

05 August 2016

By email

Nick Brown
General Manager Aviation and Maritime
Ministry of Transport

Re: Air New Zealand – United Airlines Authorisation Application

Dear Nick,

Thank you for the opportunity to comment on the Air New Zealand and United Airlines application for authorisation of a Side Agreement to the Alliance Expansion Agreement previously entered into between the applicants and authorised by the Ministry of Transport in 2002. Tourism Industry Aotearoa (TIA), the peak industry body representing the tourism industry, would like to provide a letter of support.

Tourism 2025 (www.tourism2025.org.nz), an industry-led, government supported economic growth framework was launched in New Zealand in 2014 and has set an aspirational goal of reaching \$41 billion in annual tourism revenues by 2025. The industry's focus is on growing value faster than volume. The Tourism 2025 framework is based around five key themes which are: Insight, Connectivity, Productivity, Visitor Experience and Target for Value. This framework has recently been reviewed ([Tourism 2025-two years on](#)). While the emphasis in some focus areas has shifted, the five themes of the framework remain unchanged.

TIA supports approval of the Air New Zealand and United Airlines' application for authorisation of a Side Agreement to the Alliance Expansion Agreement. Growing sustainable air connectivity is a key theme of the Tourism 2025 growth framework and is seen as a crucial pipeline for New Zealand's visitor industry. The country's distance from international markets means air services are critical to the country's global connectivity as such services facilitate not only tourism, but also business, freight and wider trade objectives.

We are of the opinion that Air New Zealand and United Airlines are suggesting solid rationale why this application for authorisation of a Side Agreement should be approved. It is important for us that there will be a level playing field for the airlines operating the market. Applying Carve-outs to Air New Zealand and United Airlines, while similar restrictions do not apply to other operators such as Qantas & American Airlines and Virgin & Delta, does not seem to be consistent. We also agree with Air New Zealand that the current Carve-outs in place are no longer necessary for protection of consumers and that removal of these Carve-outs will actually provide benefits to consumers, such as competitive customer pricing. We believe that the Ministry of Transport should consider how authorisation of the application can benefit the wider New Zealand economy.

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Thank you for providing TIA with the opportunity to provide feedback on this proposal. Please do not hesitate to contact me for more information or clarification.

Yours sincerely



Chris Roberts - **Chief Executive TIA**

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