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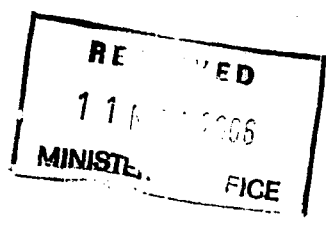
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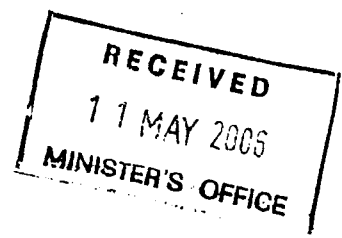
THE OFFICE OF THE MAYOR

8 May 2006

Hon Pete Hodgson  
Minister of Transport  
Parliament Buildings  
WELLINGTON



Hon Lianne Dalziel  
Minister of Commerce  
Parliament Buildings  
WELLINGTON



Dear Ministers

**AIR NEW ZEALAND/QANTAS CODESHARE AGREEMENT**

On the 12<sup>th</sup> of April of this year I received a statement from Air New Zealand to the effect that they will be seeking approval to operate a codeshare agreement with Qantas on Tasman routes.

While the proposed agreement may be beneficial to the airlines concerned, I have doubts as to whether this type of market interference will be beneficial to the travelling public. That being the case, I am of the strong belief that before approval is granted, any proposed airline codeshare agreement must be put before the Commerce Commission for an expert assessment of the potential effect of the agreement on the air travel market. I believe that it should be standard practice to protect the consumer in this fashion, but I understand that Part 9 of the Civil Aviation Act gives the Minister of Transport the authority to legalise inter airline commercial agreements without reference to the Commerce Act.

Rotorua Airport is a key link in the transport infrastructure of the Bay of Plenty district. The airport caters for 280,000 passengers per annum and its success has a significant effect on the largely tourism dependant local economy. Given that Australia is the most plentiful source of international visitors to Rotorua, I see the proposed airline codeshare agreement as potentially restricting the growth of a significant sector of the Rotorua economy.

I would very much like to hear from you with regard to the way in which you intend to deal with Air New Zealand's imminent application.

It seems to me that there is nothing to lose by having the proposed agreement assessed by the Commerce Commission and it would give me comfort to know that this course of action will be followed. Should the Commission reach the conclusion that the agreement will be positive or neutral to the interests of the consumer it should be approved, and if the agreement is considered detrimental to the market, approval should be denied.

I await your response with interest.

With kind regards

A handwritten signature in black ink that reads "Kevin Winters". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Kevin Winters  
Mayor