

24 October 2019



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Dr Ian Douglas
Chairperson
International Air Services Commission
Australian Government

Via email: iasc@infrastructure.gov.au

Dear Dr Douglas

I refer to your Draft Determination dated 21 October 2019, on behalf of the International Air Services Commission, to grant Qantas Airways Limited and Virgin Australia International Airlines Pty Ltd one daily frequency each between Australia and Haneda Airport in Japan.

The Draft Determination outlines a detailed investigation into the reasonable capability of Qantas and Virgin to operate a daily service between Australia and Haneda. As Qantas already operates a service to Haneda from Sydney (and other services to Japan more broadly) the question of capability is focused on Virgin as a new entrant to the Australia - Japan route. I note and support the Commission's finding that, without any information to the contrary, Virgin would be reasonably capable of operating its proposed service between Brisbane and Haneda. Due to its code share opportunities with All Nippon Airways to 38 domestic destinations within Japan, a daily slot at Haneda provides Virgin with a rare commercial opportunity to successfully enter and maintain its operations on the Australia - Japan route. As you note without a slot at Haneda, Virgin is unlikely to establish a route to Japan at all.

In comparison Qantas' proposal to swap its existing Melbourne - Narita service to Haneda will forego the existing competition between an Australian carrier and Japan Airlines to Melbourne - Narita. I agree, notwithstanding we are not aware which of its two services proposed Qantas would operate, that granting one slot each to Qantas and Virgin opens up the opportunity for three Australian cities to connect with Haneda, as opposed to just Sydney and Melbourne as Qantas proposes.

I support your view and that of the Australian Competition and Consumer Commission that facilitating Virgin's entrance to the Australia - Japan route as a fifth competing airline is likely to benefit travellers. In particular those travelling from south-east Queensland to Japan vice versa who will be able to choose between a Haneda flight with Virgin, or a Narita flight with Qantas or Jetstar.

Thank you for the opportunity to provide a submission on your Draft Determination.

Yours sincerely

A handwritten signature in blue ink, appearing to read "S Byron", written over a white background.

Stephen Byron
Managing Director