Outlook

Public Submission - Indonesia air services capacity

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Public Submission to the International Air Services Commission
Indonesia – 2 October 2026 case

Submitted by: Beau and Shabrina McMurray
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Re: Public benefits of direct Perth–Jakarta (PER–CGK) services

1. Introduction

We welcome the opportunity to make a submission regarding the competing applications for additional capacity on the Indonesia route from Qantas Airways Limited and Virgin Australia International Airlines Pty Ltd.

We support the expansion of air services between Australia and Indonesia and recognise the legitimate public benefits identified by both applicants.

Our particular interest is the proposed introduction of a regular direct Perth–Jakarta service by Qantas.

We believe a direct Perth–Jakarta service would provide a significant and distinctive public benefit for Western Australia and the broader Australia–Indonesia relationship.

In particular, it would introduce a new Australian carrier city pair between Perth and Jakarta, provide additional competition on a currently limited nonstop market, improve connectivity for business, tourism and visiting friends and relatives traffic, and provide Perth with a direct connection to one of the world's largest urban centres and Indonesia's principal commercial and administrative centre.

We respectfully ask the Commission to give substantial weight to these benefits when considering the competing applications.

2. Perth–Jakarta would fill a major connectivity gap

The scale of Jakarta is important when considering the public benefit of a direct connection from Perth.

According to the United Nations' 2025 *World Urbanization Prospects*, Jakarta is now the world's most populous city/metropolitan area, with approximately **41.9 million people**.

This is an extraordinary population and economic catchment for a city with no regular direct connection from Perth by an Australian carrier.

Jakarta is not simply another Indonesian tourism destination. It is Indonesia's capital, its principal commercial and administrative centre, a major business and government hub, and a gateway to the wider Indonesian archipelago.

For Perth residents, the ability to travel directly between Perth and Jakarta would therefore represent a substantial change in connectivity.

At present, a Perth resident travelling to Jakarta generally needs to connect through another Australian or international hub, or use the existing limited nonstop option. A regular daily Australian carrier service would make Jakarta substantially more accessible for ordinary Western Australians travelling for work, family, education, tourism or other purposes.

We believe this would be a game changer for Perth.

It would put one of the world's largest urban populations directly within reach of Perth without requiring passengers to first travel through Singapore, Kuala Lumpur, Sydney, Melbourne, Brisbane, Denpasar or another connecting hub.

3. A new Australian-carrier city pair

The proposed Perth–Jakarta service is materially different from simply increasing capacity on an established route.

Perth already has extensive direct connectivity to Denpasar. Jakarta, by contrast, does not have the same breadth of direct Australian connectivity.

A direct Perth–Jakarta service would therefore create a new nonstop city pair linking Western Australia with Indonesia's capital and principal commercial centre.

This distinction is important when considering the public benefits of allocating scarce capacity.

The public benefit would not simply be more seats to an existing leisure destination. It would be the creation of a direct connection between Western Australia and a metropolitan population of more than 40 million people, together with access to the commercial, governmental and economic activity concentrated in Jakarta.

4. Competition and consumer choice

We consider competition to be one of the strongest public benefits of the proposed PER–CGK service.

As identified in Qantas's supplementary submission, Batik Air Indonesia is currently the sole operator of a nonstop Perth–Jakarta service.

The introduction of a second airline group, and specifically an Australian carrier, would therefore introduce meaningful competition on the city pair.

This is particularly valuable from a consumer perspective because competition would potentially provide:

- greater choice of airline and fare product;
- greater choice of schedule;

- different loyalty-programme and frequent-flyer benefits;
- greater flexibility for business and visiting friends and relatives travellers;
- greater resilience if one operator experiences disruption or reduces its schedule; and
- competitive pressure on fares and service quality.

The proposed Qantas service is also understood to have a daytime operating pattern, providing a different scheduling proposition from the existing overnight nonstop service.

This would give consumers a genuine choice between different schedules and products rather than simply increasing capacity within an existing operating model.

5. The impact on ordinary Perth residents

The benefits of international aviation are sometimes discussed primarily in terms of trade, tourism statistics or airline competition.

However, there is also a very direct consumer benefit.

Perth is geographically Australia's closest major capital city to Indonesia, yet reaching Jakarta currently involves a level of inconvenience that is disproportionate to the physical proximity and importance of the destination.

For Perth residents with family, friends, business interests or educational connections in Indonesia, a direct service would substantially simplify travel.

For leisure travellers, it would open a much larger range of Indonesian experiences beyond the existing Perth–Denpasar market.

For Indonesian Australians living in Western Australia, it would provide a more convenient direct link with Indonesia and its enormous population.

For Western Australian businesses, it would make regular travel to Indonesia's commercial centre substantially easier.

And for visitors from Jakarta, it would make Western Australia more accessible as a destination.

The value of this should not be underestimated.

A daily nonstop flight does more than move passengers from one airport to another. It changes the practical relationship between two cities.

A Perth resident can currently look at a map and see Jakarta as relatively close geographically, but the travel experience does not reflect that proximity. A regular direct flight would change that.

6. The public benefit to Western Australia

Western Australia's relationship with Indonesia is particularly significant.

