

Hon Grant Robertson
Minister of Finance
Executive Wing
Parliament Buildings
Wellington

20 March 2018

Dear Grant,

I am writing with respect to the comments made by Shane Jones, Regional Economic Development Minister, over recent days including today on RNZ National this morning, criticising Air New Zealand in relation to operational decisions it has taken regarding regional services. Mr Jones has repeatedly made reference to the Crown's 51% shareholding in Air New Zealand to justify his criticism.

As Shareholding Minister, you will be well aware that Air New Zealand is a publicly listed company with a clear obligation to operate as a commercial entity and that the Crown's shareholding gives it rights equal to that of any other ordinary shareholder in the airline, which do not include the ability to dictate operational matters.

You will also be well aware of the letter from the Treasury to myself as Chair of Air New Zealand (also addressed to the Chairs of the other companies the Crown has a majority shareholding in) that confirms that decision making at Air New Zealand rests at all times with its Board and Management. In addition, the same letter notes that the Crown will not use its position as majority shareholder to influence Air New Zealand to make non-commercial decisions. This was reflected in Treasury's briefing paper to the Minister of State Owned Enterprises and the Minister of Finance in October 2017 regarding Treasury's monitoring of listed companies.

It appears from the Minister's interview with RNZ National today he may not fully understand these instruments or the Crown's rights. It is clearly unhelpful to the running of Air New Zealand for a Minister to engage publicly in the manner he has. The behaviour undermines the confidence that all New Zealanders should have in the commercial independence of the airline and the decisions that it makes.

Regards,



Tony Carter
Chairman