



Australian Government
International Air Services Commission

DETERMINATION

Determination: [2026] IASC 101
The Route: Sri Lanka
The Applicant: Qantas Airways Limited
(ABN 16 009 661 901)
Public Register File: IASC/APP/202535

The Commission makes a determination allocating to Qantas Airways Limited three frequencies per week in each direction, to be operated on the Sri Lanka route. The determination is valid for five years from 5 March 2026.

1. The application

1.1 On 9 December 2025, Qantas Airways Limited (Qantas) applied to the International Air Services Commission (the Commission) for an allocation of three frequencies per week on the Sri Lanka route. Qantas stated in its application that the capacity will be utilised by Qantas' wholly-owned subsidiary Jetstar Airways Pty Limited (Jetstar). It is planned that Jetstar will launch services between Melbourne and Colombo from 25 August 2026, using Boeing 787 Dreamliner aircraft configured with 335 seats.

1.2 Qantas has requested the capacity allocation on the following basis:

- the allocation is requested for a period of five years from the date of the determination;
- the capacity will be fully utilised by 30 September 2026;
- the capacity may be utilised by Qantas, or Jetstar or another Australian carrier which is a wholly-owned subsidiary of the Qantas Group; and
- the capacity may be used by Qantas to provide joint services with any wholly-owned subsidiary of the Qantas Group and by any wholly-owned subsidiary of the Qantas Group to provide joint services with Qantas.

1.3 In accordance with section 12 of the *International Air Services Commission Act 1992* (the Act), the Commission published Qantas' application on the Commission's website on 11 December 2025 inviting other applications for capacity on the Sri Lanka route. No other applications were received.

1.4 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).

2.2 According to the Register of Available Capacity, there are 42 services per week available for allocation to Australian designated airlines to operate services to and from Brisbane, Melbourne, Perth, Sydney and Western Sydney to Sri Lanka.

2.3 Under the Australia-Sri Lanka air services arrangements, Australian designated airlines shall have the right, over all or any part of their route, to enter into code share, blocked space or other cooperative marketing arrangements, as the marketing and/or operating airlines, with any other airline.

3. Commission's consideration

3.1 Subsection 12(3) of the Act allows any person to apply to the Commission for a determination allocating capacity to enable an Australian carrier to operate international air services.

3.2 Qantas is seeking the allocation of three services per week on the Australia-Sri Lanka route, to enable Jetstar to operate up to three services per week, between Melbourne and Colombo (vv). As part of its application, Qantas requested permission for the capacity to be used by either Qantas, Jetstar, or another Australian carrier which is a wholly-owned subsidiary of the Qantas Group. The Commission notes that no other Australian carrier has been allocated capacity to operate services between Australia and Sri Lanka.

3.3 In relation to the Australia-Sri Lanka route, Sri Lankan Airlines is the only carrier operating direct services from Australia in the Northern Winter 2025-26 IATA scheduling season.¹ Qantas offers code share services on Cathay Pacific services between Hong Kong and Colombo, and on Sri Lankan Airlines services between Bangkok and Colombo and Singapore and Colombo.

3.4 Subsection 7(1) of the Act empowers the Commission to make a determination allocating available capacity. Subsection 7(2) requires, in part, that the Commission's determination must not allocate capacity unless the Commission is satisfied that the allocation would be of benefit to the public and would not be contrary to any restrictions on capacity contained in bilateral arrangements, or combination of bilateral arrangements.

3.5 Further, subsection 7(3) of the Act provides that in assessing the benefit to the public of an allocation of capacity, the Commission must apply the criteria set out in the policy statements made by the Minister pursuant to section 11 of the Act.

¹ [NW25-26 TT Summary](#), Sri Lanka route

3.6 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.

3.7 The Commission notes that there are no other applicants seeking capacity on the route and no opposition to the application. Section 12 of the Policy Statement provides, in part, that in circumstances where there is only one applicant for allocation of capacity on a route, and there is no opposition to the application, the Commission is to have regard to the 'reasonable capability criterion' in section 8 of the Policy Statement and need not have regard to any other matter.

3.8 Under the reasonable capability criterion in section 8 of the Policy Statement, the Commission is required to assess 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.

3.9 Pursuant to section 28 of the Act, on 16 January 2026, the Commission wrote to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (the Department) requesting advice about whether Jetstar satisfies the section 8 reasonably capable criteria on the Sri Lanka route.

