



## Australian Government

### International Air Services Commission

#### DETERMINATION

**Determination:** [2025] IASC 102  
**The Route:** Qatar  
**The Applicant:** Virgin Australia International Airlines Pty Ltd  
(Virgin Australia) (ABN 63 125 580 823)  
**Public Register File:** IASC/APP/202501

The Commission makes a determination allocating to Virgin Australia International Airlines Pty Ltd (Virgin Australia) 28 frequencies per week in each direction, to be operated on the Qatar route. The determination is valid for five years from 4 March 2025.

### 1 The application and submissions

1.1 On 30 November 2024, Virgin Australia applied to the International Air Services Commission (the Commission) for an allocation of 28 frequencies per week in each direction on the Qatar route. The allocation was requested on the following basis:

- the capacity will be utilised by Virgin Australia;
- the capacity will be utilised for joint services with Qatar Airways;
- the allocation is requested for a period of five years from the date of the determination; and
- the capacity will be fully utilised by December 2025.

1.2 Virgin Australia stated that it plans to commence daily services between Sydney, Brisbane, Perth and Doha (v.v.) from June 2025, and between Melbourne and Doha (v.v.) from December 2025, using Boeing 777-300ER aircraft configured with between 354 and 412 seats, initially operated under a wet lease arrangement with Qatar Airways:<sup>1</sup>

Flight details	Departs	Arrives	Schedule
VA1 Sydney – Doha	1450	2250	Daily
VA2 Doha – Sydney	0915	0615	Daily
VA15 Brisbane – Doha	1510	2300	Daily
VA16 Doha – Brisbane	0140	2245	Daily

<sup>1</sup> Virgin Australia provided the Commission with an updated scheduled timetable on 27 February 2025.

VA21 Perth – Doha	1520	2150	Daily
VA22 Doha – Perth	1950	1155	Daily
VA7 Melbourne – Doha	1710	2330	Daily
VA8 Doha – Melbourne	0140	2305	Daily

Virgin Australia provided the Commission with a copy of the wet lease agreement and related commercial agreements with Qatar Airways, on a confidential basis.

1.3 As part of its application, Virgin Australia also sought authorisation to utilise the capacity to provide joint services with Qatar Airways. Virgin Australia notes in its application that no Australian airline operates passenger services on the Australia-Qatar route, nor have they in the past. Virgin Australia provided the Commission with a copy of the code share agreement with Qatar Airways, on a confidential basis.

1.4 Virgin Australia submitted two versions of its application. The public version was notified to the public and the other treated on a confidential basis.

1.5 In accordance with section 12(1)(a) of the *International Air Services Commission Act 1992* (the Act), on 3 December 2024, the Commission published Virgin Australia’s application on the Commission’s website inviting other applications for capacity. No other applications were received.

1.6 As required by section 12(1)(b) of the Act and in accordance with regulation 7(b) of the *International Air Services Regulations 2018* (the Regulations), on 20 December 2024, the Commission published a notice on its website inviting submissions about Virgin Australia’s application for capacity.

1.7 The Commission received nine submissions from interested parties in relation to the application. One submission was withdrawn. No opposing submissions were received. Eight submissions were placed on the [IASC’s public register](#) from the following:

- Australian Competition and Consumer Commission;
- Canberra Airport Group;
- Australian Airports Association;
- European Australian Business Council;
- Brisbane Airport Corporation;
- Tourism and Events Queensland;
- Australian Travel Industry Association; and
- Queensland Tourism Industry Council.

1.8 On 28 January 2025, the Commission wrote to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) pursuant to section 28 of the Act asking for certain information. The Department provided

its response to the Commission on 7 February 2025, as summarised in paragraphs 3.7 to 3.9 of this determination.

1.9 All non-confidential material supplied by the applicant and submitters is available on the Commission's website ([www.iasc.gov.au](http://www.iasc.gov.au)), as well as the Commission's letter to the Department, and the Department's response.

## **2 Relevant provisions of the bilateral 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 According to the [Register of Available Capacity](#), there are 28 frequencies in each direction per week available for allocation to Australian designated airlines to operate passenger services to/from Sydney, Melbourne, Brisbane or Perth and Doha.

