

27 July 2012

Dr Richard Chadwick
General Manager
Adjudication Branch
Australian Competition and Consumer Commission
23 Marcus Clarke Street
CANBERRA ACT 2601

Dear Richard

Qantas Airways & Jetstar Airways Pty Ltd - Joint Venture Co-ordination Agreement

Thank you for the opportunity to comment on the proposed joint venture co-ordination agreement by Qantas and Jetstar.

Tourism is a vital industry to the Queensland economy. The Tourism Research Australia report "State Tourism Satellite Accounts 2009-10" found the Queensland tourism industry directly and indirectly employs 221,000 people. This equates to nearly 10% of the Queensland workforce. The report also found tourism directly and indirectly generates \$18 billion in gross state product for Queensland.

The proposed joint venture co-ordination agreement will allow Qantas and Jetstar to operate as a single, fully integrated organisation by co-ordinating their operations and activities with the Jetstar joint venture network in the Asian region, including the coordination of scheduling, pricing, marketing, and frequent flyer programs.

The co-ordination of scheduling could provide better connections for residents of Asian countries to travel to Queensland, particularly in the secondary cities. For example, Jetstar Japan enables residents in Fukuoka to travel to Tokyo or Osaka and connect to Queensland via the Jetstar network. Similarly, Jetstar Asia enables residents in Hangzhou to travel to Singapore and connect to Queensland via the Jetstar network.

The co-ordination of pricing and marketing to sell "as one" on a single Jetstar website will provide travelers with greater ease in planning and booking a potential Queensland visit.

The International Visitor Survey for the year ended March 2012 showed the international visitor expenditure in Queensland from Asian source markets as:

China	\$403 million
Japan	\$308 million
South Korea	\$243 million
Singapore	\$146 million
Taiwan	\$118 million
Hong Kong	\$96 million
Malaysia	\$72 million
India	\$54 million
Indonesia	\$45 million
Thailand	\$36 million
Other Asia	\$62 million

For the year ending March 2012, the total combined Asian visitor markets to Queensland spent \$1.583 billion in international visitor expenditure. This is 41.7% of the total international spend of \$3.793 billion in Queensland. The proposed joint venture co-ordination agreement will provide improved access into Queensland and Australia for some of Queensland's major source markets.

Overall the proposed joint venture co-ordination agreement could have significant economic benefits to the Queensland tourism economy by increasing the potential for residents of Asian countries to visit Queensland via the new integrated Jetstar network.

Yours sincerely

A handwritten signature in black ink, appearing to read "Anthony Hayes".

ANTHONY HAYES
Chief Executive Officer