

Question on Notice
No. 747
Asked on 13 June 2018

MR B MICKELBERG ASKED THE MINISTER FOR INNOVATION AND TOURISM INDUSTRY DEVELOPMENT AND MINISTER FOR THE COMMONWEALTH GAMES (HON K JONES) —

QUESTION:

Will the Minister (a) advise what incentives (financial and/or other) have been provided by the State Government to Hong Kong Air since 2015 and (b) outline any conditions placed upon this assistance?

ANSWER:

The Palaszczuk Government's commitment to boost direct aviation access to Queensland from key international markets continues to drive growth in tourism.

Since February 2015, we have secured new flights bringing 2.4 million additional seats to Queensland worth more than \$1.8 billion in overnight visitor expenditure.

Through our Attracting Aviation Investment Fund, Tourism and Events Queensland's role is to build demand through funding marketing activity. No funding is provided to subsidise the airline service. All funding is directed to marketing activity ensuring that Queensland's experiences and destinations remain the focus of aviation attraction activity.

Funds are only accessed upon milestone achievements and each milestone and performance target must be met before funds are released.

The Hong Kong Airlines' Hong Kong – Gold Coast – Cairns service was secured through our Attracting Aviation Investment Fund.

This service commenced as a seasonal service operating three flights per week from January 2016, increasing to a twice-weekly year-round service from April 2016 and finally increasing by an additional two services per week from December 2016.

I am advised Hong Kong Airlines made a commercial decision to suspend its services between Hong Kong, the Gold Coast and Cairns from 28 October 2018.

The amount of support is commercial in confidence. The Queensland Government would be in breach of the contractual agreement with the airline and other partners – like airports and regional tourism organisations – if the level of investment was disclosed and could be subject to legal action.

Hong Kong Airlines remain a key partner for Queensland. The airline's code-share arrangement with Virgin Australia will continue to allow visitors from Hong Kong and key priority markets to access Queensland.