2.3 In operating or offering the agreed services on any sector(s) of the specified routes, any Australian designated airline(s) may enter into code sharing arrangements, as marketing and/or operating airline, with any other airline(s).

## **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 Subsection 7(1) of the Act empowers the Commission to make a determination 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.

3.3 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.

3.4 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.

3.5 The Commission notes that there are no other applicants seeking capacity on the route and no opposition to the application. Section 12 of the Policy Statement provides, in part, that in circumstances where there is only one applicant for an 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.

3.6 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.

#### *Commission’s request for information from the Department*

3.7 Section 28 of the Act, in part, provides that in performing its functions the Commission may inform itself on anything relevant to a matter before it in any way it thinks fit. In this regard, on 28 January 2025 the Commission wrote to the Department seeking its views on whether it considers that Virgin Australia satisfies the reasonable capability criteria on the Australia-Qatar route, and whether Virgin Australia’s planned operations are allowed under the Australia-Qatar bilateral air services arrangements.

3.8 On 7 February 2025, the Department advised via return letter that Virgin Australia is designated as an Australian international airline under the Australia-Qatar Air Services Agreement and that the carrier holds an International Airline Licence which allows for operations between Australia and Qatar. It further advised that under the Australia-Qatar air services arrangements, designated airlines of Australia may operate services using leased aircraft (referred to as dry-leasing) or leased aircraft and crew (referred to as wet-leasing), provided the operating aircraft and crew comply with all operational standards and requirements, including on aviation safety and security.

3.9 In conclusion, the Department advised that based on the information provided, Virgin Australia’s proposed operations are allowed for under the Australia-Qatar bilateral air services arrangements.

#### *Commission’s assessment of reasonable capability*

3.10 The Commission notes that Virgin Australia is an established international carrier which currently operates scheduled international services. The Commission therefore finds that Virgin Australia is reasonably capable of obtaining the necessary regulatory approvals to operate on the route and of using the proposed capacity allocation.

3.11 The Commission further notes that Qatar Airways operates regular scheduled international services on the Qatar-Australia route. The Commission therefore does not have concerns that Qatar Airways will be unable to comply with operational standards and requirements, including aviation safety and security requirements, when performing the services under the wet lease arrangement.

3.12 The Commission also notes that the proposed wet lease arrangements between Virgin Australia and Qatar Airways are not contrary to any restrictions on capacity contained in the relevant bilateral arrangements.

3.13 Accordingly, the Commission has concluded that Virgin Australia satisfies the criteria under section 8.

#### *Commission's assessment of joint services*

3.14 Virgin Australia also requested the Commission to permit the capacity to be used for the provision of joint services with Qatar Airways. Virgin Australia and Qatar Airways propose to co-ordinate pricing and marketing of the services covered by the arrangements.

3.15 Currently, only Qatar Airways operates daily services between Doha and Adelaide, Brisbane, Melbourne, Perth and Sydney<sup>2</sup>. There are no other carriers (Australian or third-country) operating on the route. Virgin Australia code shares on all services operated by Qatar Airways on the Australia-Qatar (v.v.) route.

3.16 On broader Australia-Middle East routes, Emirates operates up to 70 weekly services between Dubai and Sydney, Melbourne, Brisbane, Perth and Adelaide, while Etihad Airways operates double daily services from Abu Dhabi to Sydney and daily services from Abu Dhabi to Melbourne<sup>3</sup>. In August 2023, Qantas and Emirates were granted authorisation by the ACCC to continue to coordinate their operations across their global networks for a five-year period.<sup>4</sup>

3.17 The Commission also notes that on 18 February 2025 the Australian Competition and Consumer Commission (the ACCC) issued a 'Draft Determination'<sup>5</sup> proposing to grant authorisation to enable Virgin Australia and Qatar Airways to engage in cooperative conduct under an integrated alliance, including but not limited to aspects such as cooperation in relation to the deployment of capacity between Australia and Doha; and cooperation on network planning, pricing (including joint pricing), sales and marketing strategies. The ACCC proposes to grant the authorisation for five years. In its decision, the ACCC considered that the proposed alliance is likely to result in public benefits from enhanced products and services in the form of increased long-haul international frequencies and improved connectivity and convenience for customers of the two carriers and better loyalty program and lounge benefits to eligible customers. Some limited stimulation of tourism and trade was also noted as a likely public benefit.

