



Submission No 8

Australia's trade and investment relations under the Australia-New Zealand Closer Economic Relations Trade Agreement

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AIR NEW ZEALAND

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The Secretary
Trade Sub-Committee
Joint Standing Committee on Foreign Affairs, Defence and Trade
Parliament House
CANBERRA ACT 2600
AUSTRALIA

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INQUIRY INTO AUSTRALIA AND NEW ZEALAND CLOSER ECONOMIC RELATIONS

Air New Zealand welcomes the opportunity to make a submission to the Australian Parliament's CER Inquiry.

CER has been an undoubted success for both Australia and New Zealand. The past decade has seen trans-Tasman trade increasing annually at a rate in excess of each country's annual overall international trade growth, and each country is at or near the top of the list of trading and investment partners for the other. These ties are consolidated even further with the people-to-people links created through tourism flows, contributing strongly to the ongoing success of this vital sector in our respective economies. Combining our economies has created a market of 24 million consumers, enhancing opportunities for locally based businesses and improving the attractiveness and competitiveness of Australasian products and services in third country markets.

Future success in trading relationships with third countries, and with developing trade blocs, will require further consolidation and integration of the Australian and New Zealand economies. This will be a key component in convincing those external parties of the desirability of entering into mutually beneficial trading relationships through exposure to a larger, more diverse and more sophisticated market than either country could promote on its own.

Achieving the necessary integration to compete effectively on the world stage does require further work to minimise or remove differences between the Australian and New Zealand regulatory frameworks, with a view to ensuring that working and trading between the two countries is little different than work and trade within each country. Progress on, for example, achieving greater consistency and alignment of competition policy and law frameworks will be key to creating a more effective framework for businesses to be able to take full advantage of opportunities under CER.

Securing full advantage of CER requires further emphasis on minimising or removing barriers to travel between the two countries. Increasing efforts towards migrating trans-Tasman travel towards an essentially "domestic" framework, made possible through increasing use of technology and "backroom" solutions to resolve security concerns, will provide significant

A STAR ALLIANCE MEMBER 

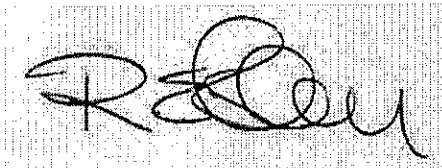
benefits to New Zealand and Australian businesses through reducing costs and complexity, thereby stimulating greater interaction and trade within CER.

Such developments would also provide stimulus to third-country relationships through easing the ability of those third party traders and tourists to travel within and do business with the overall CER market. This will be key to the further development of the Australian and New Zealand economies and the prosperity of our citizens.

Please contact me if you wish to discuss this submission. My contact details are:

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Yours sincerely

A handwritten signature in black ink, appearing to read 'Rick Osborne', is placed over a rectangular area of the document that has been rendered as a grey, textured grid.

Rick Osborne
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