

Engineering & Maintenance



E & M work allocation - considerations

- Factors which influence Qantas' decision making in relation to allocation of outsourced E&M work include
 - cost
 - location of service provider
 - the performance characteristics of the service provider
 - the level and urgency of the servicing requirements
 - broader relationships.
- The Ansett collapse created an urgent requirement for E&M work - no longer present.

E&M - The Counterfactual

- Under the Counterfactual the level of work going to ANZES is likely to fall significantly
 - No incentive to give work to Air New Zealand
 - An incentive to use alternative sources
 - Desire to build strategic relationships with other entities.

E&M - The Factual

- Under the Alliance Qantas will have the incentive to direct work to ANZES
 - Continue “preferred external supplier” status of Air New Zealand
 - Shareholding in Air New Zealand
 - Support for the broader relationship.

