Australian Government

International Air Services Commission

RENEWAL DETERMINATION

Determination:	**[2026] IASC 111**
Renewal of:	**[2022] IASC 113**
The Route:	**Korea**
The Applicant:	**Qantas Airways Limited (ABN 16 009 661 901)**
Public Register File:	**IASC/APP/202619**

The Commission makes a fresh determination allocating to Qantas Airways Limited 2,193 seats of capacity per week in each direction on the Korea route, subject to certain conditions. The capacity may be used by either Qantas Airways Limited or its wholly-owned subsidiary, Jetstar Airways Pty Limited. The determination is valid for five years from 10 May 2027.

1. The application

1.1 On 10 May 2022, the International Air Services Commission (the Commission) issued Determination [2022] IASC 113 (the Determination) allocating to Qantas Airways Limited (Qantas) 2,193 seats of capacity per week on the Korea route.

1.2 The Determination is subject to certain conditions including permission for the capacity to be utilised by either Qantas or its wholly-owned subsidiary, Jetstar Airways Pty Limited (Jetstar).

1.3 On 11 January 2024, the Commission issued Decision [2024] IASC 201 permitting Jetstar to utilise the capacity to provide code share services with Finnair Plc (Finnair).

1.4 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 9 May 2027. In view of this, the Commission sent, on 22 May 2026, a letter to Qantas inviting it to apply for renewal if it wished to renew the Determination.

1.5 On 27 July 2026, Qantas applied to the Commission for a renewal of the Determination for a further 5-year period from 10 May 2027 and requested the retention of all existing conditions.

1.6 In accordance with sections 12 and 17 of the Act, the Commission published, on 29 July 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.

1.7 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.

2.2 According to the Register of Available Capacity, there are 4,867 seats per week available for allocation to Australian designated airlines to operate passenger services to/from Brisbane, Melbourne, Perth and Sydney and Korea.

2.3 There is unrestricted capacity, frequency and aircraft type available between points other than Sydney, Melbourne, Brisbane and Perth to Korea.

2.4 Under the Australia-Korea air services arrangements, Australian designated airlines may enter into cooperative marketing arrangements such as blocked space, code sharing or leasing arrangements, whether as the operating airlines or the marketing airlines, in respect of passenger, combination and/or cargo air services with airlines of Australia, airlines of Korea and airlines of third countries.

2.5 The capacity offered by a designated airline, as the marketing airline, on services operated by other airlines, including airlines of a third country or countries, shall be counted against any capacity entitlements of the contracting party designating the marketing airline. This means that the code share seats offered by an Australian designated airline, as the marketing carrier, are counted against Australian capacity entitlements.

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 In accordance with 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 subparagraph 8(2)(a)(i) of the Act.

3.4 Under section 14 of the Policy Statement, there is 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.

3.5 Subsection 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 (paragraph 14(2)(a)); and
- there are other applications for some or all of the capacity (paragraph 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 (paragraph 14(2)(c)).

3.6 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.

3.7 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.

3.8 Qantas and its wholly-owned subsidiary, Jetstar, are established carriers that currently operate scheduled international services between Australia and several international points, including on the Korea route. The Commission therefore finds that the carriers are reasonably capable of obtaining the necessary regulatory approvals to operate and service the Korea route and of using the capacity allocated under the determination.

3.9 In assessing the current Qantas application for renewal, the Commission considered whether the carriers have failed to service the route effectively.

3.10 The Commission does not have information that suggests that Qantas or Jetstar have failed to service the route effectively. In its application, Qantas stated that its wholly-owned subsidiary, Jetstar, utilises the capacity to operate services between Sydney and Brisbane and Seoul (Incheon), with Finnair code sharing on these flights. The Commission also notes that in the Northern Summer 2026 scheduling season Jetstar operates up to 10 weekly services[1] to Seoul with daily flights out of Sydney and flights 3 times a week out of Brisbane, utilising up to 3,350 seats of passenger capacity.

[1] See Korea, Jetstar entry - Northern Summer 2026 Timetable Summary

3.11 The Commission notes that there was a short period from when the Determination came into effect in May 2022 and October 2022 where the services were paused due to the COVID-19 pandemic. Jetstar resumed services to Korea in late 2022, with the commencement of direct Sydney-Seoul flights. It subsequently introduced Brisbane-Seoul services in February 2024 and increased Sydney-Seoul to daily operations in June 2025.

3.12 The Commission notes that this was a temporary suspension of Jetstar's services between Australia and Korea in response to the COVID-19 travel restrictions and that prior to the COVID-19 pandemic, Jetstar operated regular scheduled services on the route.

3.13 In light of the above, the Commission considers that the temporary suspension of services in response to COVID-19 travel restrictions does not indicate that Jetstar failed to service the route effectively. Since October 2022, Jetstar has resumed and expanded services on the route.

3.14 There are no other applications for some or all of the capacity to which the determination in question relates, and therefore the condition in paragraph 14(2)(b) of the Policy Statement is not satisfied. The Commission therefore finds that the proposed allocation does not fall within the class of allocations that are generally no longer of benefit to the public contemplated by subsection 14(2) of the Policy Statement.

3.15 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 subparagraph 8(2)(a)(i) of the Act. Therefore, the Commission is required to make the same allocation of capacity as the original determination (see paragraph 8(2)(a) of the Act).

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

3.17 Under section 19 of the Act, the Commission "must include the same terms and conditions as the original determination to which it relates" (paragraph 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) as it is satisfied that are warranted because of changes in circumstances since the original determination was made" (subsection 19(3)).

3.18 The Commission has decided to include a condition requiring notification if the code share services are suspended or cease operating, to ensure that it is promptly informed of changes to the operation of the arrangement that may be relevant to the utilisation of the allocated capacity.

3.19 The Commission issues the determination subject to the conditions set out in item 4 below.

3.20 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 Korea route to Qantas Airways Limited ([2026] IASC 111)

4.1 In accordance with section 7 of the Act, the Commission makes a fresh determination in favour of Qantas Airways Limited, allocating 2,193 seats per week in each direction on the Korea route, in accordance with the Australia – Korea air services arrangements.

4.2 The determination is valid for five years from 10 May 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) The capacity may be used by:

- Qantas Airways Limited,
- 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 that the Commission approves in writing, as long as it remains a wholly-owned subsidiary of the Qantas Group.

c) Neither Qantas Airways Limited nor its wholly-owned subsidiary that is permitted to utilise the capacity are authorised to provide code share or joint services with any other carrier or any other person unless approved by the Commission.

d) 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.

e) Jetstar Airways Pty Limited may use the capacity to provide code share services with Finnair Plc in accordance with the code share agreement between the two carriers, made effective on 15 May 2017, and the air services arrangements between Australia and Korea.

f) Qantas Airways Limited must obtain the Commission's written approval before Jetstar Airways Pty Limited implements any changes to the code share agreement that: (a) would change the code share services on the route; (b) would change the relevant commercial aspects of the structure of the agreement from a free-sale code share arrangement to a blocked space; or (c) 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.

g) Qantas Airways Limited must notify the Commission in writing no later than 30 days after the end of the relevant IATA scheduling season, if the code share services between Jetstar Airways Pty Limited and Finnair Plc on the Korea route are suspended or cease operating for any period of time.

h) 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.

i) Nothing in this determination exempts the airlines from complying with Australian Consumer Law.

j) 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 airline(s) as an Australian carrier under the Australia – Korea 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: 14 September 2026

Jane McKeon

Jane McKeon
Chairperson

Timothy Grimwade
Commissioner