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To: <aking@ministers.govt.nz>
cc:
Subject: Qantas/Air NZ Code Sharing

03/05/2006 02:49 pm

Dear Minister

I understand that Air NZ and Qantas are proposing to code-share for transtasman routes where they are by far the dominant competitors. This will lead to the development of a cartel and the resulting collusion on prices and services for all routes between Australia and New Zealand. I understand that they will set up a joint committee between the two airlines to make decisions on what they will jointly offer customers. They will not compete and the deliberations of the joint committee will not be scrutinised.

As I understand it, based on a loophole in the Commerce Act, the Minister of Transport is able to allow this code share to occur without Commerce Commission scrutiny, a situation which I find bizarre.

I urge you to ensure that New Zealand's interests in this arrangement be examined by the Commerce Commission prior to any decision being taken.

Regards

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