



**Consolidated
Travel**

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The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

7th February 2003

FILE No:
DOC:
MARS/PRISM:

Dear Sir

**Trade Practices Act 1974
Application for authorisation lodged by
Qantas Airways Ltd and Air New Zealand**

This submission is made on behalf of Consolidated Travel Pty Ltd in support of the application made by Qantas Airways Ltd and Air New Zealand seeking authorisation for:

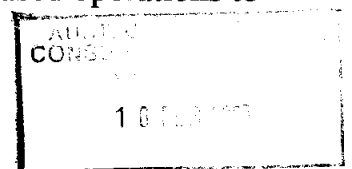
1. the acquisition by Qantas of ordinary shares comprising up to a 22.5 per cent voting equity in Air NZ (the equity proposal); and
2. collaborative arrangements between the parties (the Strategic Alliance Proposal).

Consolidated Travel is one of the two (2) ticket wholesalers in the Australian market with a turnover in excess of \$600 million per annum. The company has been operating in the Australian market for over 30 years and has commercial arrangements with all carriers operating in this market.

It is our opinion that this proposal will ensure the viability of both carriers not only within the markets outlined in the submission but also to compete in the increasingly competitive and volatile global aviation market.

We believe it is essential that both Australia and New Zealand have financially and commercially strong International carriers who will always have as their prime objective the serving of the tourism and business markets to and from both Australia and New Zealand.

In the past few years we have seen several International Carriers, KLM, Lufthansa, Alitalia, Air France, Olympic and Gulf Air, to name a few, who have ceased operations to Australia because their priorities are not this market.



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Additionally the events of September 11 2001 and the impact on travel from the downturn in world economies has seen the bankruptcy of other airlines including United Airlines whose operations in the South Pacific have already been reduced. These events have forced some governments to provide substantial financial support in order to ensure the viability of their national carriers. This of course includes New Zealand.

We have also seen the demise of Ansett who were unable to withstand the competition provided by the new entrant Virgin Blue and the strength of the stronger Qantas whose domestic operations are supported by their international feeder traffic. This supports the argument that it is essential to ensure the viability of these carriers in the International markets.

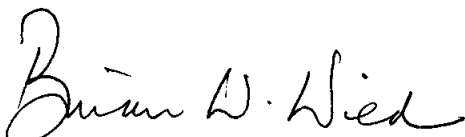
It is our opinion that Air New Zealand without the support of Qantas may not be able to withstand the competition in the New Zealand market of Qantas and any other new entrant and therefore not be a competitive force in the International markets so important to New Zealand.

The "open skies" agreement between Australia and New Zealand and the proposed agreement with Singapore clearly provides opportunities for other carriers to enter those markets. If this eventuates further competitive pressure will be placed on Qantas and Air New Zealand in a market which only represents about 4% of the world tourism market.

In Australia we have some 3800 travel agents employing many thousands of people who rely on airlines for their existence. This requires a stable and long term commitment by all parties and not services that are only available in the economically sound times.

We therefore support the proposal for a Qantas shareholding in Air New Zealand and the associated collaborative arrangements.

Yours sincerely

A handwritten signature in black ink that reads "Brian W. Wild". The signature is written in a cursive style with a large initial 'B'.

Brian W Wild
Director of Business Development