#### *Commission's assessment of the proposed code share arrangements*

3.18 The Commission notes that Virgin Australia's request is for the airlines to code share on overlapping services, that is, both airlines would place their code and sell tickets for each other's flights on the same city pairs between Sydney, Brisbane, Melbourne, Perth and Doha (v.v.).

3.19 The Commission notes that it has previously provided approval for Virgin Australia and Qatar Airways to offer code share services, under a free sale arrangement,

---

<sup>2</sup> See Qatar country entry: [Northern Winter 2024-25 Timetable Summary](#).

<sup>3</sup> See United Arab Emirates country entry: [Northern Winter 2024-25 Timetable Summary](#).

<sup>4</sup> See ACCC decision of 17 August 2023: [Qantas Airways Limited and Emirates | ACCC](#).

<sup>5</sup> See ACCC decision of 18 February 2025: [Virgin Australia and Qatar Airways | ACCC](#).

on the France, Indonesia, Italy, New Zealand and Vanuatu routes. The Commission further notes that this approval was provided on routes where the carriers do not operate overlapping services.

3.20 Section 6 of the Policy Statement provides, in part, that the Commission is to perform its functions in a way that will achieve the object of the Act, that is, to enhance the welfare of Australians by promoting economic efficiency through competition in the provision of international air services, resulting in:

- a) increased responsiveness by airlines to the needs of consumers, including an increased range of choices and benefits; and
- b) growth in Australian tourism and trade; and
- c) the maintenance of Australian carriers capable of competing effectively with airlines of foreign countries.

3.21 As previously noted, 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.

3.22 The Act specifies that '*a reference in the Act to the benefit to the public in relation to an allocation of capacity is a reference to the benefit to the public that would occur if the Australian carrier to whom the capacity is allocated were permitted to use that capacity*'.<sup>6</sup>

3.23 For allocations of capacity that involve code sharing on routes on which airlines operate or propose to operate overlapping services, to satisfy itself that the proposed allocation would be of benefit to the public, the Commission would generally subject such an application to the additional public benefit criteria as set out in section 9 of the Policy Statement, to assess the effect of the proposed code share arrangements on competition, tourism and trade, and broader national interests. In this case, the Commission was cognisant of the application to the ACCC by Virgin Australia and Qatar Airways for authorisation of broader commercial cooperation, including joint international air services, and the ACCC's assessment of the public benefits of the proposed conduct.

3.24 Having regard to the section 9 criteria considerations, the Commission generally considers that code share arrangements on overlapping services have the potential to reduce the incentive for competition between carriers. Absent such arrangements, carriers are likely to be more incentivised to maintain and grow services in their own right and compete more vigorously on aspects such as schedule and product offering, thereby generating greater public benefits than compared with a situation where they are able to rely on the complementary services of the code share partner.

3.25 While the Commission may have concerns with respect to allocations of capacity on routes where airlines propose to operate overlapping services and seek to code share

---

<sup>6</sup> Subsection 4(3) of the *International Air Services Commission Act 1992*.

on those services, it considers each request on a case-by-case basis, on its own merits, relevant to the benefits and detriments of each proposal and market conditions, including the competitive environment.

### *Commission's consideration of the public benefit*

3.26 In assessing the proposed code share arrangements between Virgin Australia and Qatar Airways, the Commission considered whether the allocation would be of benefit to the public and whether the allocation would be contrary to any restrictions on capacity contained in bilateral arrangements, or combination of bilateral arrangements.

3.27 The Commission notes the Department's advice that the Australia-Qatar air services arrangements allow designated airlines to enter into code-share arrangements as both the marketing or operating airline, with airlines of Australia, Qatar or a third country. The Commission therefore considers that the allocation of capacity permitting code sharing would not be contrary to any restrictions on capacity contained in the bilateral arrangement; or combination of bilateral arrangements.

3.28 The Commission notes that Virgin Australia currently code shares on a range of Qatar Airways services between the latter's hub at Doha and 39 countries in Europe, the Middle East and Africa, providing connections to/from Australia.<sup>7</sup>

3.29 The Commission notes that the submissions received from interested parties were generally supportive of Virgin Australia's application, noting opportunities for enhanced connectivity between Australia and markets in Europe, the Middle East and Africa (via Doha), and downward pressure on airfares as a result of increased capacity and greater competition in these markets, with associated benefits for consumers, tourism and trade.

