

19 June 2009

Mr Michael Bird
Executive Director
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Dear Michael

Qantas & Iberia Code Share Application

I am writing, on behalf of Tourism Queensland, in support of the Qantas code share application with Iberia on Qantas flights between the United Kingdom and Australia and between Thailand and Australia.

Whilst the new code share agreement will only apply to Qantas services operated into Sydney, we believe there will be flow-on effects for Queensland. As almost 50% of European visitors enter Australia via Sydney, Iberia's code share on Qantas services to Sydney will also benefit international visitation to Queensland.

Up until this point, air access from Spain to Australia and Queensland has been very limited and thus inhibited the potential growth of this visitor market. Whilst Qantas operates a number of services to Queensland from Germany and the United Kingdom (via Singapore), markets like Spain have been largely left untouched. Subsequently, only approximately 25,000 Spanish passengers arrived in Australia and 3,500 in Queensland in the year ended March 2009.

With an estimated population of 40.5 million people and a gross domestic product (GDP) per capita of approximately US\$32,000 (2007 OECD estimate), the Spanish visitor market to Australia and Queensland has the potential to grow considerably with improved air access.

Tourism Queensland encourages international airlines, like Qantas, to expand their European networks to improve air access to Queensland from European visitor markets which have growth potential, such as Spain. We are thus strongly supporting Qantas' planned partnership with Iberia.

The proposed code share agreement between Qantas and Iberia will allow Qantas to extend its brand into the Spanish market while Iberia's code share on Qantas' United Kingdom to Sydney and Thailand to Sydney flights will make Australia and Queensland more accessible for Spanish travellers through seamless ticketing options.

In Tourism Queensland's view, an expansion of Qantas' and Iberia's existing relationship in the Oneworld alliance will also improve the

marketability of Australia and Queensland in the Spanish market as Qantas and Iberia would attain the ability to directly sell tickets on each other's services.

Yours sincerely

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

Anthony Hayes
Chief Executive Officer