

Wednesday, 15 January 2025

Ms Jasmina Ackar Director International Air Services Commission By email: contact@iasc.gov.au

Dear Ms Ackar

## Submission on Virgin Australia's application for capacity on the Qatar route

Brisbane Airport is Queensland's premier international gateway, and Australia's third busiest airport by passenger volume. With the 2032 Olympics secured for Brisbane, the next decade will present a crucial period to build lasting connections – not only for Brisbane, but also the wider Queensland region.

While domestic passenger volumes have recovered to 100 per cent of pre-COVID volumes, Australian airports continue to face challenges with constrained international passenger capacity as demand outstrips supply. As a key economic driver in Southeast Queensland, we believe that further growth can be achieved through re-building our international portfolio with high quality carriers servicing new or growing markets. Brisbane Airport therefore wishes to express its support for Virgin Australia's application for increased capacity on the Qatar route.

Brisbane Airport understands Virgin Australia is seeking an allocation of 28 services per week between Australia and Doha, including a daily service between Brisbane and Qatar. These services will be provided under a wet lease arrangement with Qatar Airways.

Through significant investment by Brisbane Airport, the Queensland Government, and the Brisbane City Council, routes into traditional markets have been returned (e.g. New Zealand, the Pacific and Japan). China and North Asia are also gradually improving, while North America has shown solid growth. However, services from Brisbane to the Middle East are disproportionately lower than other Australian ports can offer their communities.

As has been demonstrated by a recent review into the economic contribution of Brisbane Airport, as part of its future 2026 Master Plan, additional international flights have a direct correlation with growing key industries in Queensland and ultimately, Australia. This view is predicated on a range of factors, including:

- Increased seat capacity on key trade routes, both direct to the Middle East and also onwards to key markets in Europe and Africa
- Increased tourism visitation to the region driven by increased market access and lower air fares
- Increased air cargo capacity available to Queensland based exporters, particularly for high value, time sensitive goods; and
- Increased demand for aviation support services, infrastructure maintenance and freight.

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From a domestic perspective, the ability for Virgin to expand its footprint to international services, and feed international travellers to its domestic network, will strengthen its financial stability over the long-term. This stability is essential to ensure ongoing competition in the domestic marketplace, which in turn, provides benefits to consumers and the broader aviation industry.

The addition of 28 services a week to Australia will have a further direct positive impact for travellers by increasing competition, putting downward pressure on fares and increasing consumer choice.

It should also be noted that the additional routes are utilising available capacity under the existing Bilateral Air Services Agreement – capacity that would otherwise go unused. This creates new capacity and a new service for Australians which in turn creates renewed competition both internationally and domestically – a key recommendation of the Federal Government's recently released Aviation White Paper.

We therefore believe any additional capacity provided to Virgin Australia will have a net benefit to the commercial aviation sector, and most importantly, our passengers.

Should you require any further information, please contact

Yours sincerely

Ryan Both

**Executive General Manage Aviation**