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17th November 2006

Ref: *Leg/09.1*

Scott Gregson
GM Adjudication Branch
Australian Competition and Consumer Commission
P O Box 1199
Dickson
Canberra ACT 2602
Australia

Phone: 612 6243 1111

Dear Mr Gregson,

Subject: **SUBMISSION – RESPONSE TO DRAFT DETERMINATION CONCERNING
QANTAS AND AIR NEW ZEALAND CODE SHARE APPLICATION (TNA)**

Thank you for the opportunity to respond in relation to the proposed Code Share Arrangement between Qantas and Air New Zealand. Identified as applications A91001; A91002 and A91003.

As you are aware Jumpjet® opposes such an anti-competitive agreement on the basis of information declared in the confidential submission previously presented.

The decision of the Commission is encouraging as it is commendably factual and resilient, displaying a profound knowledge of the industry and the Single Aviation Market (SAM) in particular.

The determination identifies that the increased capacity introduced by the Applicants has increased passenger uplift and their load factors are generally performing to standard figures. Today, excess capacity in the Trans Tasman is not held by the Applicants - but by other carriers in the market. Any capacity dumping by fifth freedom carriers is possible because of bilateral opportunity given by the generosity of government.

This stated we remain opposed to the theory of globalisation because of the intangible barriers to regional economic development that this idealism creates, promotes and permits. Such policies continue to erode existing national business activity and isolate new developments in the private sector. Particularly in the aviation industry.

The Single Aviation Market continues to exhibit resilience in the face of elements of economic downturn and is poised again for growth in the short-term future. We believe that fair competition remains distinctly possible providing that existing commercial law remains available to carriers operating within the market.

A New Zealand ministerial Statutory Decision in favour of the Tasman Networks Agreement (TNA) would have permitted the Applicants opportunity to avoid implications under the Commerce and Fair Trading Acts in relation to operations in the Trans Tasman market. Such a policy would have introduced an impossible barrier to the Jumpjet® development.

We look forward to the Draft Determination reaching confirmation in due course and are informed that the Applicants have withdrawn the Applications.

Respectively yours,

A handwritten signature in black ink, appearing to read "Nicholas Kile". The signature is written in a cursive, flowing style.

Nick Kile
Managing Director