5 November 2026

Mrs Jasmina Morling
Director
International Air Services Commission
GPO BOX 630
Canberra ACT 2601

via email: Jasmina.MORLING@iasc.gov.au

Dear Mrs Morling,

ADDITIONAL INFORMATION – INDONESIA ROUTE

I refer to your letter of 22 October 2026 inviting Qantas Airways Limited (**Qantas**) to address the section 9 'additional criteria' of the *International Air Services Commission Policy Statement 2018* (**the Policy Statement**) in support of our application for an allocation of 4,539 seats of passenger capacity on the Indonesia route.

Qantas' comments addressing sections 8 and 9 of the Policy Statement are outlined in Attachment 1.

We would be pleased to provide any further information the Commission may require.

Yours sincerely,

Megan Morris

Megan Morris
Head of Group International Regulatory Affairs

Proposal

As set out in Qantas' application to the Commission dated 30 September 2026, Qantas and its wholly owned subsidiary, Jetstar Airways Pty Limited (**Jetstar**), propose to expand their Indonesia network through new direct flights that will strengthen connectivity between Australia and Indonesia, as outlined in the table below.

Sector	Operator	Frequency	Aircraft (seats)	Additional Seats	Commencement Date
Perth-Jakarta	Qantas	Daily	B737-800 (165)	1,155	14 December 2026
Western Sydney-Denpasar	Jetstar	Daily	A321LR (232)	1,624	15 March 2027
Melbourne-Jakarta	Qantas	4 per week (from 3)	A330-200 (247)	247	28 March 2027 (until 30 October 2027)
Brisbane-Denpasar	Qantas	Daily	B737-800 (165)	1,155	1 August 2027
Melbourne-Jakarta	Qantas	Daily (from 4 per week)	A321XLR (194)	605	31 October 2027
Total				4,539[1]	

The proposed commencement dates depend on the timing of the Commission's final capacity allocation determination.

The International Air Services Commission Act 1992

The Policy Statement provides, in part, that the Commission is to perform its functions in a way that will achieve the object of the *International Air Services Commission Act 1992* (*the Act*), namely enhancing the welfare of Australians by promoting economic efficiency through competition in the provision of international air services by Australian carriers.

Allocation of capacity to Qantas, as outlined in this application, will have a positive impact on competition, tourism and trade and is therefore of benefit to the public and wholly consistent with the objective of the Act. It would extend competition by Australian carriers to parts of the Indonesia route where there is currently none – Perth-Jakarta and Western Sydney-Denpasar – rather than adding capacity to Denpasar city pairs that are already served by up to six carriers.

Qantas' application provides an increased range of choice for consumers by providing breadth of new connectivity with three of the four Qantas Group services being new city pairs for either Qantas or Jetstar, distributing new capacity across four Australian gateways and both of Indonesia's principal international airports.

The proposed services include:

- new direct services between Perth and Jakarta, connecting Western Australia with Indonesia's capital and economic hub, as well as the world's most populous city;
- supporting international services at the new Western Sydney International (Nancy-Bird Walton) Airport, with a daily Jetstar service to Denpasar serving the Western Sydney catchment;
- restoring a Qantas full-service option between Brisbane and Denpasar, adding product choice for Queensland travellers; and
- growing Melbourne-Jakarta from three per week to a daily service, with the new A321XLR from October 2027.

[1] At end state with Qantas A321XLR on Melbourne-Jakarta. Planned Qantas A330-200 configurations are changing resulting in a seat count reduction from 251 to 247.

The application would also enhance consumer choice by offering both full-service and low-cost options through Qantas and Jetstar, respectively.

Qantas' application represents a balance between strong support for tourism and trade, through targeting key inbound markets, facilitating freight opportunities and extending international capacity to additional Australian ports, and increased frequency and product breadth in existing markets.

