



**Dear**

Ms Jasmina Ackar

Director

**International Air Services Commission**

PO Box 630

CANBERRA ACT 2601

Via email: [Jasmina.Ackar@infrastructure.gov.au](mailto:Jasmina.Ackar@infrastructure.gov.au)

20 October 2023

GARUDA/JKTNDA/20005/23

**Submission On Public Benefit by Garuda Indonesia in Support of Application for Variation to Enable Air Passenger Codesharing between Garuda Indonesia and Qantas**

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Dear Ms Jasmina Ackar,

This submission is made by Garuda Indonesia in support of an application by Qantas Airways Limited (Qantas) for variation of capacity allocations on the Indonesia - Australia route to enable reciprocal code sharing with Qantas (Proposed Variation) on passenger services operated by both carriers between Sydney/Melbourne and Jakarta/Denpasar (together, the Proposed Code Sharing).

Under the Proposed Code Sharing, Qantas will code share on Garuda Indonesia operated passenger services on the Sydney and Melbourne routes and Garuda Indonesia will code share on Qantas operated passenger services on the same Sydney and Melbourne Routes, on a free sale basis. Free sale codeshare will ensure that the inventory control is still on the Operating Carrier, which give the full authority on inventory and capacity management to the Operating Carrier. Qantas and Garuda Indonesia made the application on the Proposed Variation to improve the connectivity between Indonesia and Australia through the introduction of more schedule variations to the passengers during the limited resource that currently experienced by Garuda. While maintaining the current frequencies and capacity on Garuda side, there are still growing passengers after the pandemic which made Garuda optimistic to add more frequencies into the pre pandemic level. Therefore, within this Proposed Code sharing, Garuda can fill out

the gap on the missing capacity and frequencies due to aircraft shortage to benefits the customers. Meanwhile, much of the Australian market is taken through other countries hubs which should be enjoyed by two countries' flag carriers Qantas and Garuda, via Jakarta and Denpasar. Therefore, the collaboration between the two airlines can increase the competitiveness of Indonesian and Australian airlines towards third country airlines.

Based on the market size data from 2018 – 2022 on Indonesia – Australia vv, there are significant market size reduction from pre-pandemic level to current YTD 2023 level: from 3,346,318 passengers in 2019 to 1,534,952 passengers in 2022, which means the market between Indonesia and Australia hasn't recovered yet. With current YTD (Year to Date) July 2023 data we retrieved from the IATA Direct Data Solution, the number of pax has reach 1,900,557 which means the market between Indonesia and Australia vv will be recovered in this year. To have a sustainable growth between Indonesia – Australia, we as air transport bodies; regulator and airlines, must ensure the capacity and service quality growth to serve the market.

Garuda Indonesia has served Australian market since 1969 with its first route Jakarta – Denpasar – Sydney on DC-8 aircraft. Since then, Garuda has committed to connecting Indonesia and Australia routes by bringing the best service with Indonesian hospitality. During the pandemic, Garuda maintain its operation to Australia and has develop partnership with Australian carriers. Currently Garuda has interline cooperation with Qantas Airways, Virgin Australia and Jetstar. By offering this cooperation to market in Indonesia, Garuda and Australian carriers would bring more passengers to the destination in the respective domestic destinations which both Indonesian and Australian carriers not served directly.

Codeshare arrangement with Qantas Airways will potentially give benefits for the customers, such as the variety of schedule, similar level of safety and service, and competitive airfares. We strongly believe that Garuda and Qantas will serve better to travelers with maintaining its presence in Indonesia and Australia market.

By this letter, we hope that this application could be approved by the Commission.

Thank you for your kind attention and cooperation.

Sincerely yours,

**PT GARUDA INDONESIA (PERSERO) Tbk.**

**Senior Manager Interline & Alliance Management**



**AKAS DETA SEPTANA**

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