

Ministry of Transport
PO Box 3175
Wellington 6140

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By email: airservices@transport.govt.nz

Application for reauthorisation of the Qantas and Emirates Master Coordination Agreement

Auckland Airport has reviewed the application from Qantas Airways Limited and Emirates to the Ministry of Transport for reauthorisation of their Restated Master Coordination Agreement under section 88 of the Civil Aviation Act 1990 (“**Application**”).

Auckland Airport appreciates the economic pressures that airlines operate under, and is generally supportive of initiatives aimed at alleviating these – provided it can be ensured that there is no detrimental impact on the continued promotion of competition in international air services that is so vital to the tourism sector and New Zealand's economic prosperity.

Auckland Airport supports market structure arrangements that are consistent with fair and balanced competition, and which provide clear benefits for travellers – including arrangements that will deliver increased capacity, choice, and quality of service. However, Auckland Airport would be concerned about market structure developments that have the potential to lead to fewer flights, fewer seats, and/or increased prices for travellers – including where this may set a precedent for further reductions in capacity or choice in the future.

This is particularly relevant for the important Trans-Tasman market, which is dominated by the Qantas/Emirates and Air New Zealand/Virgin partnerships. Auckland Airport believes that a balanced and equitable market structure that avoids the potential for anticompetitive behaviour on the Tasman is the best way to ensure continued customer benefits.

In that context, it is crucial that arrangements for cooperation on the Tasman continue to be robustly tested, and that the impact on the overall structure of this market is carefully considered. The Minister must remain satisfied that cooperation will deliver benefits to New Zealand consumers – including through the use of controls (such as capacity conditions and the ability to review the arrangement over time) where appropriate. We note that the existing coordination authorisation between Qantas and Emirates includes capacity conditions to safeguard against the reduction of capacity, which appears to be a sensible approach to protect consumer interests.

Auckland Airport would appreciate being kept up to date about the progress of the Application.

Yours sincerely,



Scott Weenink
General Counsel and Company Secretary