3.30 The Commission notes that an additional 28 weekly frequencies represents a significant boost to capacity operated between Australia and the Middle East. The Commission further notes that the markets for international air services between Australia and Europe, the Middle East and Africa v.v. are contested by a large number of carriers.<sup>8</sup>

3.31 In considering the benefit to the public that would occur if Virgin Australia is allocated the capacity and permitted to utilise the capacity to offer code share services with Qatar Airways, the Commission has taken account of the ACCC's Draft Determination of 18 February 2025 in deciding that the Commission does not have concerns that the proposed arrangement would result in competitive detriment for the period of the allocation requested.

3.32 The Commission considers that the addition of joint services by Virgin Australia and Qatar Airways is unlikely to significantly lessen competition, despite the co-ordination of pricing between them, given that the two carriers do not currently operate

---

<sup>7</sup> See Qatar country entry: [Northern Winter 2024-25 Timetable Summary](#). Many of these code share services do not require an allocation of capacity by the Commission.

<sup>8</sup> Data sourced from [FlightConnections.com](#).

in competition with each other.<sup>9</sup>

3.33 The Commission also notes that in its Draft Determination concerning the Virgin Australia-Qatar Airways alliance, the ACCC considered that it is unlikely that Virgin Australia will commence operating services between Australia and the Middle East (or between Australia and Europe or Africa) in the next five years, without the alliance. The Commission also notes that in its application to the ACCC of 11 October 2024, Virgin Australia indicated that without the proposed conduct being approved by the ACCC, the carrier would not be able to viably commence the services between Australia and Doha.

3.34 The Commission considers that the benefit to the public of Virgin Australia offering services on the route outweighs any detriment to the public of the proposed code share services between Virgin Australia and Qatar Airways on the route. The arrangement between the two carriers is likely to foster an environment in which Australian carriers can effectively compete with each other and with foreign carriers, specifically on the Australia-Middle East market and beyond. The arrangement is likely to strengthen Virgin Australia's market position through a combined network offering with Qatar Airways, enabling the Australian carrier to compete with other carriers.

3.35 Further, the Commission considers that any potential detriment arising from the code share arrangements is expected to be alleviated by the entry of Virgin Australia on the Australia-Qatar route by stimulating competition on Australia-Middle East routes more broadly, as the airlines offering services on these routes would be incentivised to compete on price and/or services to retain and attract customers. The entry of another carrier on Australia-Middle East routes would likely elicit a competitive response from other airlines operating on these routes and would likely lead to improved services and airfare competition, providing greater benefit to the public.

3.36 The Commission notes that Virgin Australia's proposed services will initially be operated under a wet lease arrangement with Qatar Airways, given current constraints on access to suitable aircraft and the lead time to recruit and train crew. The Commission notes that this has the benefit of enabling Virgin Australia to enter the market at an earlier opportunity and at greater scale than absent the arrangement.

3.37 The Commission considers that the commercial arrangements between Virgin Australia and Qatar Airways will support Virgin Australia's capability to serve the route, including the development of operations in its own right. The Commission notes that prior to the onset of the COVID-19 pandemic in 2020 and Virgin Australia's subsequent voluntary administration, Virgin Australia operated long-haul international services using leased widebody aircraft. The Commission further notes the commitment to supporting Virgin Australia's return to long haul international flying, by utilising Virgin Australia flight and cabin crew to develop long haul international capability within the Virgin Australia workforce, as outlined in the airlines' response of 13 November 2024 to interested party submissions to the ACCC.<sup>10</sup>

---

<sup>9</sup> See ACCC decision of 8 September 2022: [Virgin Australia Airlines Pty Ltd | ACCC](#).

<sup>10</sup> See Virgin Australia and Qatar Airways – Response to interested party submissions: [Virgin Australia and Qatar Airways | ACCC](#).



