



**Australian Government**  
**International Air Services Commission**

**RENEWAL DETERMINATION**

**Determination:** [2026] IASC 107  
**Renewal of:** [2022] IASC 112  
**The Route:** Timor-Leste  
**The Applicant:** Qantas Airways Limited  
(ABN 16 009 661 901)  
**Public Register File:** IASC/APP/202612

**The Commission makes a fresh determination allocating to Qantas Airways Limited five (5) frequencies per week in each direction on the Timor-Leste route, for the operation of passenger services. The determination is valid for five years from 11 March 2027.**

## **1. The application**

1.1 On 11 March 2022, the International Air Services Commission (the Commission) issued Determination [2022] IASC 112 (the Determination) allocating to Qantas Airways Limited (Qantas) 5 frequencies per week in each direction on the Timor-Leste route for the operation of passenger services. The Determination is subject to certain conditions, including permission for Qantas to service the route using Embraer E190 aircraft operated under a wet lease agreement with Alliance Airlines.

1.2 Section 17 of the *International Air Services Commission Act 1992* (the Act) requires the Commission to start its consideration of the renewal of a determination at least 12 months before the expiry of the original determination. The Determination is due to expire on 10 March 2027. In view of this, the Commission sent, on 27 March 2026, a letter to Qantas inviting it to apply for renewal if it wished to renew the Determination.

1.3 On 29 April 2026, Qantas applied to the Commission for a renewal of the Determination for a further 5-year period from 11 March 2027 and requested the retention of all existing conditions.

1.4 In accordance with sections 12 and 17 of the Act, the Commission published, on 30 April 2026, a notice on its website and subsequently sent a notification by email to stakeholders inviting other applications for capacity on the route. No other applications were received.

1.5 On 5 May 2026, Qantas wrote to the Commission to confirm the details of its wet lease agreement with Alliance Airlines.

1.6 All non-confidential material supplied by the applicant is available on the Commission's website ([www.iasc.gov.au](http://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 14 frequencies per week available for allocation to Australian designated airlines to operate passenger services between Australia and Timor-Leste.

2.3 In addition, the Australia and Timor-Leste air services arrangements allow Australian designated airlines to conduct international air transportation using aircraft (or aircraft and crew) leased from any company, including other airlines, provided only that the operating aircraft and crew meet the applicable operating and safety standards and requirements.

## **3. Commission's consideration**

3.1 Section 8 of the Act provides that the Commission may, at any time while a determination is in force, make a fresh determination allocating the capacity to which the original determination relates. Subsection 8(2) provides in part that the fresh determination must make the same allocation of capacity as the original determination unless the Commission is satisfied that the allocation is no longer of benefit to the public. In assessing the benefit to the public of an allocation of capacity, the Commission must apply the criteria set out for that purpose in the policy statement made by the Minister under section 11 of the Act.

3.2 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.

3.3 Section 14 of the Policy Statement applies where the Commission is proposing to make a fresh determination under section 8 of the Act, and is considering whether the allocation of capacity in the original determination is no longer of benefit to the public for the purpose of section 8(2)(a)(i) of the Act.

3.4 Section 14(2) of the Policy Statement provides that, without limiting the matters to which the Commission may have regard, an allocation is generally no longer of benefit to the public if:

- the carrier has failed to service the route effectively (s 14(2)(a)); and
- there are other applications for some or all of the capacity (s 14(2)(b)); and
- the Commission is satisfied that a different allocation of capacity would be of greater benefit to the public, having regard to the criteria set out in sections 8 and 9 of the Policy Statement (s 14(2)(c)).

3.5 The Commission notes that, under subsection 14(2) of the Policy Statement, an allocation will generally no longer be of benefit to the public where all of the above conditions are satisfied.

3.6 In considering whether to reallocate capacity, there is also a presumption in favour of renewal of the allocation to the incumbent carrier. The presumption may, however, be rebutted where the Commission finds the allocation is generally no longer of benefit to the public.

3.7 The Commission does not have information that suggests that Qantas has failed to service the route effectively. In its application, Qantas stated that the carrier continues to operate services between Darwin and Dili using capacity allocated under the Determination. The Commission also notes that in the Northern Summer 2026 IATA scheduling season, Qantas operates up to 7 services per week between Darwin and Dili (vv).<sup>1</sup> Additionally, there are no other applications for some or all of the capacity to which the determination in question relates.

3.8 The Commission has also considered the ‘reasonable capability criterion’ in section 8 of the Policy Statement, i.e. 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 and did not find it necessary to apply the additional criteria in section 9.

3.9 Qantas is an established carrier that currently operates scheduled international services between Australia and several international points, including on the Australia-Timor Leste route. The Commission therefore finds that the carrier is reasonably capable of obtaining the necessary regulatory approvals to operate and service the Timor-Leste route and of using the capacity allocated under the Determination.

3.10 There is no other information before the Commission that it considers to be relevant or material to its assessment of Qantas’ application. Based on its findings above, the Commission is not satisfied that the allocation of capacity in the original determination is no longer of benefit to the public for the purposes of section 8(2)(a)(i) of the Act. Therefore, the Commission is required to make the same allocation of capacity as the original determination (see section 8(2)(a) of the Act).

3.11 The Commission will continue to monitor the utilisation of capacity by Qantas on this route.

3.12 As part of its application, Qantas advised the Commission that the carrier continues to service the route using Embraer E190 aircraft operated under a wet lease agreement with Alliance Airlines. Under section 19 of the Act, the Commission “must include the same terms and conditions as the original determination to which it relates” (subsection 19(1)(c)), but “may make such changes (if any) to the terms and conditions included in the original determination (including adding or deleting terms and conditions)

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<sup>1</sup> Northern Summer 2026 timetable, Timor-Leste route, Qantas entry

as it is satisfied that are warranted because of changes in circumstances since the original determination was made” (subsection 19(3)).

3.13 Subsection 15(1) of the Act empowers the Commission to include such terms and conditions as it thinks fit. The Commission notes that paragraph 7(2)(aa) of the Act requires that available capacity not be allocated contrary to any restrictions contained in relevant bilateral air services arrangements. Consistent with its approach in previous determinations, the Commission has decided to include a condition permitting Qantas to service the route using Embraer E190 aircraft operated under a wet lease arrangement with Alliance Airlines, provided that such operations continue being permitted under the applicable air services arrangements.

3.14 The Commission has decided to issue this determination subject to the conditions set out in item 4 below.

#### **4. Determination allocating capacity on the Timor-Leste route to Qantas Airways Limited ([2026] IASC 107)**

4.1 In accordance with section 7 of the Act, the Commission makes a fresh determination in favour of Qantas Airways Limited, allocating 5 frequencies of capacity per week in each direction on the Timor-Leste route, for the operation of passenger services, in accordance with the Australia and Timor-Leste air services arrangements.

4.2 The Determination is valid for five years from 11 March 2027.

4.3 The Determination is subject to the following conditions:

- a) Qantas Airways Limited is required to fully utilise the capacity from the date the determination comes into effect or from such other date approved by the Commission.
- b) Only Qantas Airways Limited is permitted to utilise the capacity.
- c) 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.
- d) Qantas Airways Limited is permitted to utilise the capacity to operate services on the route in accordance with the ACMI agreement between Qantas Airways Limited and Alliance Airlines Pty Limited dated 22 February 2023.
- e) 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 Qantas Airways Limited as an Australian carrier under the Australia and Timor-Leste 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 the airline, without the prior consent of the Commission.

Dated: 3 June 2026



GENEVIEVE BUTLER  
Chairperson



JANE MCKEON  
Commissioner