

19 October 2012

Ministry of Transport
PO Box 3175
Wellington 6140

Attention: Bruce Johnson, General Manager Aviation and Maritime

Dear Mr Johnson,

Qantas Airways and Emirates Application for Master Coordination Agreement

This submission is provided by Wellington International Airport Limited ("WIAL") in relation to the application made to the Minister of Transport by Qantas Airways Limited ("Qantas") and Emirates (together "the Applicants") seeking authorisation of a Master Coordination Agreement under Part 9 of the Civil Aviation Act 1990.

WIAL wishes to thank the Ministry for sharing the application with airports and for seeking our respective views on its potential implications. The environment in which airline operators exist is complex and WIAL is always pleased to provide the Ministry with analysis and information to assist with the evaluation of a proposal such as the Coordination Agreement.

WIAL contributed to, and supports the view submitted by NZ Airports regarding this application. Alongside that submission, WIAL draws the Ministry's attention to the following points of particular interest to Wellington Airport:

- The absence of quantitative information relating to the potential benefits of the proposal limited our ability to provide a detailed analysis of the potential net impact of the arrangement. WIAL has an established knowledge base, which could provide useful supporting information on potential market effects for the use of the Ministry. If the Ministry requests and receives further information from the applicants in support of the application we would appreciate the opportunity to review this and provide detailed comment and analysis.
- It is difficult to overstate the economic significance of the trans-Tasman aviation market to New Zealand. The NZ Airports submission illustrates clearly the Billion dollar economic impact of price increases in that market. For this reason it is critical that, if the application is authorised, any authorisation includes appropriate conditions which protect against the potential for misuse of the enhanced market power which would be delivered through the proposed Agreement.

Wellington Airport Limited

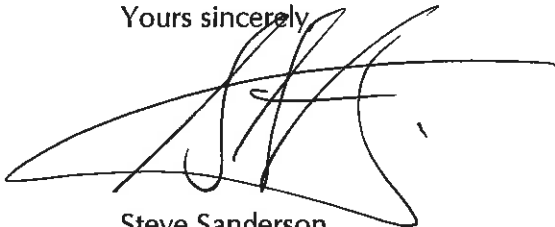
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- While it is not an express requirement of section 88(2) of the Civil Aviation Act 1990, given the economic significance of the proposal, WIAL considers that it is strongly in the interests of New Zealand for the Ministry to undertake a comprehensive, robust and transparent cost-benefit analysis of the likely effects of authorising the proposed activity.

WIAL acknowledges that the airline environment is dynamic and challenging and commends the applicants for developing innovative solutions with the potential to enhance their business. There is no desire on WIAL's part to oppose such ambitions, as airline success is paramount to the growth prospects of our own organisation. That said it is vital that the potential impacts of collusive agreements such as the proposed Master Coordination Agreement are carefully considered to ensure that any associated benefits will be realised and detriments avoided where possible. In WIAL's view such consideration requires transparent analysis of the associated costs and benefits subjected to public scrutiny. It is only through this process that the Ministry will obtain the full and informed views of affected parties - information which is certain to add weight and confidence to the Ministry's final decision.

As previously stated, WIAL will be pleased to conduct further detailed analysis regarding the potential impacts of the proposal should further information regarding the Application become available.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S. Sanderson', written over a horizontal line.

Steve Sanderson
Chief Executive Officer

