

Submission to the Commerce Commission on the proposed Qantas shareholding in Air New Zealand

My name is David Peart. I am making this submission on my own behalf. I am a Waikato Regional Councillor and currently chair the Regional Land Transport Committee.

I am opposed to the proposal for several reasons.

1. The decrease in competition.

While there may still appear to be some competition the two airlines are in different global groupings and this is the real basis of competition in long distance travel. Closer to home, they are in direct competition although they also operate code share arrangements where efficiencies can be gained.

2. The relationship Qantas has with the Australian Government.

The willingness of the Australian Government to protect Qantas has been very damaging to the interests of Air New Zealand. The renegeing on the open skies agreement which was meant to be reciprocal was clearly the catalyst for Air NZ to embark on the disastrous Ansett deal.

3. Big is not necessarily better.

One claim is that Air NZ is too small to operate effectively. As stated they already have code share agreements and are part of the Star Alliance which gives access to other global or Regional airlines. The recent difficulties of United show that size does not guarantee success.

4. The need for an airline with a strong commitment to New Zealand.

New Zealand is not on any major air routes and it is essential that we have our own airline. As stated earlier an airline directed from Canberra will not offer that type of security. If Air NZ has to operate in future as a regional airline that will be just fine as long as it remains a member of a different world alliance to Qantas.

Historically our central government politicians have made decisions that have proven to be short sighted and damaging. Trains, planes etc. I could write much more, but you will know the history as well, if not better, than I. There has been little evidence of any real strategic planning here as distinct from what has been evidenced by the moves made by Qantas and the Australian Government over the past 20 years in protecting Qantas. There is no likelihood that the underlying desire of both the Qantas board and the Australian Government to control Air NZ has changed. In fact, the current charm offensive seems to me to be just part of that process and it is a major concern that the Air NZ board and our Government seem so willing to swallow it.

I do not wish to be heard as I believe the points made are very clear and your decision should be easy.

Signed David J.M. Peart, J.P.
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