Qantas's supplementary submission identifies Western Australian goods exports to Indonesia of approximately **A$3.6 billion in 2023**, representing almost 31 per cent of Australia's total goods exports to Indonesia.

We consider this an important indicator of the broader economic relationship between Western Australia and Indonesia.

A direct Perth–Jakarta service would improve access between the two markets and provide a more efficient link for business travellers, government representatives, educators, students, investors and other people participating in the Australia–Indonesia relationship.

The benefits would extend beyond passengers travelling specifically between Perth and Jakarta. Jakarta provides onward access to other parts of Indonesia through its domestic aviation network.

7. Tourism and broader connectivity

We recognise that Bali is the dominant Indonesian tourism destination for Australian travellers and that Virgin Australia's proposed expansion of Perth–Denpasar services would provide public benefits.

However, this should not be regarded as a reason to discount Jakarta connectivity.

Jakarta provides access to a substantially different tourism and travel market.

A direct Perth–Jakarta service would improve access to Jakarta itself while also providing a gateway to other Indonesian destinations through onward domestic connections.

This includes destinations such as Yogyakarta and Borobudur, as well as other regions of Indonesia that are less directly accessible from Western Australia.

In addition, the Indonesian market is not limited to conventional leisure tourism. The Australia–Indonesia relationship includes visiting friends and relatives, education, business travel, government and institutional links, investment and professional travel.

A direct Perth–Jakarta service would therefore serve a broader range of purposes than a route designed principally around leisure travel.

8. Freight and trade

The Commission should also consider the freight benefits associated with additional passenger services.

A daily passenger service between Perth and Jakarta would provide additional freight capacity between two markets with a substantial existing trade relationship.

For Western Australia in particular, where the value of goods exports to Indonesia is significant, improved air connectivity can complement existing maritime freight networks by providing a faster option for time-sensitive and higher-value goods.

The proposed service therefore has potential benefits extending beyond the passenger market.

9. Recognising Virgin Australia's competition argument

We have carefully considered Virgin Australia's supplementary submission.

Virgin Australia argues that Qantas Group already holds a substantial proportion of historically constrained Indonesia capacity and that allocating additional capacity to Qantas could increase concentration.

We recognise the validity of considering competition between Australian airline groups.

However, we respectfully suggest that these benefits should be considered alongside the distinct benefit represented by PER–CGK.

The relevant question is not simply which airline should receive more Indonesia capacity.

It is also **what additional public benefit is created by each proposed use of that scarce capacity?**

A further expansion of established leisure connectivity and the creation of a new Australian-carrier city pair between Perth and Jakarta are different propositions.

We therefore consider it possible to recognise the legitimate competition and consumer choice benefits of Virgin Australia's proposed services while also giving significant weight to the unique public benefits of PER–CGK.

10. Evidence of public interest

There is already considerable public interest in the possibility of direct Perth–Jakarta services.

In recent weeks, a number of Australian and Indonesian aviation and travel social-media accounts have circulated reports suggesting that Qantas will commence Perth–Jakarta flights from December 2026.

Those reports appear to have generated substantial public engagement and discussion.

We do not suggest that social-media engagement should be treated as formal evidence of passenger demand, nor do we suggest that the reported December commencement date is confirmed. The IASC process is still underway.

However, the reaction to these reports provides a useful indication that direct Perth–Jakarta connectivity is a proposition that attracts considerable public interest.

The fact that members of the public are already responding enthusiastically to the possibility of a direct service — even before an allocation decision has been made — illustrates the potential consumer value of the route.

11. Conclusion

We respectfully submit that the Commission should give significant consideration to the public benefits associated with direct Perth–Jakarta connectivity.

In particular, PER–CGK would:

1. create a new Australian-carrier city pair;
2. connect Perth directly with one of the world's largest urban populations;
3. provide Perth residents with direct access to a metropolitan population of more than 40 million people;
4. introduce additional competition to a market currently served nonstop by a single operator;
5. provide consumers with greater airline, fare and schedule choice;

6. establish a direct link between Western Australia and Indonesia's principal commercial and administrative centre;

7. support business, trade, tourism, education and visiting friends and relatives travel;

8. provide onward connectivity into the broader Indonesian domestic network; and

9. provide additional passenger and belly hold freight capacity.

We do not oppose the expansion of Virgin Australia's services or the broader growth of Australia–Indonesia aviation.

Our submission is instead that **not all additional Indonesia capacity provides the same public benefit**.

The creation of a direct Perth–Jakarta connection would address a distinct connectivity gap and provide benefits that are complementary to, rather than interchangeable with, additional Perth–Denpasar capacity.

For Perth, the significance is particularly clear. Perth is one of the world's most geographically isolated capital cities, yet it sits remarkably close to Indonesia. Providing a regular direct air link to Jakarta would finally allow the aviation network to reflect that geographic and economic reality.

For Perth residents, direct Perth–Jakarta flights would be far more than another international route. They would fundamentally improve Perth's connection to Indonesia and to one of the world's largest metropolitan populations.

For these reasons, we respectfully ask the Commission to give substantial weight to the proposed PER–CGK service when determining how the available capacity should be allocated.

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