Growth in Australian tourism and trade

Travel services are a key Australian export to Indonesia. Of Australia's A$16.1 billion in exports to Indonesia in 2024, education-related travel contributed A$1.5 billion, making it the second-largest single export item after coal, and recreational travel contributed A$634 million. Together, these travel services account for around A$2.1 billion, or 13 per cent of all Australian exports to Indonesia.[2]

Education is the largest and fastest-growing component. Education export income from Indonesia reached A$1.7 billion in 2025, up from A$1.0 billion in 2019,[3] with 25,409 Indonesian students studying in Australia in 2025.[4] Each international student attracts visiting friends and relatives from overseas, linking student growth directly to VFR demand on the route.[5]

For state economies such as Western Australia and Victoria, new and additional services to Jakarta would support trade, education and tourism priorities. Indonesian visitors are more likely than international visitors overall to visit both states. According to Tourism Research Australia's short-term visitor data, 20 per cent of Indonesian visitors travelled to Western Australia in 2025 (compared with 13 per cent of all international visitors) and 37 per cent visited Victoria (compared to 34 per cent).[6]

Western Australia accounts for almost a third of Australia's goods exports to Indonesia, exporting A$3.6 billion of goods in 2023 (31 per cent of the national total).[7] The Western Australian Government has maintained an investment and trade office since 1992, now based in Jakarta. For Victoria, its strongest link is education. There are more than 8,000 Indonesian students enrolled in Victorian institutions, the second largest number of any state.[8] Victorian universities also have a significant presence in Indonesia, including Monash University's Greater Jakarta campus, the first foreign university campus in Indonesia, and the Deakin–Lancaster joint campus in Bandung.[9] Indonesia is Victoria's sixth-largest export market, at A$1.3 billion, with two-way trade of A$3.7 billion.[10]

Section 8 of the Policy Statement – Reasonable capability criterion

Qantas' application requested that the Commission assess the application against the reasonable capability criterion in section 8 of the Policy Statement. Under section 8, the Commission is 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

[2] Department of Foreign Affairs and Trade, Indonesia Country Economic Fact Sheet, "Australia's goods and services trade with Indonesia, 2024", based on DFAT-adjusted ABS data: https://www.dfat.gov.au/sites/default/files/indo-cef.pdf

[3] Department of Education, Education export income, calendar year 2025 (ABS International Trade in Services; onshore students on student visas), https://www.education.gov.au/pa/node/16453

[4] Department of Education, International students studying in Australia 2005–2025, https://www.education.gov.au/international-education-data-and-research/international-students-studying-australia-between-2005-and-2025

[5] WA Government, International Education Strategy for Western Australia 2018–2025, https://www.jtsi.wa.gov.au/waies

[6] Tourism Research Australia, Visitor Economy Profile 2025: Indonesia (updated March 2026), https://www.tra.gov.au/content/dam/austrade-assets/global/wip/tra/documents/market-profiles/tra-market-profiles-indonesia-2025.pdf

[7] Government of Western Australia, Department of Jobs, Tourism, Science and Innovation, *Western Australia Trade Profile – May 2024* (based on ABS International Trade in Goods and Services data), p. 22, https://www.watc.wa.gov.au/media/1rjdu1p1/wa-trade-profiles-may-2024.pdf

[8] Australian Government, International student numbers by country, by state and territory, https://www.education.gov.au/international-education-data-and-research/international-student-numbers-country-state-and-territory

[9] Victorian Government, Southeast Asia Trade and Investment Snapshot, https://global.vic.gov.au/__data/assets/word_doc/0011/2254871/SEA-Trade-and-Investment-Snapshot.docx

[10] Office of the Governor of Victoria, 'Friends of Victoria' Reception in Jakarta (speech), 24 November 2025.

required to operate on and service the route to which the determination relates; and (b) using the capacity allocated under the determination.

Qantas and Jetstar are established international carriers that currently operate scheduled services between Australia and Indonesia. Qantas currently operates 22 services per week between Australia and Indonesia (Jakarta and Denpasar), and Jetstar operates 102 weekly services between Melbourne, Perth, Sydney, Adelaide, Avalon, Brisbane, Cairns, Darwin, Newcastle, Sunshine Coast, Gold Coast and Denpasar.

Qantas and Jetstar are each designated as Australian international airlines under the Australia–Indonesia air services arrangements and each holds an International Airline Licence that allows for operations between Australia and Indonesia.

Qantas is undergoing the largest fleet renewal in its history, providing significant flexibility to ensure the efficient use of the proposed capacity allocation. In Financial Year 2026, the Qantas Group received 17 new aircraft and has 31 more due for delivery in Financial Year 2027.[11] Of these deliveries, Jetstar will take delivery of four new A320neo aircraft in Financial Year 2027, while Qantas has eight A321XLRs scheduled for delivery.

