



Australian Government
International Air Services Commission

DETERMINATION

Determination: [2026] IASC 104
The Route: Canada
The Applicant: Qantas Airways Limited
(ABN 16 009 661 901)
Public Register File: IASC/APP/202605

The Commission makes a determination allocating to Qantas Airways Limited unlimited passenger capacity on the Canada route, subject to certain conditions. The capacity may be used by Qantas Airways Limited to provide services jointly with American Airlines Inc and WestJet, an Alberta Partnership. The determination is valid for 99 years from 24 April 2026.

1. The application

1.1 On 24 March 2026, Qantas Airways Limited (Qantas) applied to the International Air Services Commission (the Commission) for an allocation of unlimited passenger capacity on the Canada route.

1.2 Qantas' application is in response to changes agreed by the Government authorities of Australia and Canada in 2024, amending the air services arrangements between the two countries to no longer limit the capacity available to Australian designated airlines for the operation of passenger services, from the Northern Summer 2026 IATA scheduling season.

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

- the allocation is requested for a period of 99 years from the date of the determination;
- 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; and
- the capacity may be used by Qantas to provide code share services with American Airlines, Inc. (American Airlines) and WestJet, an Alberta Partnership (WestJet Airlines).

1.4 In its application, Qantas advised that, if the capacity allocation is approved, it will seek to revoke Determinations [2023] IASC 133 and [2025] IASC 108, which currently allocate capacity to Qantas on the Canada route, and replace them with the determination allocating unlimited capacity.

1.5 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 24 March 2026, inviting other applications for capacity on the Canada route. No other applications 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).

2.2 The Australia-Canada air services arrangements provide for unlimited capacity for designated Australian airlines to operate passenger services on the route. Australian designated airlines may exercise full fifth freedom traffic rights at any intermediate and/or beyond points, except for points in the United States other than Honolulu and San Francisco.

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 unlimited passenger capacity on the Australia-Canada route following changes to the capacity available under the Australia-Canada air services arrangements. Qantas currently holds a total capacity allocation of seven services per week in each direction on the route, allocated under Determinations [2023] IASC 133¹ and [2025] IASC 108. Those determinations permit Qantas to utilise the capacity to provide code share services with Alaska Airlines, American Airlines and WestJet Airlines.

3.3 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.

3.4 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 Varied by [Decision \[2024\] IASC 212](#) converting the capacity type allocated under Determination [2023] IASC 133 from 708 seats to 3 services per week.

3.5 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.

3.6 Section 11 of the Policy Statement provides that in circumstances where the Commission has received an application for capacity and there is unlimited capacity available for allocation under the relevant bilateral arrangement (that is, capacity is not limited), 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.

3.7 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.

3.8 The Commission notes that Qantas is an established international carrier that currently operates scheduled international services between Australia and several international destinations, including scheduled international services between Australia and Canada. The Commission therefore finds that Qantas is reasonably capable of obtaining the necessary regulatory approvals to operate on the route and of using the proposed capacity allocation. Accordingly, the Commission has concluded that Qantas satisfies the criteria under section 8. The Commission, therefore, has decided to allocate the capacity as requested by Qantas.

3.9 Qantas also requested the Commission permit the capacity to be utilised by the carrier to offer code share services with American Airlines and WestJet Airlines. In its application, Qantas submits that the ability for these carriers to provide code share services is being requested to provide a range of choices and benefits for consumers.

3.10 The Commission notes that Qantas currently holds approvals to code share with American Airlines and WestJet Airlines on services operating on the Australia–Canada route, as permitted by conditions of determinations [2023] IASC 133 and [2025] IASC 108. In the Commission’s view, Qantas’ application for an allocation of unlimited capacity does not alter the nature or scope of the carriers existing code share arrangements with American Airlines and WestJet Airlines. The allocation would not have the effect of changing the number of airlines operating on the route or the number of airlines marketing services on the route, nor would it expand the existing arrangements previously approved by the Commission for American Airlines and WestJet Airlines to code share on services operated by Qantas between Sydney and Vancouver (vv).

3.11 The Commission further notes that the Australian Competition and Consumer Commission (ACCC) is currently considering an application by Qantas for revocation and substitution of its existing authorisation relating to its cooperation with American Airlines on trans-Pacific routes between Australia/New Zealand and the United States, Canada and Mexico. That process is ongoing.

3.12 The Commission has decided to include conditions permitting the use of the capacity for the provision of code share services between Qantas and American Airlines, and WestJet Airlines on the Canada route.

3.13 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, the Commission has decided to include a condition requiring the airlines 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.

3.14 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.

3.15 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(2) which provides that 'where capacity is not limited under the relevant bilateral arrangement, the period during which the determination is to be in force should be fixed at 99 years. Accordingly, the Commission has decided that this Determination is to be in force for a period of 99 years.

3.16 Nothing in this decision should be taken as indicating either approval or disapproval by the 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 Canada route to Qantas Airways Limited ([2026] IASC 104)

4.1 In accordance with section 7 of the Act, the Commission makes a determination in favour of Qantas Airways Limited, allocating unlimited passenger capacity on the Canada route, in accordance with the Australia-Canada air services arrangements.

4.2 The Determination is valid for 99 years from 24 April 2026.

4.3 The Determination is subject to the following conditions:

- a) Only Qantas Airways Limited is permitted to utilise the capacity.
- b) Qantas Airways Limited is not permitted to utilise the capacity to provide services jointly with another Australian carrier or any other person unless approved by the Commission.
- c) Subject to the preceding condition, the capacity may be used by Qantas Airways

Limited 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 Airways Limited.

- d) Subject to condition (c), the capacity may be used by Qantas Airways Limited to provide code share services with:
- i. American Airlines Inc in accordance with the code share agreement between Qantas and American Airlines Inc dated 31 December 2016.
 - ii. WestJet, an Alberta Partnership in accordance with the code share agreement between Qantas and WestJet, an Alberta Partnership dated 4 September 2014.
- e) Qantas Airways Limited must obtain the Commission's written approval before implementing any variation to the code share arrangements 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.
- f) 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 of the carrier actually operating the flight at the time of the booking.
- g) Nothing in this determination exempts the airlines from complying with Australian Consumer Law.
- h) Changes in relation to the ownership and control of Qantas Airways Limited are permitted except to the extent that any change:
- results in the designation of the airlines(s) as an Australian carrier under the Australia-Canada 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 be in a position to exercise effective control of Qantas Airways Limited, without the prior consent of the Commission.

Dated: 24 April 2026



GENEVIEVE BUTLER
Chairperson



JANE MCKEON
Commissioner