Australian Government

International Air Services Commission

DECISION

The Route:	**New Zealand**
The Applicant:	**Qantas Airways Limited (ABN 16 009 661 901)**
Decision:	**[2025] IASC 217**
Variation Of:	**[2023] IASC 123**
Public Register File:	**IASC/APP/202527**

The Commission varies Determination [2023] IASC 123 to permit the use of the capacity on the New Zealand route for code sharing between Qantas Airways Limited and Malaysia Airlines Berhad. 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 23 September 2025, 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 Malaysia Airlines to code share on selected Qantas operated services between Australia and New Zealand, on a free sale basis.

1.2 Qantas provided the Commission with a copy of its code share agreement with Malaysia Airlines, on a confidential basis.

1.3 In its application, Qantas submits that the proposed code share arrangement will provide Malaysia Airlines' customers the ability to connect over Australia to New Zealand with an expanded network of travel options and a seamless travel experience.

1.4 In accordance with section 22 of the *International Air Services Commission Act 1992* (the Act), the Commission published, on 24 September 2025, 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). Any variation made to an existing allocation of capacity should also not be 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 Australia-New Zealand 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, and SriLankan Airlines. The capacity may be utilised by Qantas and/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 a 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 made 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. The ‘additional criteria’ to which the Commission may have regard are set out in section 9 of the Policy Statement.

3.8 The Commission notes that Qantas is an established Australian international carrier that currently operates up to 155 services per week on the New Zealand route[1], and therefore finds that the airline is reasonably capable of obtaining the necessary regulatory approvals and of using the capacity allocated under Determination [2023] IASC 123.

3.9 The Commission notes that it has received no submissions opposing the variation sought in Qantas’ transfer application.

3.10 The proposed arrangement would see Malaysia Airlines code share, as marketing carrier, on the following Qantas operated services, on a free sale basis:

- Sydney - Auckland;
- Sydney - Wellington;
- Sydney - Christchurch;
- Sydney - Queenstown;
- Brisbane - Wellington;
- Brisbane - Christchurch;
- Melbourne - Christchurch; and
- Melbourne - Auckland.

3.11 The Commission notes that Malaysia Airlines operates up to 47 weekly services between Kuala Lumpur and 4 points in Australia (Adelaide, Melbourne, Perth and Sydney)[2] and 8 direct weekly services between Kuala Lumpur and New Zealand (Auckland)[3].The Commission notes that from 29 November 2025, Malaysia Airlines plans to resume its services between Kuala Lumpur and Brisbane, operating 5 services per week, and that the airline is also increasing its services between Kuala Lumpur and Melbourne and Sydney to 3 daily services from 30 October and 31 October 2025.[4] The

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[1] See New Zealand entry: Northern Summer 2025 Timetable Summary
[2] See Malaysia entry: Northern Summer 2025 Timetable Summary
[3] Increased flights from Auckland
[4] Malaysia Airlines and Qantas Announce New Codeshare Partnership to Boost Travel Connectivity

Commission further notes that Malaysia Airlines will increase direct services between Kuala Lumpur and Auckland to 10 per week from 28 October 2025.

3.12 The Commission considers that the proposed arrangement between Qantas and Malaysia Airlines will provide additional options and choice for consumers and tourists travelling between Malaysia and New Zealand over Australia, marketed through Malaysia Airlines' distribution channels.

3.13 The Commission finds that the matters specified in subsection 18(2)(b) of the Policy Statement are not relevant to the variation under consideration. The Commission does not have information to suggest that Qantas' transfer application involves speculative activity. Qantas is an established international carrier that currently holds multiple determinations and other regulatory approvals enabling the carrier to operate scheduled international air services on various routes, including the Australia-New Zealand route.

3.14 Having considered the criteria set out in section 18 of the Policy Statement, the Commission is satisfied that the capacity allocation issued under Determination [2023] IASC 123, as proposed to be varied, permitting Malaysia Airlines to code share, as marketing carrier, on flights operated by Qantas 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 requested in Qantas' transfer application.

3.15 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.

3.16 The Commission has decided to add conditions permitting the use of the capacity for the provision of code share services between Qantas and Malaysia Airlines 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.

3.17 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 ([2025] IASC 217

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:

- The capacity may be used by Qantas Airways Limited to provide code share services with Malaysia Airlines Berhad in accordance with the code share agreement between Qantas Airways Limited and Malaysia Airlines Berhad, dated 14 August 2025, and the air services arrangements between Australia and New Zealand.

- Qantas Airways Limited must obtain the Commission's written approval before implementing any variation to the code share agreement between Qantas Airways Limited to provide code share services with Malaysia Airlines Berhad 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.

- 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 actually 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: 21 October 2025

Genevieve Butler　　Jane McKeon

GENEVIEVE BUTLER	JANE MCKEON
Chairperson	Commissioner