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22 December 2023

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)

Dear Ms Ackar

### **Application for variations to Determination – Indonesia route**

I write on behalf of Virgin Australia International Airlines Pty Ltd (Virgin Australia) to apply for a variation to allow Virgin Australia to code share with its partner airline, Air Canada on the Indonesia route.

Virgin Australia intends to commence free sale code share services, as operating carrier with Air Canada on its services between Australia and Indonesia (Denpasar) from 5 February 2024, or as soon as the requisite approvals have been received.

A copy of the confidential code share agreement between Virgin Australia and Air Canada is attached.

### **Variations sought to Determination [2023] IASC 114**

That Determination [2023] IASC 114 be varied to permit Virgin Australia to utilise the capacity allocated on the Indonesia route to provide services with Air Canada.

Virgin Australia requests that all other conditions be retained and that all variations sought be granted for the remaining term of the determination.

### **Consumer benefits**

The proposed code share routing allows Air Canada to place their marketing code on Virgin Australia operated services on the Australia – Denpasar (Bali) route, enabling increased customer choice for international travel to/from Australia and improving Virgin Australia's competitiveness.

Enabling Air Canada to market Virgin Australia services between Australia and Indonesia provides increased customer choice and alternative routings for consumers for trips between North America and Indonesia (v.v.) via Australia.



This code share proposal also provides several other consumer benefits:

1. Transit and Stopover Opportunities: Sydney and Brisbane will serve as transit and stopover points for passengers traveling between Indonesia and North America. This provides consumers with the opportunity to break their journey and explore these Australian cities.
2. Round the World Itineraries: Air Canada's inclusion of Indonesia in their itineraries enables the marketing of Round the World trips via Indonesia that include destinations in Australia. This offers consumers the chance to create multi-destination itineraries, adding more variety and flexibility to their travel plans.
3. Codeshare Benefit: Air Canada's codeshare with Virgin Australia's services to Denpasar (Bali) allows consumers to seamlessly connect between Air Canada and Virgin Australia flights. This partnership enhances the travel experience by providing smoother transfers and greater travel options for customers.
4. Increased Flight Frequency: Currently, Air Canada operates 14 weekly services between Canada and Australia (vice versa). This increased flight frequency provides consumers with more options to choose from, allowing for greater flexibility in planning their trips.

The current bilateral capacity share of Virgin Australia in the major cities of Sydney, Melbourne, Brisbane, and Perth on the Australia-Indonesia route is less than 20%. Allowing Virgin Australia to code share with its partner airline, Air Canada, on the Indonesia route would enhance competition and benefit consumers.

### **IASC Act and Policy Statement Considerations**

Virgin Australia requests that the Commission consider this application pursuant to section 25 (1) of the *International Air Services Commission Act 1992* and the 'reasonable capability criterion' as defined in section 8 of the Minister's Policy Statement.

Virgin Australia would be pleased to provide any further information or background on its services and codeshare arrangements to Indonesia if required, and thanks the Commission for its consideration of these matters.

Please let me know if you would like to discuss this further.

Yours sincerely

A handwritten signature in black ink, appearing to read "Todd Reynolds".

Todd Reynolds  
**General Manager Government Relations and Industry Services**