

26 March 2021

Mr Gavin Jones
Director Competition Exemptions
Australian Competition and Consumer Commission
exemptions@acc.gov.au

Dear Sir

AA100540 – Qantas and JAL Submission

In reference to the application made by Qantas Airways Limited and Japan Airlines Co. on 18 December 2020 for authorization of a Joint Business Agreement (JBA) for routes between Australia, Japan and New Zealand, North Queensland Airports (NQA) would like to express its support for this arrangement.

As the operator of Cairns Airport, we have a history of being the gateway to Tropical North Queensland for the Japanese market. Airlines including Qantas, Jetstar, Australian Airlines and Japan Airlines have all operated routes linking our region and Japan in recent decades.

In recent years the number of visitors from Japan has reduced from approximately 240,000 in FY 2007/2008, partly due to services being operated by Jetstar, a brand that is not well recognised in the Japanese market.

We believe that a critical aspect of the recovery of tourism in our region is the re-introduction of services from Japan. Cairns & Great Barrier Reef region is a trusted and respected destination that can be one of the first International markets to begin to rebuild the local visitor economy.

A JBA between Qantas and Japan Airlines would deliver multiple benefits for the recovery of our market. Both brands are well known and respected in Japan as being reliable and represent quality that is important to travellers. Being full-service carriers means sales are much easier through traditional tour operators and travel agents, rather than online. Both carriers are members of the Oneworld Alliance and have reciprocal frequent flyer benefits.

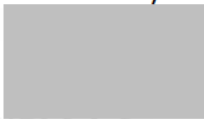
As part of the JBA it would be possible to promote Cairns as the Northern gateway to Australia and dispersing Japanese visitors across the Qantas domestic network with flights showing JAL flight number. This provides assurance to visitors when booking travel beyond Queensland.

In recent years, another limitation of the Jetstar operated services has been the inability to uplift freight. There has always been demand for seafood and fresh produce from Queensland however due the lack of certification to carry these goods by Jetstar the market has been underserved. Qantas on the other hand offer full freight capability and would again see a resurgence in the export market between North Queensland and Japan.

NQA supports the JBA because of the certainty offered to travellers by the combination of the national carriers, and the potential reinstatement of at least three (3) weekly services between Cairns and Tokyo with Qantas/JAL supported by additional low cost carrier services, and the economic benefits our region will realise through the return of Japanese visitors and increased freight opportunities.

Should you have any questions regarding the importance of the Japanese market to Cairns, please do not hesitate to contact me personally.

Yours sincerely



Richard Barker
CHIEF EXECUTIVE OFFICER
NORTH QUEENSLAND AIRPORTS