3.38 As noted in paragraph 3.20, the maintenance of Australian carriers capable of competing effectively with airlines of foreign countries is one of the objects of the Act. In this regard, the Commission notes subsection 9(d) of the Policy Statement which notes: *'the desirability of fostering own aircraft operations by Australian carriers over code share or other joint international air services involving the marketing, by an Australian carrier, of seats on flights operated by foreign carriers'*.

3.39 The Commission notes that the allocation of capacity for international services operated via a wet lease arrangement is assessed on a case-by-case basis. Accordingly, this determination should not be taken as an indication of precedence for the approval of future allocations of capacity operated via a wet lease arrangement.

3.40 Overall, the Commission considers that in this instance, there is unlikely to be any lessening of public benefit through authorising the use of the capacity as requested by Virgin Australia for the period of the allocation requested.

#### *Commission's consideration of conditions*

3.41 The Commission has decided to add conditions permitting the use of the capacity for the provision of code share services between Virgin Australia and Qatar Airways on the Qatar route. As required by section 23 of the Policy Statement, the Commission has decided to include a condition requiring the airlines to take all reasonable steps to ensure that passengers are informed of the carrier that is actually operating the flight.

3.42 In authorising code share arrangements, the Commission normally approves arrangements where the code share partners price and sell their services separately from each other. In this case, the Commission approves the utilisation of capacity for code share services consistent with the commercial arrangements between Virgin Australia and Qatar Airways, as authorised by the ACCC in its Draft Determination of 18 February 2025, for the period of the allocation requested.

3.43 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.

3.44 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 Minister's 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.

3.45 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 scope of subsection 20(4) and has decided that this determination is to be in force for a period of five years.

3.46 Nothing in this decision should be taken as indicating either approval or

disapproval by the ACCC. This decision is made without prejudicing, in any way, possible future consideration of code share operations by the ACCC or any consideration by the ACCC about the longer-term authorisation of the arrangements. Should the ACCC decide not to issue final authorisation of the Virgin Australia-Qatar Airways alliance, or continue authorisation, then IASC approval of co-ordinated pricing and marketing would be terminated. The Commission will include a condition of approval to this effect.

#### **4 Determination allocating capacity on the Qatar route to Virgin Australia International Airlines Pty Ltd ([2025] IASC 102)**

4.1 In accordance with section 7 of the Act, the Commission makes a determination in favour of Virgin Australia International Airlines Pty Ltd, allocating 28 frequencies per week in each direction on the Qatar route, in accordance with the Australia – Qatar air services arrangements.

4.2 The Determination is valid for five years from 4 March 2025.

4.3 The Determination is subject to the following conditions:

- (a) Virgin Australia International Airlines Pty Ltd is required to fully utilise the capacity by no later than 31 December 2025 or from such other date as approved by the Commission.
- (b) Only Virgin Australia International Airlines Pty Ltd is permitted to utilise the capacity.
- (c) Virgin Australia International Airlines Pty Ltd is permitted to utilise the capacity to provide code share services with Qatar Airways in accordance with the Codeshare Agreement between Virgin Australia International Airlines Pty Ltd and Qatar Airways Group Q.C.S.C. dated 21 June 2022, as amended.
- (d) Virgin Australia International Airlines Pty Ltd and Qatar Airways may jointly price and market each other's services on the route as long as such practices are approved under the *Australian Competition and Consumer Act 2010*.
- (e) Virgin Australia International Airlines Pty Ltd is permitted to utilise the capacity to operate services on the route in accordance with the Wet Lease Confirmation between Qatar Airways Group Q.C.S.C. and Virgin Australia International Airlines Pty Ltd dated 27 November 2024.
- (f) Virgin Australia International Airlines Pty Ltd and Qatar Airways will be required to take all reasonable steps to ensure that passengers are informed of the carrier that is operating the flight(s), irrespective of which airline is marketing the flight(s).
- (g) Changes in relation to the ownership and control of Virgin Australia International Airlines Pty Ltd are permitted except to the extent that any change:

- results in the designation of the airline as an Australian carrier under the Australia – Qatar air services arrangements being withdrawn;
- 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 Virgin Australia International Airlines Pty Ltd or be in a position to exercise effective control of Virgin Australia International Airlines Pty Ltd without the prior consent of the Commission.

Dated: 4 March 2025



Genevieve Butler

Chairperson



Jane McKeon

Commissioner