Section 9 of the Policy Statement – Additional criteria

Competition criteria

(a) desirability of fostering an environment in which Australian carriers can effectively compete with each other and with foreign carriers on the route in question

Air passenger services between Australia and Indonesia are an important component of the long-standing cultural, tourism, education and business ties between the two countries.

Indonesia is Australia's largest outbound market and tenth largest inbound market. [12] In 2025, 242,070 Indonesian visitors spent A$976 million in Australia. Indonesian visitors to Australia are forecast to grow by 4.9 per cent a year on average between 2026 and 2030, reaching around 300,000 visitors.[13] Indonesian visitors are more likely than average to be return visitors (71 per cent compared with 59 per cent for all markets) and stay for extended periods (31 per cent compared with 25 per cent).[14] Inbound demand is predominantly sourced from Indonesia's large economic and population centres, such as Jakarta, rather than Denpasar.

For Australians, Indonesia is principally a leisure market, with 90 per cent of passengers travelling for holiday purposes and 5 per cent visiting friends and relatives (VFR). In Financial Year 2026, Victoria accounted for the largest share of this travel (26 per cent), followed by Western Australia (25 per cent) and New South Wales (23 per cent).[15]

Indonesian visitors are also largely travelling for leisure – 49 per cent for holiday purposes and 19 per cent VFR – 13 per cent travel for education purposes. According to the Department of Home Affairs, Victoria was the most visited state (34 per cent of visitors), then New South Wales (32 per cent) and Western Australia (15 per cent) in Financial Year 2026.

In the year ended 30 June 2026, airlines operated more than five million seats on scheduled services between Australia and Indonesia. During this period, 4.2 million passengers travelled between the two countries, representing average seat utilisation of 84 per cent.[16]

[11] Qantas Investor Centre, 2026 Full Year Results, Presentation https://investor.qantas.com/investors/?page=result-centre
[12]Tourism Research Australia, International market profiles – Southeast Asia and Pacific, https://www.tra.gov.au/en/profiles/international-market-profiles/market-profiles-southeast-asia-and-pacific
[13]Tourism Research Australia, Tourism Forecasts for Australia 2025 to 2030, https://www.tra.gov.au/en/tourism-industry-analysis/tourism-forecasts-for-australia
[14] Tourism Research Australia, Visitor Economy Profile 2025: Indonesia.
[15]Department of Home Affairs, Overseas Arrivals and Departures data, FY26
[16]Bureau of Infrastructure, Transport and Regional Economics, International operated flights and seats, 12 months to July 2026

The updated air services arrangements provide an additional 5,000 seats per week, bringing the capacity available for allocation on the Register of Available Capacity to 5,180 seats per week, for services between Brisbane, Melbourne, Perth, Sydney and Western Sydney and Jakarta and Denpasar, and unrestricted capacity for services to and from all other points in Indonesia. The arrangements also open access to destinations beyond Jakarta and Denpasar, including Lake Toba, Borobudur, Mandalika, Komodo and Likupang[17], and permit services to and from Western Sydney International.[18]

The proposal strengthens the ability of Australian carriers to compete with Indonesian and third country carriers on the route by opening two new Australian gateways to Indonesia for the Qantas Group (Perth-Jakarta and Western Sydney-Denpasar), restoring Qantas services on Brisbane-Denpasar, and scaling Melbourne-Jakarta to a daily frequency.

In the 12 months to June 2027, Denpasar is served from 12 ports in Australia, while Jakarta has direct service from only three, including Sydney and Melbourne (Qantas and Garuda) and Perth (Batik Air Indonesia). Six carriers operate services between Melbourne and Denpasar (Jetstar, Qantas, Virgin Australia, Garuda, Batik Air Malaysia and TransNusa), while five carriers serve Denpasar from Perth (Jetstar, Batik Air Indonesia, Indonesia AirAsia, Batik Air Malaysia and TransNusa) and Sydney (Jetstar, Qantas, Virgin Australia, Garuda and Batik Air Malaysia).

Although Denpasar attracts most passengers travelling between Australia and Indonesia, increased capacity to Jakarta – Indonesia's commercial and administrative capital – is expected to boost inbound visitation and deliver broader economic benefits.

