

Ms Marlene Tucker
Executive Director
International Air Services Commission
GPO Box 630
CANBERRA ACT 2601

11 May 2018

E: iasc@infrastructure.gov.au

Dear Ms Tucker

IASC Draft Decision (2018) IASC 210d and (2018) IASC 211d

Townsville Enterprise Limited is the principal economic peak body and regional tourism organisation (RTO) representing Townsville North Queensland, which includes the five Local Government Areas of Townsville, Charters Towers, Hinchinbrook, the Burdekin and Palm Island. We request that the Inter-Agency Standing Committee reconsider the draft determination not to permit Qantas to code share with Air Niugini on the Townsville-Port Moresby (PNG) route and request the Commission consider the Townsville-Port Moresby sector as wholly different in structure to that of alternative Australia-Papua New Guinea sectors.

Since the commencement of the Townsville-Port Moresby direct air route introduced in March 2017 we have witnessed continued growth and support for the service, underpinned predominantly by increased economic activity across such key sectors as health, defence, social welfare, education and government services. The air route operates only twice weekly and its load factors are currently averaging 50%, demonstrating that there is considerable room for growth within the service and little motivation for additional competitors to enter the market at this time.

Townsville Enterprise believes allowing codeshare on the Townsville-Port Moresby route will allow Air Niugini to leverage Qantas' distribution capability, marketing and airline support. These advantages will allow the direct route to realise its full potential and provide interim measures that would contribute to the long-term viability of the connection and support both regions objectives of building strong dynamic economies through the growth international trade and broader export opportunities.

Townsville Enterprise is currently working with key stakeholders across the community to proactively develop stronger ties and two-way trade linkage between our economies in support of the long-term sustainability of the route. North Queensland has the potential to increase export of fresh fruit, vegetable and milk products into PNG as well as establishing greater links between health and education resources, allowing significant economic benefits and increased social assistance for this developing nation. This route has also permitted growth in sport and tourism, yet the full economic potential for both the Port Moresby and Townsville economies is yet to be realised.

Townsville Enterprise strongly believes that a free-sale Qantas codeshare on the existing Air Niugini service will stimulate growth and allow for tourism and trade across the two regions to prosper.

If you have any further questions about this submission, do not hesitate to contact me.

Yours sincerely,



Michael McMillan
Director - Policy & Investment