



**Minister for Innovation, Services and Small Business
Minister for Tourism and Major Events**

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Mr Chris Samuel
Senior Adviser
International Air Services Commission
GPO Box 630
Canberra ACT 2601

Dear Mr Samuel

**APPLICATION BY QANTAS FOR ALLOCATION OF AIR RIGHTS ON THE
UAE ROUTE -VICTORIAN GOVERNMENT RESPONSE**

I am writing to provide the Victorian Government's position on the recent application by Qantas Airways (Qantas) for an allocation of fourteen frequencies per week on the United Arab Emirates (UAE) route, in order to operate daily services to London, via Dubai, from Melbourne and Sydney.

Victoria and Australia's competitive position as a global tourism destination is reliant upon its air traffic capabilities. Direct air services between Victoria and key markets are critical to growing Victoria's other export sectors, particularly investment, trade and international education.

Victoria has an important and long standing economic relationship with the UAE and established a Victorian Government Business Office in Dubai in 1997. The UAE is an important growth market for airline services, both in developing direct links to the UAE and in accessing links to markets in the UK and Europe.

According to Australian Passenger Card Data, in the year ending June 2012 there were more than 52,493 passenger movements between Melbourne and the UAE, a 4.2% increase in passengers from the previous year. During this same time period, there were more than 500,000 passenger movements between Melbourne and the UK, with the UK set to remain one of Victoria's core visitor markets out to 2020.

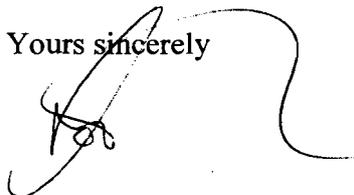
Qantas is a key carrier for Victoria for flights to the UK and Europe and we expect this trend to continue with the airline's proposal to transfer the majority of its connecting Melbourne-London passenger traffic over Dubai, rather than Singapore. Dubai, through Victoria's current triple daily Emirates' flights, is already positioned as a primary connecting hub for passenger traffic travelling to and from Victoria to the UK and Europe.



In line with our support for the proposed alliance between Emirates and Qantas we are supportive of this application by Qantas for the allocation of fourteen frequencies per week on the UAE route for the operation of services to London, via Dubai, including daily services from Melbourne.

I look forward to your advice on the outcome of this application. If you have any further questions, please do not hesitate to contact Mr Leigh Harry, Chief Executive, Tourism Victoria on (03) 9653 9815.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Louise Asher', written over a large, light-colored scribble or background mark.

THE HON LOUISE ASHER MP
Minister for Innovation, Services and Small Business
Minister for Tourism and Major Events

cc: Alan Joyce, Chief Executive Officer, Qantas Airways
Ken Ryan AM, Regional General Manager, Victoria and Southern Australia, Qantas Airways
Dean Cleaver, Regional Manager, Emirates

10 OCT 2012