Australian Government

International Air Services Commission

RENEWAL DETERMINATION

Determination:	**[2026] IASC 116**
Renewal of:	**[2021] IASC 107**
The Route:	**Indonesia**
The Applicant:	**Qantas Airways Limited (ABN 16 009 661 901)**
Public Register File:	**IASC/APP/202622**

The Commission makes a determination allocating to Qantas 100 seats per week in each direction of passenger capacity on the Indonesia route. The capacity may be used by either Qantas or Jetstar, subject to certain conditions. The determination is valid for five years from 26 June 2027.

1. The application

1.1. On 22 July 2021, the International Air Services Commission (the Commission) issued Renewal Determination [2021] IASC 107 (the Determination) allocating to Qantas Airways Limited (Qantas) 100 seats of capacity per week in each direction on the Indonesia 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), and provides that the latter may utilise the capacity to provide code share services with Emirates and KLM Royal Dutch Airlines (KLM).

1.3. Section 17 of the *International Air Services Commission Act 1992* (the Act) requires the Commission to commence consideration of the renewal of a determination at least 12 months before its expiry. As the Determination is due to expire on 25 June 2027, the Commission wrote to Qantas on 30 June 2026 advising that the Commission had commenced consideration of the renewal of the Determination.

1.4. On 15 September 2026, Qantas applied to the Commission for a renewal of the Determination for a further 5-year period from 26 June 2027 and requested the retention of all existing conditions.

1.5. In accordance with sections 12 and 17 of the Act, the Commission published, on 17 September 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.

1.6. Following a request for clarification from the Commission, on 27 October 2026

Qantas confirmed that Emirates does not currently code share on Jetstar-operated Australia-Indonesia services and that Qantas no longer seeks to retain the condition permitting such arrangements.

1.7. All non-confidential material supplied by the applicant is available on the Commission's website.

2. Air services arrangements

2.1. According to the Register of Available Capacity, there are 5,180 seats per week available for allocation to Australian designated airlines to operate passenger services to/from Brisbane, Melbourne, Perth, Sydney and Western Sydney and Indonesia. There is also unrestricted capacity to and from all points in Indonesia, except Jakarta and Denpasar.

2.2. Under the Australia-Indonesia air services arrangements, Australian designated airlines may enter into code sharing, blocked space or other cooperative marketing arrangements, as the marketing and/or operating airline, with another Australian airline(s), with an Indonesian airline(s) or with airline(s) of a third country. There are, however, a number of conditions which apply to cooperative marketing operations.

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 Indonesia route. The Commission therefore finds that the carriers are reasonably capable of obtaining the necessary regulatory approvals to operate and service the Indonesia 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 both Qantas and its wholly-owned subsidiary, Jetstar, utilise the capacity to operate services between Australia and Indonesia. The Commission notes that in the Northern Summer 2026 scheduling season Jetstar operates up to 106 weekly services[1] to Denpasar, while Qantas operates up to 22 weekly services[2] to both Denpasar and Jakarta.

3.11. 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.

[1] See Indonesia, Jetstar entry - Northern Summer 2026 Timetable Summary
[2] See Indonesia, Qantas entry - Northern Summer 2026 Timetable Summary

3.12. 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).

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

3.14. 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)).

3.15. As part of its renewal application, Qantas requested to retain existing conditions permitting Jetstar to utilise the allocated capacity to provide code share services with KLM.

3.16. 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.

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

3.18. 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 Indonesia route to Qantas Airways Limited ([2026] IASC 116)

4.1. In accordance with section 8 of the Act, the Commission makes a determination in favour of Qantas Airways Limited, allocating 100 seats per week in each direction on the Indonesia route, in accordance with the Australia – Indonesia air services arrangements.

4.2. The determination is valid for 5 years from 26 June 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:

- KLM Royal Dutch Airlines in accordance with the code share agreement between the two carriers, made effective on 17 December 2019, as amended.

f) Qantas Airways Limited must obtain the Commission's written approval before Jetstar Airways Pty Limited implements any changes to its code share agreement with KLM Royal Dutch Airlines 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 KLM Royal Dutch Airlines on the Indonesia 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 – Indonesia 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: 3 November 2026





Jane McKeon

Chairperson

Timothy Grimwade

Commissioner