3.10 On 4 March 2026, the Department advised the Commission that based on the Australia-Sri Lanka Air Services Agreement (ASA) and Memorandum of Understanding, the Department has found nothing to suggest that Jetstar would not be able to operate the capacity. Further, the Department advised that Jetstar is designated under the Australia-Sri Lanka ASA and that its International Airline Licence has been updated to include Sri Lanka.

3.11 The Commission notes that Qantas and its wholly-owned subsidiary, Jetstar, are established international carriers which currently operate scheduled international services between Australia and several international destinations.

3.12 Accordingly, the Commission has concluded that Qantas and Jetstar satisfy the criteria under section 8. The Commission, therefore, has decided to allocate the capacity as requested by Qantas, and to permit the capacity to be used by either Qantas or its wholly-owned subsidiary, Jetstar.

3.13 Qantas requested that the Commission permit the capacity to be used by Qantas to provide joint services with any wholly-owned subsidiary of the Qantas Group and by any wholly-owned subsidiary of the Qantas Group to provide joint services with Qantas. The Commission considers that the proposed joint services on the Sri Lanka route between Qantas and a wholly-owned subsidiary of the Qantas Group would have minimal impact on competition. The Commission, therefore, has decided to include such conditions, as requested by Qantas.

3.14 Subsection 15(1) of the Act empowers the Commission to include such terms and conditions as it thinks fit. Paragraph 15(2)(e) requires the inclusion of a condition stating the extent to which the carrier may use that capacity in joint services with another carrier. As required by section 23 of the Policy Statement, where the Commission authorises a carrier to utilise the allocated capacity to provide joint or code share services with another carrier, the Commission will include a condition requiring the airlines concerned to take all reasonable steps to ensure that passengers are informed of the carrier that is actually operating the flight. In light of this, the Commission has decided to issue this determination subject to the conditions set out in Item 4 below.

3.15 Paragraph 15(2)(a) of the Act requires a determination to specify the period during which it is to be in force. Subsection 15(3) of the Act effectively provides that if the Minister's Policy Statement sets out how the period of validity of the determination is to be fixed, then the period of validity is as so fixed. In any other case, an interim determination is to be in force for three years while a determination that is not an interim determination is to be in force for five years.

3.16 Section 20 of the Policy Statement sets out how the Commission is to fix the period during which a determination is to be in force. The Commission considers that this application is within the scope of subsection 20(4) and has decided that this Determination is to be in force for a period of five years.

3.17 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 allocating capacity on the Sri Lanka route to Qantas Airways Limited ([2026] IASC 101)

4.1 In accordance with section 7 of the Act, the Commission makes a determination in favour of Qantas Airways Limited, allocating 3 frequencies per week in each direction on the Sri Lanka route, in accordance with the Australia – Sri Lanka air services arrangements.

4.2 The Determination is valid for five years from 5 March 2026.

4.3 The Determination is subject to the following conditions:

- a) Qantas Airways Limited is required to fully utilise the capacity by no later than 30 September 2026 or from such other date as approved by the Commission.
- b) The capacity may be utilised by:
 - Qantas Airways Limited; or
 - Jetstar Airways Pty Limited, as long as it remains a wholly-owned subsidiary of the Qantas Group; or

- such other wholly-owned subsidiary of the Qantas Group the Commission approves in writing, as long as it remains a wholly-owned subsidiary of the Qantas Group.
- c) Neither Qantas Airways Limited nor another Australian carrier which is a wholly-owned subsidiary of the Qantas Group is permitted to utilise the capacity to provide services jointly with another Australian carrier or any other person unless approved in writing by the Commission.
- d) Subject to the preceding condition, the capacity may be used by Qantas Airways Limited to provide code share or joint services with any wholly-owned subsidiary of the Qantas Group and by any wholly-owned subsidiary of the Qantas Group to provide code share or joint services with Qantas Airways Limited.
- e) To the extent that the capacity is used to provide joint services on the route, the airlines must take all reasonable steps to ensure that passengers are informed of the carrier actually operating the flight at the time of the booking. Nothing in this determination exempts the airlines from complying with Australian Consumer Law.
- f) Changes in relation to the ownership and control of Qantas Airways Limited and/or its wholly-owned subsidiary are permitted except to the extent that any change:
- results in the designation of the airline(s) as an Australian carrier under the Australia – Sri Lanka 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 Qantas Airways Limited (or the wholly-owned subsidiary) or be in a position to exercise effective control of Qantas Airways Limited (or the wholly-owned subsidiary) without the prior consent of the Commission.

Dated: 05 March 2026



GENEVIEVE BUTLER
Chairperson



JANE MCKEON
Commissioner