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Ref: *Leg/09.6/01.2*

Your Ref: 56245

Dr Richard Chadwick
General Manager, Adjudication Branch
Australian Competition and Consumer Commission
GPO Box 3131, CANBERRA ACT 2601
Australia

Phone: 612 6243 1029

Dear Richard,

Subject: **Application for Alliance Authorisation A91470 & A91471 – Qantas Airways and China Eastern Airlines**

In relation to a second submission consultative comment on the above topic we believe that the Commission has made the correct decision both for the international aviation industry and Australian sovereignty.

Commission research has identified that an alliance between these two carriers gives them predatory control over the routes operated in terms of market power.

A refusal to grant authorisation decision would assist the Federal Government to recognise the need for sound regulation in the aviation industry. Thus moving from the 20th Century obsolete **Free Market** concepts to a **Fair Market** philosophy. Values that are vital to arrest the rate of market dissolution being witnessed today.

The future affects to the long-haul international aviation market to/from Australia of a grant of authorisation would be continuing market dissolution resulting in the commercial division of our markets between foreign carriers with a meagre share for Australian/Single Aviation Market (*SAM*) airlines and dedicated cargo carriers.

We repeat... "It is unbelievable that the direction of unrestrained predatory commercialism and market dissolution is considered the way forward, by the political system, to develop the Australian aviation industry considering policies of national interest." (See Page 4 Table for the dwindling market share being encountered by Australian Airlines)

Unless reversed, the continuing erosion of international market share for native carriers will continue to destroy the viability of the aviation industry from a sovereign and national interest perspective.

The economic effects being **loss of ticket sales revenue** to the economy, **loss of capital in the form of profit** to the local investment market and **loss of taxation revenue** to the **ATO**. **Thus causing a triple deterioration of real GDP growth.**

The Question is....



Who is Responsible for our Aviation Policies?

China is currently dredging disputed reefs in the South China Sea to accommodate a military airfield and provide a harbour for combatant naval vessels. This escalation is the largest security breach in the region and is intensifying tension amongst the five neighbouring Asian nations that have sovereignty over the reefs and islands in the South China Sea. Recognition of totalitarian expansionism is of concern to the USA.

*The analogy is that there is no such thing as a **Partnership** with a totalitarian **Dictatorship** – only the expansion of a doctrine that is contrary to **Democracy**. The longer we take to face this reality the bigger will be the mess.*

The Sydney Morning Herald reports that Chinese statutory companies Donate substantial federal **Political Funding** to both the **Labour** Party and the **Liberal/NP** Party Organisational Wings and some States. Thus, influencing our international and domestic polices. ***Should our democratic sovereign political process be open to interference politically from any external corporation or government?***

EFFECTS OF FORCED GLOBALISATION

Forced Globalisation has fostered the rise of **Elitism** (*Commercial Apartheid*) that has enabled Airlines with limitless monetary power to gain greater market control. Indifferent air travellers and vested interest politics has blinkered the adverse economic effects of predatory airline companies using unsustainable low air fares.

Recently, **Delta Airlines** investigations confirmed that Gulf Carriers are receiving tens of billions of dollars in government subsidies. The effects on the international market to and from Australia/SAM have been and will continue to be profound unless our governments can recognise that **market dissolution** is in motion via predatory commercialism and ruthless endeavour.

One Gulf airline is perhaps the most commercially opportunistic with a fleet of **217** large heavy jets that includes **59 A380 Airbus** aircraft. The airline is **strategically** owned by the Government of Dubai and has penetrated every **major** sovereign international market with insatiable voracity.

Does free market liberalisation mean that Chinese, Middle-Eastern and Asian airlines can not only dominate our markets and deny opportunity, but eventually eliminate our native companies from our own markets?

It is passed high-time that our Federal Government faced these realities particularly when poised to hand down a Budget that will confirm that the Australian Government currently has **Debts** that are some **\$359 Billion!** (*Accumulated in around 7.5 years!*)

We put it that the national interest is not the dissolution of any of Australia's markets, but the promotion and defence of Australian companies and their development. Current policies are obstructing the well being and native growth of aviation enterprise.

Thank you for the opportunity to comment on this matter.

Cordially,



Nick Kile
Managing Director

(Note: Jumpjet Airlines Limited is an independent Early Expansion, Australian/New Zealand, airline company developing to enter the Trans Tasman market and operate between Australia and New Zealand. <http://www.jumpjet.net>)

Public Document

TOTAL SEATS OPERATED on INTERNATIONAL SCHEDULED SERVICES - 2014

Airport	Airlines	No: of Seats	% Share of Market
Adelaide	Australian	168,412	12.5%
	Air New Zealand	95,947	7.1%
	Foreign Airlines	1,079,073	80.4%
Brisbane	Australian	2,580,838	37.8%
	Air New Zealand	499,854	7.4%
	Foreign Airlines	3,705,887	54.8%
Cairns	Australian	465,444	57.0%
	Air New Zealand	55,190	6.8%
	Foreign Airlines	296,656	36.2%
Darwin	Australian	335,823	59.0%
	Air New Zealand	0	0.0%
	Foreign Airlines	233,336	41.0%
Gold Coast	Australian	593,383	51.4%
	Air New Zealand	124,638	10.8%
	Foreign Airlines	434,919	37.8%
Melbourne	Australian	3,162,670	30.3%
	Air New Zealand	742,601	7.1%
	Foreign Airlines	6,571,831	62.6%
Norfolk Island	Australian	0	0.0%
	Air New Zealand	17,530	100.0%
	Foreign Airlines	0	0.0%
Perth	Australian	1,050,904	18.5%
	Air New Zealand	226,890	4.0%
	Foreign Airlines	4,424,702	77.5%
Sunshine Coast	Australian	0	0.0%
	Air New Zealand	10,737	100.0%
	Foreign Airlines	0	0.0%
Sydney	Australian	6,428,021	35.9%
	Air New Zealand	1,209,105	6.7%
	Foreign Airlines	10,282,652	57.4%
Totals:		44,797,043	100.0%
<i># The Percentage of Market Share for Australian and Foreign Airlines appears below: -</i>			
Market Share Foreign Airlines		60.3%	
Market Share Australian Airlines		33.0%	
Market Share Air New Zealand		6.7%	
		<u>100.0%</u>	
<i># Totals include foreign airline multi-airport freedoms and this identifies sector passengers against sector revenue.</i>			

Australian Airlines	2
Foreign Airlines	26
Air New Zealand	1
Total Airlines	<u>29</u>