



Australian Government
International Air Services Commission

DETERMINATION

The Route:	Italy
The Applicant:	Qantas Airways Limited (ABN 16 009 661 901)
Determination:	[2025] IASC 113
Public Register File:	IASC/APP/202524

The Commission makes a determination allocating to Qantas Airways Limited 1 frequency per week on the Italy route. 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 23 September 2025.

1 The application

1.1 On 4 September 2025, Qantas Airways Limited (Qantas) applied to the International Air Services Commission (the Commission) for an allocation of one frequency per week on the Italy route. Qantas stated in its application that it plans to operate a fourth weekly service between Perth and Rome from 27 June 2026, using Boeing 787 Dreamliner aircraft configured with 236 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 31 July 2026;
- the capacity may be utilised by Qantas, or Jetstar Airways Pty Limited (Jetstar) or another Australian carrier which is a wholly-owned subsidiary of Qantas; 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), on 5 September 2025, the Commission published Qantas' application on the Commission's website inviting other applications for capacity. 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 Under the Australia - Italy air services arrangements, designated airline(s) of Australia (Australian airlines) may operate up to seven frequencies per week with any aircraft type. Qantas has been allocated three frequencies to operate passenger services on the Italy route leaving four frequencies per week of capacity available for allocation. Australian airlines are entitled to perform their services with wet lease, code sharing, blocked space and/or other cooperative service arrangements with any airline.

2.3 Additionally, Australian airlines may enter into arrangements with an airline or airlines of a third country to carry out services through code share arrangements. These code share arrangements may constitute up to 1,700 third country code share seats per week in total in each direction. Qantas currently holds a total capacity of 1,000 third country code share seats while 600 third country code share seats have been allocated to Virgin Australia. There are 100 seats per week in each direction available for allocation to Australian airlines for code share with third country airlines.

2.4 In June 2017, the Australia – Italy air services arrangements were updated to include an explicit reference that the weekly capacity entitlements allocated for code share services are to be averaged over 12 months. Under the averaging methodology, a carrier may exceed its weekly capacity allocation for code share services from time to time so long as the total amount of capacity utilised during the year does not exceed the total annual capacity allocation (weekly capacity allocated multiplied by 52 weeks).

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 one frequency per week in each direction on the Italy route. As part of its application, Qantas requested permission for the capacity to be used by either Qantas, its wholly-owned subsidiary, Jetstar, or another Australian carrier which is a wholly-owned subsidiary of the Qantas Group.

3.3 Currently, Qantas has a total capacity allocation of 3 frequencies to operate Perth-Rome services (vv.) on a seasonal basis.¹ The additional capacity is intended to be used by Qantas to enable the airline to operate a fourth weekly service between Perth and Rome from 27 June 2026, using Boeing 787 Dreamliner aircraft configured with 236 seats.

3.4 Subsection 7(1) of the Act empowers the Commission to make a determination

¹ See Italy, Qantas entry - [Northern Summer 2025 Timetable Summary](#)

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 statement made by the Minister pursuant to section 11 of the Act.

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.

3.8 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.

3.9 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.

3.10 The Commission notes that Qantas is an established international carrier which currently operates scheduled international services between Australia and Italy. 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.

3.11 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.

3.12 Qantas requested the Commission to 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 Italy 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.

3.13 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, 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.

3.14 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 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(4) and has decided that this determination is to be in force for a period of five years.

3.16 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 Italy route to Qantas Airways Limited [2025] IASC 113

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

4.2 The determination is valid for five years from 23 September 2025.

4.3 The determination is subject to the following conditions:

- a) Qantas Airways Limited is required to fully utilise the capacity no later than 31 July 2026 or such other date 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 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 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 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) 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 authorised to utilise the capacity are permitted except to the extent that any change:
- results in the designation of the airline as an Australian carrier under the Australia – Italy 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 and/or its wholly-owned subsidiary or be in a position to exercise effective control of Qantas Airways Limited and/or its wholly-owned subsidiary, without the prior consent of the Commission.

Dated: 23 September 2025



GENEVIEVE BUTLER
Chairperson



JANE MCKEON
Commissioner