

1 July 2015

Dr Richard Chadwick  
General Manager, Adjudication Branch  
Enforcement and Compliance Division  
Australian Competition & Consumer Commission  
23 Marcus Clarke Street  
CANBERRA ACT 2601

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

Dear Dr Chadwick,

**Re: Qantas and American Airlines – Application for revocation and substitution of authorisations A91265 and A91266**

Thank you for the opportunity to comment on the application by Qantas Airways (Qantas) and American Airlines (American) to seek reauthorisation to coordinate operations between Australia and North America. Sydney Airport supports this application and welcomes the additional services proposed by the applicants, delivering superior outcomes for the Australian visitor economy and travellers between and beyond the two markets.

During the year ending 2014, 553,000 American residents visited Australia, with 61% arriving into Sydney Airport. Comprising over 5% of total international traffic, American residents are Sydney's third largest foreign visitor group, with the market experiencing more than 5.6% growth last year.

As one of Australia's most important inbound markets, the strong economic and cultural ties between our two nations are vital to the continued growth and prosperity of the visitor economy. In 2014, the United States contributed more than \$2.8b in inbound tourism expenditure, increasing 9% from the previous year, and by 2020, this is expected to increase to around \$3.2 billion. This forecast growth across the North American market presents significant opportunities to assist in achieving the *Tourism 2020 Potential* targets of doubling overnight visitor expenditure for Australia and New South Wales.

As well as being a significant source of inbound visitation, the United States is Sydney's largest outbound market with more than 545,000 annual departures or 8% of Sydney Airport's total international traffic. When combined with inbound visitation, the Sydney-United States route (to the existing destinations in Dallas/Fort Worth, Los Angeles, New York and San Francisco) represents Sydney's second largest two way passenger route at 13% of total international traffic.

The proposed extension of the partnership between Qantas and American will see an expansion of available seat capacity on the route and new services to San Francisco, one of the United States most important west coast international airports and gateway to the growing Silicon Valley/San Jose high tech business corridor. Under the proposal, Qantas will operate a 6 times weekly Boeing 747 service to San Francisco and American will return to the Sydney market with a daily Boeing 777 service. With these two new services, capacity between Sydney and the United States west coast will increase by 49% - a 12% increase on the Sydney-Los Angeles route, which is set to become Sydney's most competitive direct international long-haul route with 5 carriers operating daily services.

Given the importance of the United States market and the growth potential identified in the coming years, Sydney Airport supports the new aviation capacity which will significantly improve links and services between the two markets supporting the growth of inbound tourism and trade.

Yours sincerely,



**Kerrie Mather**  
Managing Director and Chief Executive Officer