

26 AUG 1999

Commerce Commission  
Landcorp House  
101 Lampton Quay  
Wellington New Zealand

**Attention:**

Susan Brown  
Investigator  
Commerce Act Division

**QANTAS SUBMISSION TO COMMERCE COMMISSION ON THE  
PROPOSED TIMETABLE FOR PROGRESSING THE PRICE CONTROL  
STUDY OF AIRFIELD ACTIVITIES**

1. This Submission responds to the Commission's request for written submissions on the Proposed Timetable for Progressing the Inquiry, dated 6 August 1999. Qantas has also had an opportunity to participate in the formulation of an alternative proposal put forward by the Board of Airline Representatives of New Zealand (Inc), and strongly supports the BARNZ submission.

2. The Qantas position is that the postponement of the reporting date to August 2002 is not in the interests of users, consumers or suppliers of the relevant markets. Qantas viewed the circulation of the Critical Issues Paper by the Commission in July this year as a significant starting point for the Inquiry: it provides an appropriate basis for a definitive examination of airfield activities in the context of all airport activities.

3. Qantas is concerned that the Inquiry should not be left to drift until 2002. It is important that completion of the Critical Issues Paper be progressed over the next twelve months, with the oversight and assistance of the Commission. This can only be achieved if appropriate milestones are established and adhered to by all the interested parties. It is our view that, if monopolistic conduct is occurring in the relevant markets, it is clearly in the interests of the users, consumers and suppliers that such conduct be identified at the earliest possible opportunity.

4. To that end, it is our position that the postponement of the reporting date to August 2002 does not prevent the Commission from reporting at an earlier date, on an interim basis. The Commission would only need to be satisfied that 'market conditions are such' that the Minister should recommend an Order In Council under section 53 of the Act. Qantas believes that a report (in terms of sections 53 and 54) could be made before August 2002 if the relevant criteria (to the Minister's recommendation to the Governor General to make an Order In Council under section 53 of the Commerce Act) are identified before that date. Qantas suggests that, having been asked to conduct an Inquiry pursuant to section 54, the Commission's primary obligation is to conduct the Inquiry and, given the nature of the issues addressed in section 54, the Commission is under a statutory duty to conduct the inquiry within a reasonable time frame. Any assessment of what is reasonable in the circumstances



requires taking into account not only the stipulated reporting date, but also the nature of the specific matters the Commission is to inquire into, and the imperatives inherent in the (s.54) statutory criteria which 'triggered' the Minister's requirement for an inquiry.

5. Accordingly, it is Qantas's submission that any amended timetable should take into account all relevant factors, not only the reporting date. For all of these reasons, Qantas supports the timetable proposed in the BARNZ submission, or even earlier if possible:

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|----|--------------------------------------------|------------------|
| a. | Initial submissions                        | 1 December 2000. |
| b. | Draft Interim Report                       | 1 April 2001.    |
| c. | Conference of the interested parties       | June 2001.       |
| d. | Submissions from parties on Interim Report | 1 October 2001.  |
| e. | Commission's Interim Report to Minister    | 1 December 2001. |

Yours sincerely,



David Payne!  
General Manager  
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Herbert Harris  
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