



## Department of Jobs, Precincts and Regions

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Mr Gavin Jones  
Director Competition Exemptions  
Australian Competitions and Consumer Commission  
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Dear Mr Jones

**RE: AA1000540 - Qantas and JAL application**

We refer to the application made by Qantas Airways Limited (Qantas), Japan Airlines Co. Ltd (JAL) and their relevant related bodies corporate on 18 December 2020 for urgent interim authorisation of a three-year Joint Business Agreement (JBA) which provides the commercial and operational support to rebuild their operations across a range of routes between Australia, Japan and New Zealand.

We have considered the merits of this application from a Victorian perspective and are supportive of the proposal.

Victoria recognises and acknowledges that the airline and aviation industries have been significantly impacted globally as a consequence of the COVID-19 global pandemic.

The revitalisation of air travel between Japan and Victoria is an important and critical component of the States' agenda for re-instating our international tourism, trade and international student related economic outcomes. For the year ended December 2019 more than 91,500 Japanese visitors arrived in Melbourne and contributed in excess of \$231 million in direct tourism related expenditure. In addition, more than 3,200 Japanese students undertook tertiary studies in Victoria and \$107 million worth of exports from Victoria was air freighted to Japan.

Victoria supports the proposed JBA primarily because it offers a platform for sustainable growth and reinstatement of airline capacity and commensurate tourism and trade benefits between Australian destinations and Japan as borders gradually reopen in an environment of low consumer confidence in global air travel due to the impacts of the COVID-19 global pandemic.

Importantly the JBA proposes a pathway for an accelerated re-instatement of a daily scheduled service between Tokyo and Melbourne by both Qantas and JAL. It is noteworthy that pre COVID-19, Melbourne received two daily air services from Tokyo by each of Qantas and JAL.

Victoria would be encouraging both airlines to consider the reinstatement of the twice daily air services between Tokyo and Melbourne within the proposed authorisation period in order to support and facilitate the growth and recovery of the tourism, corporate and student travel markets. This could potentially be achieved through competitive pricing, more travel choice and flexibility in terms of itinerary design and providing enhanced opportunities to leverage the benefits from the expanded code share arrangements being proposed by the JBA.

If you require further information, please contact Mr Unni Menon, Executive Director, Aviation Strategy and Services, of the Department of Jobs, Precincts and Regions on

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Yours sincerely

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**David Latina**

Deputy Secretary, Jobs Innovation and Business Engagement

Date: 03/02/2021