



## National Tourism Alliance

16 December 2014

To: Australian Competition and Consumer Commission

Via email: [adjudication@accc.gov.au](mailto:adjudication@accc.gov.au)

**RE: Qantas Airways Limited & China Eastern Airlines Corporation Limited  
Applications A91470 & A91471**

To Whom It May Concern

The National Tourism Alliance (NTA) writes in support of the joint venture between Qantas and China Eastern Airlines.

The NTA membership comprises state and national industry associations with an interest in Australia's tourism and hospitality industry. These associations (listed on page 3) represent the interests of an industry with 280,000 businesses in Australia employing almost 1 million people<sup>1</sup>.

Growth in tourism and hospitality is beneficial for the whole economy, not just for the thousands of businesses and employees in the sector. Tourism plays a fundamental role in providing jobs, investment and growth in towns and communities across the country. Tourism related employment in regional areas generates over 200,000 jobs and provides more jobs for Australians than mining, agriculture, forestry and fishing combined.

The tourism sector is a source of economic strength and international competitiveness for Australia. Tourism Research Australia in 2011 stated that tourism's total output multiplier was valued at 1.92. This means that for every dollar tourism earns directly in the Australian economy, it value adds an additional 92 cents to other parts of the economy. At 1.92, tourism's total multiplier is larger than other industries such as *Mining* (1.67), *Retail trade* (1.81) and *Education and training* (1.38).

International visitors currently spend over \$30 billion a year in Australia. The international inbound market grew across all measures year on year to September 2014: visitor numbers increased by 8 per cent to 6.3 million, trip nights increased by 3 per cent to 221 million, and spend increased by 9 per cent to \$30.7 billion. To maintain this growth and the concomitant downstream benefits to the whole economy, tourism and hospitality need aviation capacity to keep pace with demand.

The potential for tourism and hospitality to drive jobs growth and economic prosperity nationally means that the Australian Government and the tourism industry have signed up to an ambitious target of doubling overnight visitor spending in Australia to \$140 billion by 2020; the international spend represents over 30 per cent of this.

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<sup>1</sup> All figures quoted are from Tourism Research Australia

Australia's top five inbound markets (New Zealand, China, the UK, the US and Singapore) are expected to provide 56 per cent of arrivals over this period. China is expected to contribute nearly one-quarter (24 per cent) of the increase in inbound arrivals over the forecast period to 2022-23. Chinese visitors are also top of the list for the share of spending in Australia.

The capacity and services achieved under the five-year agreement between Qantas and China Eastern Airlines will be an important contributor that enables the industry to maximize the opportunities presented by the growing northern, and south east, Asian markets. Tourism Australia, the marketing agency for Australia internationally, is spending tens of millions of dollars in China and North Asia to attract visitors to Australia, and reports an extremely positive outlook for the continued growth of these markets for Australia.


The agreement will foster important trade, as well as tourism, opportunities for Australia. The two airlines will be able to coordinate activities and operations between Australia and China. Customers will benefit from improved products and travel offerings, which will support trade, tourism and business travel between the two countries.

Coordinating the two airlines' operations at Shanghai International Airport will achieve the benefits of efficiencies and better customer service through a reduced transit time in this strategically important hub.

Importantly for Australian tourism, China Eastern will be able to offer additional flights between Sydney/Melbourne and Shanghai from 2016. In addition there is the opportunity to explore new routes between Brisbane and/or Perth and Shanghai, enabling further dispersal of visitors across the country.

Thank you for the opportunity to comment on this agreement. Please contact me on 0488 069 945 if you require any further information or clarification of this submission.

Yours faithfully



**Juliana Payne**  
**Chief Executive Officer**

## **NATIONAL TOURISM ALLIANCE MEMBER ASSOCIATIONS**

1.	Australian Tourism Export Council
2.	Caravan Industry Association of Australia
3.	National Capital Attractions Association
4.	NSW Business Chamber Tourism Division
5.	Queensland Tourism Industry Council
6.	Restaurant & Catering Australia
7.	South Australian Tourism Industry Council
8.	Star Ratings Australia
9.	Tourism Council Western Australia
10.	Tourism Industry Council Tasmania
11.	Tourism Top End
12.	Victoria Tourism Industry Council