

Thursday, 27 May 2021

Mr Tom Whitby

Contact Officer
Australian Competition and Consumer Commission
via email: exemptions@accc.gov.au

Dear Mr Whitby

AA1000540 – QANTAS AND JAL SUBMISSION

Thank you for the opportunity to comment on the draft determination of the application by Qantas Airways (Qantas) and Japan Airlines (JAL) to seek authorisation to coordinate operations between Australia and Japan.

Advance Cairns strongly supports this application to rebuild key international markets between Japan and Cairns. Japan will be crucial to Cairns tourism and trade recovery and the proposed Qantas – JAL partnership on the Cairns Tokyo (Narita route) would be a significant boost to Cairns recovery from the impacts of Covid 19.

We understand that rebuilding Japanese visitation to Cairns would deliver \$1 billion economic benefit for the Tourism sector in Cairns. This goal is unlikely to be achieved without a full-service airline offer given Japanese passenger preferences for full service. Both brands are also well known and respected in Japan as being reliable and represent quality that is important to travellers.

Japanese travellers are, on average, more sensitive to the time consuming indirect hubbing required to connect with Cairns. A direct full-service Japan operation to Cairns can open further inbound potential from the Japanese market into Cairns. Qantas branded aircraft have not operated international services to Cairns since 2009. The approximate 20,000 people employed in tourism in the Cairns region, are hopeful of an international recovery for the region, led by a return of the Japanese traveller, the second biggest market for Cairns.

Freight also represents a major opportunity to further support the economy of the Cairns region, an opportunity that has failed to be realised in recent years due to the capability of the Jetstar aircraft to carry freight. In May 2020 Advance Cairns and CRCNA commissioned KPMG to prepare a strategy to export fresh food fast to international markets. However, this strategy was severely impacted upon by the loss of international aviation routes due to Covid. IFAM has assisted farmers get their product to market, however this federally funded program is due to cease in September this year. Japan is a high value market for North Queensland fresh food and the proposed service would have positive benefits for the export of our agricultural produce.

Advance Cairns and its partners, TTNQ and the North Queensland Airports, strongly encourage the ACCC to reconsider its draft determination and encourage Qantas and JAL to reinstate the Cairns Narita service with both the full-service and low-cost carrier services to rebuild Australia's stalled international visitor economy.

Yours sincerely



Dr Paul Sparshott
Chief Executive Officer
Advance Cairns