Qantas submits that an allocation which extends Australian-carrier competition to Jakarta and to the new Western Sydney gateway would significantly foster an environment in which Australian carriers can compete effectively with foreign carriers across the whole Indonesia route, rather than on Denpasar alone.

The proposed Brisbane–Denpasar service would introduce a fourth operating carrier and a Qantas full-service product to the route, broadening customer choice and product differentiation. It would also give customers across regional Queensland convenient access to Denpasar through Qantas' extensive domestic and regional network.

The proposal does not inhibit the ability of any other carrier to launch or grow services to points in Indonesia other than Jakarta and Denpasar, where capacity is unrestricted.

(b) the number of carriers operating on the route in question and the existing distribution of capacity among Australian carriers (including through code sharing and other joint international air services)

There are eight airlines operating direct services between Australia and Indonesia including Garuda Indonesia, Batik Air Indonesia, Batik Air Malaysia (formerly known as Malindo Air), Indonesia AirAsia, TransNusa, Qantas, Jetstar and Virgin Australia.

Carrier	Australian ports	Indonesian ports	Codeshare partners
Qantas	Sydney, Melbourne	Jakarta, Denpasar	Qantas markets seats on China Airlines and Jetstar services
Jetstar	Adelaide, Avalon, Brisbane, Cairns, Darwin, Gold Coast, Melbourne, Newcastle, Perth, Sunshine Coast, Sydney	Denpasar	Finnair, Emirates, KLM, IndiGo and Qantas market seats on Jetstar services

[17] Minister for Infrastructure, Transport, Regional Development and Local Government, Updated air services agreement with Indonesia, media release, 19 September 2026, https://minister.infrastructure.gov.au/c-king/media-release/updated-air-services-agreement-indonesia

[18] International Air Services Commission, Register of Available Capacity – Indonesia, updated 21 September 2026

Virgin Australia	Brisbane, Canberra (seasonal), Gold Coast, Melbourne, Sydney	Denpasar	Virgin Australia markets seats on Qatar Airways and Singapore Airlines services
Garuda Indonesia	Sydney, Melbourne	Jakarta, Denpasar	China Airlines, Etihad, KLM, Oman Air, Saudia, Turkish Airlines market seats on Garuda Indonesia's services
Indonesia AirAsia	Perth	Denpasar	-
Batik Air Indonesia	Perth	Jakarta, Denpasar	Reciprocal code share with Batik Air Malaysia
Batik Air Malaysia	Brisbane, Melbourne, Perth, Sydney	Denpasar (services continue to Kuala Lumpur)	Turkish Airlines market seats on select Batik Air Malaysia services. Reciprocal code share with Batik Air Indonesia
TransNusa	Perth, Melbourne	Denpasar	-

Source: Published airline schedules, July 2026 – June 2027

In addition to these services, established third country carriers, such as Singapore Airlines, serve the indirect market.

Qantas' total allocation on the Indonesia route is 22,396 seats per week, which is also utilised by Jetstar, while Virgin Australia holds a total allocation of 4,924 seats per week. Both Qantas and Virgin hold an allocation for unlimited capacity for services between points in Australia other than the major gateways and Indonesia.

The pro-competitive effect of the proposed allocations is clearly evidenced by the additional choice it would deliver, particularly by introducing Australian-carrier competition where none currently exists (Perth-Jakarta and Western Sydney-Denpasar) in addition to capacity on already-contested city pairs.

On Perth-Denpasar, Jetstar, Indonesia AirAsia, TransNusa, Batik Air Indonesia and Batik Air Malaysia currently operate 13,900 seats in a typical week. Virgin Australia's proposal would add 3,094 seats per week or around 61 per cent of its proposal on that single city pair.

On Jakarta services, Qantas and Garuda Indonesia operate from Melbourne and Sydney, while Batik Air Indonesia is the sole operator from Perth. No other Australian carrier serves Jakarta. On Western Sydney-Denpasar, there is currently no service.

The proposed allocation would therefore increase the number of city pairs on which Australian carriers compete with foreign carriers, while existing competition on Denpasar city pairs would continue.

