

# MEDIA RELEASE



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## Proposed codeshare arrangement poses risks

The Australian Airports Association (AAA) has called on competition regulators on both sides of the Tasman to ensure the new codeshare agreement between Qantas and Air New Zealand does not adversely impact the travelling public and Virgin Australia.

AAA Chief Executive Officer Caroline Wilkie said the arrangement would lessen competition on both sides of the Tasman, and had the potential to constrain the important trans-Tasman market and impact tourism.

“There are a limited number of airlines operating in both countries, and between them, so it is important there remains a healthy level of competition in the market,” Ms Wilkie said.

“This arrangement seems likely to make it harder for Virgin Australia to compete in the Australian market.

“We are particularly concerned this arrangement will further strengthen Qantas’ dominant position in the Australian market to the detriment of both Virgin Australia and the Australian travelling public.

“The ability to distribute each others’ passengers on the other side of the Tasman will improve the market position of Qantas and Air New Zealand and make it harder for Virgin to compete on trans-Tasman routes.

“It is important to ensure both the Australian and New Zealand economies enjoy the tourism benefits of easy and affordable trans-Tasman travel and this can only be ensured if there are more carriers, not less, flying these routes.

“It is essential the details of this agreement be publicly examined by the competition authorities to ensure it has no anti-competitive effects.

“This is the only way to ensure competitive and affordable aviation markets in and between Australia and New Zealand and a visitor economy spanning the two countries that delivers to everyone the economic benefits associated with trans-Tasman travel.”

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