvals enabling the carriers to operate scheduled international air services on various routes, including the Australia-Indonesia route.

3.15 Having considered the criteria set out in section 18 of the Policy Statement, the Commission is satisfied that the capacity allocations issued under Determination [2024] IASC 128 and Determination [2023] IASC 107, as proposed to be varied, permitting

¹ See Indonesia entry: [Northern Summer 2025 Timetable Summary](#)

Finnair to code share, as marketing carrier, on flights operated by Jetstar on the Indonesia 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.

3.16 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.

3.17 The Commission has decided to add conditions permitting the use of the capacity for the provision of code share services between Jetstar and Finnair on the Indonesia 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 operating the flights.

3.18 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, potential future consideration of code share operations by the ACCC.

4 Decision varying Determinations [2024] IASC 128 and [2023] IASC 107 which allocate capacity to Qantas Airways Limited on the Indonesia route ([2025] IASC 216)

4.1 In accordance with section 25 of the Act and the air services arrangements between Australia and Indonesia, the Commission varies Determination [2024] IASC 128 and Determination [2023] IASC 107 which allocate capacity to Qantas Airways Limited on the Indonesia route, by:

adding the following conditions to each Determination

- The capacity may be used by Jetstar Airways Pty Limited to provide code share services with Finnair Plc in accordance with the code share agreement between Jetstar Airways Pty Limited and Finnair Plc, made effective on 15 May 2017, as amended.
- Qantas Airways Limited must obtain the Commission's written approval before implementing any variation to the code share agreement between Jetstar Airways Pty Limited and Finnair Plc which would change: the code share services on the route, 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 128 and Determination [2023] IASC 107.

Dated: 15 September 2025



GENEVIEVE BUTLER
Chairperson



JANE MCKEON
Commissioner