



Email: [warren.entsch.mp@aph.gov.au](mailto:warren.entsch.mp@aph.gov.au) Web: [www.warrenentsch.com.au](http://www.warrenentsch.com.au)

Australian Competition and Consumer Commission  
PO Box 3131  
CANBERRA ACT 2601

7<sup>th</sup> April 2015

By Email: [adjudication@accc.gov.au](mailto:adjudication@accc.gov.au)

To whom it may concern,

**Re: A91470 & A91471 – Qantas & China Eastern Submission**

I refer to the above submission reference and note that it is my understanding that the recently released ACCC draft determination proposes to deny authorisation of the Qantas-China Eastern commercial partnership.

I respectfully request that the ACCC reconsider this draft determination and support the proposed partnership which seeks to allow Qantas to effectively compete and build capacity within the Australia-China market.

I recently celebrated and even acknowledged in Parliament, the strong performance of the Cairns International Airport. 4.3 million travellers passed through the gates in the last financial year alone and the immediate local and domestic stimulus directly attributed to these increased numbers cannot be ignored. With a forecasted increase to 4.55 million this financial year, it must be acknowledged that the increased visitor numbers is driven by China.

As the local Federal Member and also in my capacity of Chair of the Joint Select Committee into the Development of Northern Australia – I must stress the growth and investment in the Australia-China market is pivotal in increasing industry in my local region, across northern Australia and the wider Australian economy.

Today, I facilitated a trade and investment roundtable, involving representatives from Cairns Regional Council and the Chamber of Commerce, as well as stakeholders from Cairns Airport, Advance Cairns and tourism bodies. Trade and Investment Minister Andrew Robb was in attendance and the primary objective was to discuss the role international investment can play in developing associated infrastructure opportunities in the region. On the back of this productive discussion, I am concerned that without authority Qantas Airways will not be best placed to drive this development.

**Electorate Office:**

MacDonnells Building, 102 Grafton Street, Cairns QLD 4870  
Phone: 07 4051 2220 Fax: 07 4031 1592

**Parliament House:**

Suite RG60, House of Representatives, Canberra, ACT, 2600  
Phone: 02 6277 4803 Fax: 02 6277 2238

**Thursday Island Office:**

Douglas Street, Thursday Island, QLD 4875  
Phone: 07 4069 1393 Fax: 07 4069 1822

Tourism Australia's China 2020 Strategic Plan identifies a healthy aviation environment as critical to the success of the China 2020 goal – "more planes, with more connection to more destinations in Australia". Should even the 'lower scenario' forecast spend by Chinese visitors of \$7.4 billion be met by 2020, we must support our national airline to compete in this market.

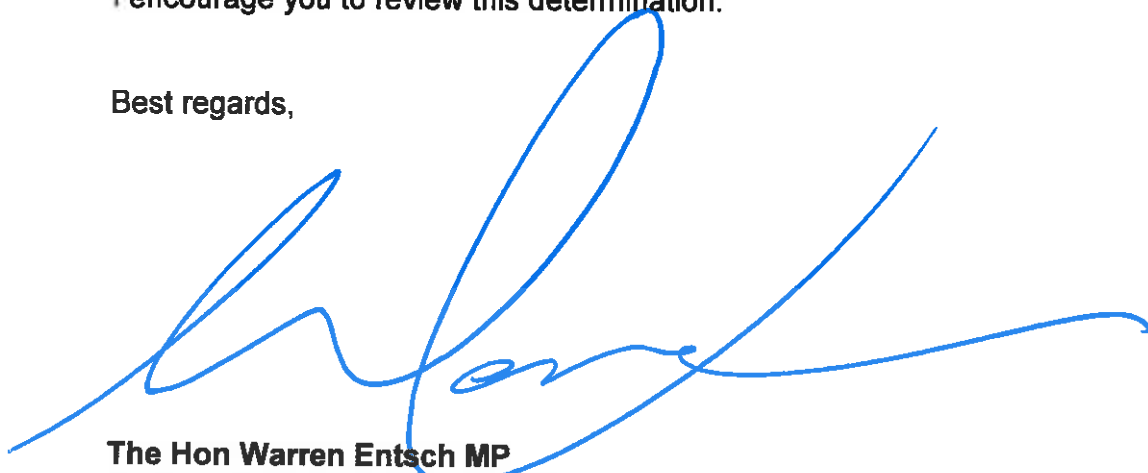
The increased connectivity to not just China but other Asian hubs exposes great opportunity. The market is highly competitive – both in terms of direct traffic, as well as indirect options via Hong Kong, Singapore and Kuala Lumpur. The establishment of a Qantas hub in a Chinese city will potentially allow for direct services and facilitate continued growth on those services.

Regardless of the outcome of this review Qantas assures me that they will remain committed to the Chinese market however it cannot be denied that without this authorisation they will be at significant disadvantage.

Qantas has demonstrated experience with the benefits of hub propositions elsewhere. I fear that without authorisation of the partnership, tourism and trade benefits that would otherwise be afforded to my local region will not be realised.

I encourage you to review this determination.

Best regards,



**The Hon Warren Entsch MP**  
**Federal Member for Leichhardt**  
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