Australian Government

International Air Services Commission

DECISION

The Route:	**New Zealand**
The Applicant:	**Qantas Airways Limited (Qantas) (ABN 16 009 661 901)**
Decision:	**[2026] IASC 208**
Variation Of:	**[2023] IASC 123**
Public Register File:	**IASC/APP/202620**

The Commission varies Determination [2023] IASC 123 to permit the use of the capacity on the New Zealand route for code sharing between Jetstar Airways Pty Limited and Finnair Plc. The permission is valid for the duration of the Determination commencing from the date of issue of this decision.

1 The application

1.1 On 29 July 2026, Qantas Airways Limited (Qantas) applied to the International Air Services Commission (the Commission) seeking to vary Determination [2023] IASC 123 on the New Zealand route, to permit Finnair Plc (Finnair) to code share on selected Jetstar operated services, on a free-sale basis. As part of its application, Qantas provided the Commission with a copy of Jetstar's code share agreement with Finnair on a confidential basis.

1.2 Determination [2023] IASC 123 allocates unlimited passenger and freight capacity on the New Zealand route to Qantas, including permission for Jetstar to utilise the allocation. The allocation also permits Qantas and Jetstar to provide code share services with several foreign carriers.

1.3 In its application, Qantas submits that the proposed code share arrangements will provide Finnair's customers with a seamless travel experience with single-ticket itineraries and through-checked baggage.

1.4 In accordance with section 22 of the *International Air Services Commission Act 1992* (the Act), the Commission published, on 30 July 2026, a notice inviting submissions about the application for variation. No submissions were received.

1.5 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 Under the Australia-New Zealand air services arrangements, Australian designated carriers may determine the frequency and capacity of services operated.

2.3 Additionally, the designated airlines of Australia that meet the Single Aviation Market (SAM) airline criteria, as specified in the air services arrangements, may determine the frequency and capacity of services operated.

2.4 Australian designated carriers may enter into code share, blocked space or other cooperative marketing arrangements, whether as the operating or marketing airline, with any airline including airlines of third countries, provided only that the airline holds the appropriate authority to conduct air transport on the routes or segments concerned.

3 The Commission's consideration

3.1 Qantas seeks to vary Determination [2023] IASC 123 which allocates unlimited passenger and freight capacity on the New Zealand route. The Determination permits Qantas to offer code share services on the route with Alaska Airlines, American Airlines, Air Tahiti Nui, British Airways, China Airlines, China Eastern Airlines, China Southern Airlines, Emirates, Finnair, IndiGo, Japan Airlines, LATAM Airlines, Malaysia Airlines and SriLankan Airlines. The capacity may be utilised by Qantas or its wholly-owned subsidiary, Jetstar, and for the latter to provide services jointly with Emirates, IndiGo and LATAM Airlines.

3.2 Qantas' application seeks to vary the Determination to include a condition of the 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.

3.3 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.

3.4 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.

3.5 Under 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 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.

3.7 '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.

3.8 In considering a transfer application, the Commission is also to have regard to the matters specified in paragraph 18(2)(b) of the Policy Statement, including:

a) the undesirability of approving a transfer where doing so will, or is reasonably likely to, permit or encourage any form of speculative activity, including trading in capacity allocations for commercial benefit;

b) the undesirability, other than in exceptional cases, of approving a transfer application made by a carrier that has never exercised an allocation, or has only exercised an allocation for a period of less than six months; and

c) any of the additional criteria that it considers to be relevant.

3.9 The additional criteria to which the Commission may have regard are set out in section 9 of the Policy Statement and include: competition criteria, tourism and trade criteria, relevant information obtained from Government agencies, and any other matter or consideration that the Commission considers to be relevant.

3.10 The Commission notes that Qantas and Jetstar are established Australian international carriers that currently operate scheduled services between Australia and several international points, including on the Australia-New Zealand route. In the Northern Summer 2026 scheduling season, Jetstar operates up to 98[1] services per week on the Australia-New Zealand route and Qantas up to 183[2] services per week. The Commission therefore finds that Qantas and Jetstar are reasonably capable of obtaining the necessary regulatory approvals and of using the capacity allocated under Determination [2023] IASC 123.

3.11 The Commission notes that it has received no submissions opposing the variations sought in Qantas' transfer application.

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[1] See Jetstar Entry – [Northern Summer 2026 Timetable Summary]

[2] See Qantas Entry – [Northern Summer 2026 Timetable Summary]

3.12 The proposed arrangement would see Finnair code share, as marketing carrier, on the following Jetstar operated services, on a free-sale basis:

- Melbourne – Christchurch v.v.
- Melbourne – Auckland v.v.
- Melbourne – Queenstown v.v.

3.13 The Commission notes that Finnair currently serves the Finland and New Zealand market through arrangements with partner airlines rather than operating its own services. On 18 December 2025, Finnair announced that it would commence services between Helsinki and Melbourne, via Bangkok, from 25 October 2026[3] (Northern Winter 2026-27 scheduling season).

3.14 The Commission considers that the proposed arrangement between Jetstar and Finnair is likely to provide additional options and choice for consumers and tourists travelling between Finland and New Zealand via Australia, marketed through Finnair's distribution channels.

3.15 The Commission notes that the Australia-New Zealand route is subject to unlimited capacity under the bilateral air services arrangements. Those arrangements also permit Australian designated carriers to enter into code share, blocked space and other cooperative marketing arrangements, whether as the operating or marketing carrier, with any airline, including airlines of third countries.

3.16 The Commission notes that the proposed arrangement involves cooperation between Jetstar and Finnair. While such cooperation may have some effect on competition, the Commission considers that any competition impacts arising from the proposed arrangement are likely to be limited. In reaching this view, the Commission has had regard to the availability of unlimited capacity on the Australia-New Zealand route, the limited scope of the proposed code share arrangement, and the ability of other carriers to continue to operate and compete on the route.

3.17 Having regard to the nature of the proposed variation, the limited competition impacts associated with the proposed arrangement, and the absence of any adverse submissions or regulatory concerns, the Commission has not identified any matters that warrant further examination under section 9 of the Policy Statement.

3.18 The Commission finds that there is nothing before it to suggest that the matters specified in subsection 18(2)(b) of the Policy Statement raise concerns in relation to the proposed variation. 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-New Zealand route.

[3] Finnair makes Melbourne its Australian gateway to Europe.

3.19 Having considered the criteria set out in section 18 of the Policy Statement, the Commission is satisfied that the capacity allocation under Determination [2023] IASC 123 as proposed to be varied, to permit Finnair to code share, as the marketing carrier, on Jetstar operated services on the New Zealand 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 as requested in Qantas' transfer application.

3.20 Having regard to the information provided by Qantas, the requirements of sections 25 and 26 of the Act, and the criteria set out in the Policy Statement, the Commission is not satisfied that the allocation, as proposed to be varied, would not be of benefit to the public for the purposes of subsection 25(2) of the Act. 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.

3.21 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 New Zealand 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.

3.22 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 Determination [2023] IASC 123 which allocates capacity to Qantas Airways Limited on the New Zealand route ([2026] IASC 208)

4.1 In accordance with section 25 of the Act, the Commission varies Determination [2023] IASC 123 which allocates capacity to Qantas Airways Limited on the New Zealand route, by:

Adding the following conditions to the Determination:

- 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 New Zealand.

- 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.

- 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 New Zealand route are suspended or cease operating for any period of time.

- 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 [2023] IASC 123.

Dated: 11 September 2026

Jane McKeon	Timothy Grimwade
Chairperson	Commissioner