

## **Frequently Asked Questions and Answers**

### **What type of plan is TTNQ implementing to offset the effects of the flight cancellations from Japan to Cairns?**

TTNQ, in consultation with industry and tourism stakeholders, has devised a four point market solution plan, outlining the actions needed to redress the impact of the Qantas Group's decision to reduce services from Japan to Cairns. This strategy is constantly evolving, the latest version of which is available on our website.

### **Is TTNQ working with government to secure funding?**

TTNQ has successfully lobbied the Federal Government to match the Queensland Government's \$4 million commitment to the whole of the state. This funding will be used to accelerate promotional campaigns, attract new air services, and tap into new international markets.

### **What is the estimated loss to the Tropical North Queensland region after the Jetstar and Qantas flights are cancelled?**

Research by Cummings Economics suggests there will be a loss of 100,000 visitors to the region and an estimated \$100 million loss in direct revenue. This comes from the loss of an estimated 350,000 room nights, the closing of Qantas' 40-strong pilot base, and the anticipated 1200 jobs lost as a direct result of these flight cancellations. The complete Cummings Economics Report is available on our website.

### **What percentage of international visitors will be lost to the region?**

The Japanese market has typically made up 25 percent of the visitors to our region. To see the breakdown of international visitors, go to our website to review the statistical information.

### **There has been a fair bit of doom and gloom for Cairns and the region, but is it all bad?**

Certainly the impact of the flight reductions is very serious and we can't deny there will be readjustments to a new environment. However, there are two very important points to make:

- 1) Our region has been one of the most attractive and compelling destinations in Australia, with an estimated total of 2.3 million annual visitors to our region even after the Qantas/Jetstar flight cuts.
- 2) Tropical North Queensland has experienced unforeseen setbacks before, such as the pilots' strike, 9/11 and SARS, and we have pulled through stronger each time.

### **What has TTNQ done since the Qantas Group's announcement of flight cancellations?**

Within hours of being briefed by Qantas Group representatives of the imminent cutbacks, TTNQ called together its major industry and government stakeholders to quantify the impact of the decision, explore new opportunities and begin work on future solutions. TTNQ Japan Director, Haruhiko Niihori, flew to Japan 72 hours later and immediately began discussions with wholesalers and airlines to assure them of our commitment to the Japanese market. The immediate benefit from these meetings is that Cairns and the Great Barrier Reef remains in brochures of key wholesalers such as JTB throughout their upcoming Shimoki holiday season.

### **What about the option of other international airlines flying into Cairns?**

We are already in talks with a number of international carriers who have shown interest in flying into Cairns. Additionally, we continue to work closely with Cairns Ports, as well as State and Federal government to help identify options for these carriers and develop incentive packages designed to enhance the attractiveness of Cairns for inclusion in their schedules.

### **Did you foresee these changes occurring?**

Up until a month ago, we were assured by Jetstar that Western Japan services were performing well. Indications that the Qantas flights to Narita would be replaced by Jetstar for cost effectiveness were given, however nothing was stated claiming they were unhappy with the Japan flight performances.

While we are disappointed with the Qantas Group's announcement, we understand this decision was not due to increased fuel costs but due to their introduction of new flights from Japan to the Gold Coast.

TTNQ and its tourism industry partners have contributed an estimated \$10 million to joint marketing campaigns with both Qantas and Jetstar over the past five years and know they have been committed to our region as well.

**Have you been given any indication why new direct flights from Japan will be flying into the Gold Coast?**

No. In fact, this is perhaps the one aspect of the Qantas Group's decision we find particularly difficult to fathom. Given the fact that Japanese visitation to the Gold Coast has decreased by 26 percent in the 12 months up until 31 March 2008 (while Cairns has lost only eight percent during the same period), this decision does not make sense to us. For further visitor statistics, please visit our website.

**Given there has been a decline in Japanese tourists to Australia over the past few years, do you think this was inevitable and did you see it coming?**

It is no secret there has been a downturn in Japanese tourism in the past few years, which is why we've been actively engaging and cultivating alternative markets. We already have secured dozens of charter flights from Korea and China this year, with the intention of establishing Cairns and the Great Barrier Reef as the premier holiday destination for these emerging markets.

For up-to-date and additional information, please visit:

[http://www.tropicalaustralia.com.au/corporate/industry\\_advisories](http://www.tropicalaustralia.com.au/corporate/industry_advisories)