(c) the likely impact on consumers of the proposed allocation, including on costs of airfares, customer choice, product differentiation, stimulation of innovation by incumbent carriers, and frequency of service

Qantas and Jetstar will continue to provide increased choice and frequency of service and innovative product differentiation on the route.

<u>Impact on the cost of airfares</u>

The proposed Qantas and Jetstar services to Indonesia would continue to offer a range of pricing options and price competition in the market, for sales in both Indonesia and Australia.

Following announcement of the proposed services, Qantas would include the new routes in its Asia and International Network Red Tail sales for Australian customers. It would also run sales from the Indonesian point of sale to encourage inbound tourism and actively promote the new services on qantas.com.

[CONFIDENTIAL INFORMATION REDACTED]. Qantas expects to take a similar approach to the proposed services, including joint campaigns with state tourism bodies.

Jetstar is committed to offering sustainable low and competitively priced fares on services between Australia and Indonesia. Based on average fare data, Jetstar's fares are between 11 and 53 per cent lower than its competitors.

Based on a forward-looking analysis, on days when both Jetstar and Virgin Australia operate, Jetstar's average fares are 42, 41, 34 and 32 per cent lower than Virgin Australia's Melbourne-Denpasar, Brisbane-Denpasar, Sydney-Denpasar and Gold Coast-Denpasar services respectively. On Perth-Denpasar, Jetstar's average fares are between 11 and 34 per cent lower than its competitors.

Jetstar's competitive fares support strong demand for its Indonesia services. For the twelve months to July 2026, Jetstar recorded an average seat utilisation of 91 per cent, compared to 86 per cent for Virgin Australia. The Qantas Group recorded average seat utilisation of 91 per cent.

Consistent with other route launches, such as Melbourne-Jakarta and Sunshine Coast-Denpasar, Qantas and Jetstar plan to celebrate the launch of the new services by offering sale fares.

Increased choice and frequency of service

The proposed services provide new direct options and convenient timings across four Australian gateways:

Sector	Outbound (local times)	Return (local times)	Consumer benefit
Perth-Jakarta (QF211/212)	Dep 0930, arr 1310	Dep 1415, arr 1955	New service providing a daytime alternative to the existing overnight Batik Air Indonesia service
Western Sydney-Denpasar (JQ45/46)	Dep 0900, arr 1220	Dep 1400, arr 2305	New service, providing an afternoon arrival, aligning with standard hotel check-in times
Melbourne-Jakarta (QF39/40)	Dep 1510, arr 1830 (from 31 October 2027)	Dep 2000, arr 0630 (from 31 October 2027)	Consistent daily schedule
Brisbane-Denpasar (QF285/286)	Dep 1755, arr 2240	Dep 2355, arr 0800	New service, connecting with the Qantas network

All times local. Melbourne-Jakarta times shown are for the daily A321XLR schedule from 31 October 2027.

Qantas is the only Australian carrier serving Jakarta. Around 39 per cent of Qantas' request would support Australian-carrier competition with foreign carriers in Indonesia's capital, its principal domestic hub. Passengers can connect beyond Jakarta to domestic destinations through Qantas' interline partnership with Garuda Indonesia, and to international destinations through **one**world and other airline partners.

The Perth-Jakarta service will provide a direct link of around five hours for consumers, compared with one-stop itineraries via other Southeast Asian or Eastern Australian ports that substantially increase journey times. Garuda Indonesia exited Perth-Jakarta in April 2022 and Indonesia AirAsia in September 2024, leaving Batik Air Indonesia as the sole non-stop operator. The Qantas service would restore competition on the route as well as add capacity, and would be the only Australian carrier service between Perth and Jakarta.

Qantas' proposal offers a convenient daytime alternative to Batik Air Indonesia's overnight service, departing Perth at 0930 and arriving in Jakarta at 1310, with the return departing Jakarta at 1415 and arriving in Perth at 1955. The proposed schedule provides greater choice for business and VFR travellers who prefer daytime travel.

Qantas plans to increase Melbourne-Jakarta services from three to four flights per week from 28 March 2027, then to daily from 31 October 2027, providing a consistent daily schedule for business and VFR travellers.

