



Ms G Brett  
Senior Project Officer, Adjudication  
Australian Competition & Consumer Commission  
Level 35, 360 Elizabeth Street  
MELBOURNE VIC 3000

29 May 2015

Dear Ms Brett

### China Eastern Airlines

The Australia China Business Council, Queensland Branch (ACBC QLD) wish to express our support for the proposed Qantas Airways and China Eastern Airlines direct flights between Shanghai and Brisbane. We firmly believe it will be in the best interest of Queensland businesses trading with China, many of which constitute our membership.

ACBC is a membership-based, non-profit, non-governmental organisation comprised of a National Office with Branches throughout Australia and more than 1,500 representatives from over 900 Australian companies who do business with China. Queensland has a rapidly growing and active ACBC branch with a strong membership base from small and large local businesses, academics, government officials and state representatives of large national firms.

China is Queensland's largest trading partner with business conducted across many sectors of the Queensland economy including: tourism, education, mining and resources, food production, professional services and many more.

However, currently the only direct flight from Queensland to mainland China is a five times weekly service operated by China Southern Airlines between Guangzhou and Brisbane. While there are occasional flights to either Cairns or Gold Coast airports from China, these operate only in the tourist high-season of Chinese New Year and are booked out by inbound tour operators. This makes them inappropriate for business travellers who need year-round scheduled flights to suit their business needs for employee travel and for air cargo export.

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In China, Shanghai is the financial centre and a major market with many Australian businesses locating their China headquarters or branches in the city. The Queensland Government also has the Head Office for its China's operations based in Shanghai.

Despite Shanghai's role as a major trading gateway to China, there are no direct flights to this important city from Queensland. Currently, Queensland business people must choose between flying southwards to Sydney to connect to a northbound Shanghai service or transferring at a mid-point such as Hong Kong, Guangzhou or Singapore. Either of these options add several hours to a passenger's journey and additional handling, cost and risk to air cargo's journey.

The same is also true for Chinese travellers coming to Queensland to conduct business. Clearly a non-stop flight between Queensland's business centre of Brisbane and Shanghai would be a more efficient and desirable service.

China Eastern Airlines is known as the main airline of Shanghai and it is the biggest operator at Shanghai's Pudong International Airport. The ability of Qantas and China Eastern Airlines to work in cooperation will allow them to match their capabilities in the China and Australia markets for a commercially sustainable service. This partnership will offer a better chance for the Brisbane to Shanghai services, which are so clearly needed for the business community, to commence in a timely manner.

The current low level of Brisbane to China air services is considered a hindrance to greater trade and business development between Queensland and China. We ask that you consider the benefit of potential direct flights to Queensland consumers. These benefits would include more efficient journeys for travellers between China and Queensland, greater air cargo capacity and ultimately improved productivity for Queensland businesses.

If you have any questions or would like to discuss any matter further, please do not hesitate to contact me.

Yours sincerely

Stephen Abbott  
President  
ACBC QLD

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