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Australian Competition and Consumer Commission

Sent via: exemptions@accc.gov.au

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Draft determination re authorisation – Qantas Airways Limited and Japan Airlines Co

It has been brought to our attention that the draft decision above is open for further consultation. As the peak body for the tourism industry in Queensland we would like to offer the following observations below. We are aware of the Joint Business Agreement (JBA) application of Qantas and Japan Airlines.

- In anticipation of the eventual opening of international borders, the importance of re-vitalising the Japan tourism market and its aviation connections is critical for the Queensland tourism industry. Being able to rely on a vibrant, competitive and sustainable market is highly desirable for the industry’s recovery.
- It is undeniable that Qantas and Jetstar have played a critical part in activating and maintaining one of Australia’s most important tourism markets with its long-standing air services from Japan.
- Point-to-point access is an important attribute of competitive destinations and the opportunities to support direct Japan air services into multiple Queensland and Australian destinations would be a highly desirable outcome. We note, in particular, the prospect of having Qantas services directly into Cairns which would deliver significant and immediate benefits to the regional economy of North Queensland.
- Any JBA likely to impact air services into Australia should be assessed both for its impacts and benefits from a regional perspective and also from an overall capacity and service frequency point-of-view.
- A critical consideration from a consumer perspective, and for the ACCC, must be what the benefits will be for the consumer. This covers outcomes in terms of convenience, price, connectivity and alignment with consumer preferences.

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The international tourism market will emerge from the COVID-disruption in a changed and highly competitive way. Australia's success in a future, global tourism market will depend substantially on its ability to provide and attract air services that can meet consumers' needs and expectations.

The industry's responses to the post-COVID environment will require innovation, new thinking and business models. The same challenge to be innovative applies to regulatory and policy approaches. An economy-recovery-lens must be applied to considerations such as this one, with a clear focus on what will deliver the best outcome for Australia and how will it assist our economic recovery.

We are of the view that the draft determination of the Qantas Japan Airlines application deserves review and full consideration of the benefits that the JBA would deliver to the Australian economy, particularly the tourism sector.

Yours sincerely

A rectangular grey box redacting the signature of Daniel Gschwind.

Daniel Gschwind

Chief Executive