

09 October 2009

Mr Mike Bird
Executive Director
International Air Services Commission
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CANBERRA ACT 2601

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Dear Mr Bird

I am writing, on behalf of Tourism Queensland, in support of Strategic Airlines application, seeking a transfer of capacity on the Indonesia route currently held by Ozjet Airlines. While I understand that this is an uncontested application, supporting air access to airports in Queensland is of particular importance to Tourism Queensland.

Pacific Blue and Jetstar already provide up to 14 weekly services between Bali and Brisbane. Since both airlines launched these services in December 2008, both inbound and outbound passenger movements between Bali and Brisbane have grown substantially (more than 62,000 in-and outbound passenger movements have been recorded on the route between December 08 and June 09).

Whilst we acknowledge that Indonesia is predominantly an outbound destination for Australian residents, Strategic Airlines' application for capacity on the route still holds a number of benefits for Queensland. Jetstar and Pacific Blue operate a low-cost business model utilising narrow-body aircraft. Strategic Airlines could supplement the market with a full-service, wide-body operation, and thus provide a viable alternative to consumers.

Given that traffic between Indonesia and Brisbane would have a strong leisure focus, we are also encouraging the International Air Services Commission to grant Strategic Airlines spill-over rights to operate twice weekly services. Twice weekly operations would be more suitable for the promotion of a variety of holiday packages, including stays of less than 7 days.

Tourism Queensland is therefore strongly supportive of the allocation of capacity to Strategic Airlines for the operation between Denpasar and Brisbane.

Yours sincerely



Steve McRoberts
Acting Chief Executive Officer
Tourism Queensland