The Qantas Group application is the only one that would provide services to/from Western Sydney International Airport, with Jetstar's proposed services giving the Western Sydney catchment direct access to Denpasar. For Western Sydney residents, the benefits include shorter and cheaper trips to the airport, less time lost to cross-city traffic, and a direct leisure option to Denpasar. More broadly, the service would expand choice for all Sydney-based travellers where flights would be available from two airports with different access times, schedules and fares.

The proposed Qantas Brisbane-Denpasar would add the Qantas full-service product to a route currently served by Jetstar, Virgin Australia and Batik Air Malaysia. With Qantas' extensive network within and beyond Australia, the proposed services will provide increased choice and connectivity to consumers.

Product differentiation

The Perth-Jakarta, Brisbane-Denpasar and Melbourne-Jakarta services will offer the Qantas full-service product, including a business class cabin, complimentary meals and checked baggage, Qantas Frequent Flyer earn and redemption, and lounge access for eligible passengers.

The Boeing 737-800 offers 12 Business seats in a 2-2 configuration with an extendable leg rest and fold-out footrest, and an Economy cabin that now includes Qantas Economy Plus, offering up to 40 per cent more legroom, priority boarding and priority access to overhead baggage space.

The Airbus A330-200 features Business Suites with fully flat beds and direct aisle access for every passenger in a 1-2-1 layout, and an Economy cabin in a 2-4-2 configuration. Depending on the aircraft, the A330-200 carries 28 Business and 243 Economy seats, 27 Business and 224 Economy seats, or 26 Business and 208 Economy seats.

From 31 October 2027, Melbourne-Jakarta will be operated by the new A321XLR, replacing the Airbus A330. Built with advanced lightweight materials and next-generation Pratt & Whitney Geared Turbofan engines, the A321XLR burns less fuel and generates lower carbon emissions per seat than previous-generation aircraft, while also reducing noise around airports. Customers in all cabins will enjoy fast and free Wi-Fi and large overhead bins, while next-generation Economy seats feature six-way adjustable headrests, a drop-down tablet holder, and USB-A and USB-C charging at every seat.

Jetstar will operate Western Sydney-Denpasar with A321LR aircraft configured with 232 seats, offering extra-large overhead bins with 40 per cent more space, flip-down smartphone and tablet cradles with in-seat USB power, plus in-flight entertainment streamed to passengers' own devices, with a range of fare bundles and Jetstar Holidays packages suited to the predominantly leisure Bali market.

Stimulation of innovation

Jetstar has provided significant stimulation and innovation in offering low-cost services to Indonesia from points in Australia other than the major gateways where capacity is unrestricted. Since August 2025, Jetstar has launched services from the Gold Coast, Newcastle and Sunshine Coast to Indonesia, providing consumers with increased choice.

The viability of these services has been supported by Jetstar's significant investment in the latest technology aircraft. These next-generation aircraft deliver major fuel and noise reductions through modern engine technology and lightweight design, as well as greater comfort for travellers.

In addition, Qantas and Jetstar both offer holiday packages, with a product range that includes flights, hotels, car hire, activities and other travel services. Jetstar Holidays also offers a dedicated range of Bali packages[19]. Jetstar's Bali Holiday Packages include:

[19] Jetstar Holidays, Bali holiday packages, https://www.jetstar.com/au/en/holidays/destinations/bali

- **Flights:** Return Jetstar Economy/Starter flights from major Australian cities.
- **Baggage:** 20kg checked baggage included.
- **Seats:** Standard seat selection included.
- **Accommodation:** Curated hotels, resorts, or private pool villas across popular Bali locations.
- **Perks:** Many packages include added extras like daily breakfast, massages, resort dining credits, or room upgrades.

(d) 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

The proposal is for Qantas and Jetstar to utilise the capacity for own aircraft operations between Australia and Indonesia.

(e) the benefits presented by allocating the capacity to a given applicant over other competing applicants, having regard to any commercial arrangements that may be in place with other carriers

Having regard to paragraph 7(2)(b) of the Act, Qantas submits that its application would be of greater benefit to the public than the competing application, as summarised below.

