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Department of  
Innovation and  
Tourism Industry  
Development

Ms Marlene Tucker  
Executive Director  
International Air Services Commission  
iasc@infrastructure.gov.au

Dear Ms Tucker

I refer to Virgin Australia's application for an allocation of capacity on the Japan route dated 24 September 2019. The Queensland Government, represented by the Department of Innovation and Tourism Industry Development (DITID), would like to offer support for Virgin Australia's application and provide the International Air Services Commission with additional relevant information as set out below.

Virgin Australia have applied for allocation of capacity to bring a new service between Brisbane and Haneda with the potential to deliver significant and sustained benefits for travellers and Australian exporters, boosting tourism and trade flows between the two countries.

The Queensland Government has a long-term commitment to grow the state's \$27 billion tourism industry and cement Queensland's position as a world-leading tourism destination. DITID is responsible for tourism policy, tourism investment attraction, infrastructure and access, industry engagement and innovation, as well as major events.

Japan is considered to be one of the highest priority markets with significant tourism growth potential for Queensland with forecast no or insufficient aviation capacity to Queensland by 2025<sup>i</sup>.

Japanese visitation to Australia has seen steady growth since 2014-15 and Australia is expected to experience an uplift in Japanese visitation, reaching 651,000 visitor arrivals in 2028-29<sup>ii</sup>.

Japan is Queensland's second largest export destination (\$11.87 billion during financial year 2017-18) and third largest import source (\$4.7 billion). Queensland is Australia's largest market for Japanese visitors (208,000 visitors per year at three-year trend growth of 4.9 per cent) and has received a disproportionately low share of new air route capacity in recent years. Queensland received just eight per cent of additional inbound capacity from Japan to Australia in the three years to June 2019, despite one in two Japanese visitors visiting Queensland and 36 per cent of Japanese Overnight Visitor Expenditure (OVE) being generated in the state<sup>iii</sup>.

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Brisbane has had no new capacity from Japan since Qantas commenced daily services from Tokyo-Narita in July 2015. Since then, Sydney's capacity from Japan has been boosted by a new daily ANA Tokyo-Narita service, and a new daily Qantas Osaka service. Similarly, Melbourne capacity has increased through new daily Tokyo-Narita services from both Qantas and Japan Airlines.

Virgin Australia's application for allocation of capacity to bring a new service between Brisbane and Haneda is likely to be delivered through the deployment of an Airbus A330-300. This aircraft is typically capable of carrying up to 132.4 cubic metres of cargo on each flight, in addition to a full passenger load.

Queensland is ready to welcome additional services from Japan and I believe that the Virgin Australia application will maximise the opportunity to boost tourism and trade flows between Australia and Japan.

Yours sincerely



Damien Walker  
**Director-General**

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<sup>i</sup> Tourism and Events Queensland's Aviation Framework 2018-2025, Tourism and Events Queensland

<sup>ii</sup> National Tourism Forecasts, 2019, Tourism Research Australia

<sup>iii</sup> Japan Market Snapshot – year ending March 2019, Tourism and Events Queensland