- Introduces a service on a city pair not currently served (Western Sydney-Denpasar) and utilises capacity at the recently opened Western Sydney International Airport.
- Introduces a new direct service on a city pair currently served by only one airline (Perth-Jakarta).
- Uses capacity for services to Jakarta, extending Australian-carrier competition with foreign carriers beyond Denpasar.
- Spreads new capacity widely, with no single city pair above around 36 per cent of the request (compared with around 61 per cent on Perth-Denpasar).
- Offers a choice of full-service (Qantas) and low-cost (Jetstar) products.
- Adds new air freight capacity to Jakarta for Australian importers and exporters.
- Introduces a full-service alternative to the existing Brisbane-Denpasar services.

Both carriers use the capacity for their own aircraft operations, without code share or joint service conditions.

(f) any determinations, decisions or notifications made by the ACCC, or any determinations made by the Australian Competition Tribunal, in relation to an Australian carrier using capacity in all or part of the route

Not applicable.

(g) any determinations, decisions or notifications made by a foreign agency that performs a comparable function to the ACCC or the Australian Competition Tribunal, or by a foreign aeronautical authority, in relation to a carrier using entitlements under a bilateral arrangement on all or part of the route

Not applicable.

Tourism and trade criteria

(h) the level of promotion, market development and investment proposed by each of the applicants

Qantas and Jetstar will promote the new and additional Indonesia services on an ongoing basis via network-wide and tactical route-specific campaigns, including launch campaigns for Perth-Jakarta, Western Sydney-Denpasar and Brisbane-Denpasar.

(i) route service possibilities to and from points beyond Australian or foreign gateways

Qantas and Jetstar offer passengers an extensive network within Australia and beyond the Australian gateways. Inbound passengers from Indonesia will have onward connections across the Qantas Group

domestic and regional networks at Perth, Brisbane and Melbourne, providing scope for increased domestic dispersal of visitors from Indonesia, with benefits for Australian tourism.

For Qantas' proposed Brisbane-Denpasar services, there are same-day connections to and from regional Queensland (including Cairns, Townsville, Mackay, Rockhampton, Bundaberg, Hamilton Island and the Whitsunday Coast), plus onward links to Sydney, Melbourne, Canberra, Adelaide and New Zealand. Qantas' proposed Melbourne-Jakarta services provide connectivity to Tasmania, South Australia and regional Victoria.

Jakarta is Indonesia's principal domestic hub. The Perth-Jakarta and Melbourne-Jakarta services would give Australian travellers access to onward domestic connections to destinations opened up by the updated air services arrangements, such as Lake Toba and Borobudur, which are not as readily reached via Denpasar.

Garuda Indonesia, Qantas' interline partner, serves 30 domestic destinations from Jakarta, including around five daily flights to each of Yogyakarta and Semarang (for Borobudur) and around seven to Medan (for Lake Toba), compared with two daily flights from Denpasar to Yogyakarta only. Qantas' proposed Perth-Jakarta schedule allows same-day connections to and from all three, as well as onward international connections including Singapore and Kuala Lumpur.

(j) the availability of frequent, low cost, reliable air freight movements for Australian importers and exporters

Two-way trade between Australia and Indonesia was valued at A$35.38 billion in 2024, making Indonesia Australia's ninth-largest trading partner, supported by the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA).[20]

Jakarta is the world's most populous city as well as Indonesia's capital and largest commercial and trade centre. The Qantas proposal is the only application that would add Australian-carrier freight capacity to Jakarta. The proposed services will add belly freight capacity on four city pairs, with Qantas' A330-200 services offering up to 15,000 kilograms of freight capacity per flight and up to 1,500 kilograms per flight on B737-800, A321LR and A321XLR services.

Key commodities from Indonesia to Australia included general cargo, apparel and textiles, seafood, and industrial equipment. From Australia to Indonesia, freight included food and beverages, general cargo, and apparel and textiles. Mail is also an important component of air freight traffic in both directions.

As part of the Qantas Group, Qantas and Jetstar can offer freight customers access to an extensive international and domestic network. In conjunction with Qantas Freight, Australia's largest independent air freight services business, the Qantas Group can provide access to better distribution capabilities and freight management expertise.

Relevant information obtained from Government agencies

(k) any information that the Commission has obtained from Australian Government agencies or statutory authorities that the Commission considers to be relevant

Qantas would welcome the opportunity to respond to any information the Commission obtains from Australian Government agencies or statutory authorities in relation to this application.

[20] DFAT, Indonesia country economic fact sheet.