

# Motu



economic & public policy research

## Reauthorisation of the Qantas and American Airlines Joint Business Agreement

Independent Economic Analysis to inform the Ministry of Transport's Advice to the Acting Minister of Transport

*Final Report*

**Prepared by: Motu Economic and Public Policy Research**

**Prepared for: Ministry of Transport (MoT)**

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# Executive Summary

## BACKGROUND

The Ministry of Transport (“Ministry”) engaged Motu to provide independent economic and competition analysis of an application for a Joint Business Agreement (“JBA”) between Qantas Airways (“Qantas”) and American Airlines (“American”). The application seeks authorisation for the existing JBA that expires in March 2026, which we denote by “QAJB”. This report provides analysis to help inform the Ministry of Transport’s advice to the Acting Minister of Transport on a proposed decision about whether to authorise the QAJB. The alliance partners have applied for a five-year authorisation, until 31 March 2031.

Qantas and American have had a JBA in place to cover joint operation of Trans-Pacific routes between New Zealand, the United States, and Australia since 2011. Although the existing QAJB was authorised in 2020, this itself extended on authorisations that were given in 2015 and 2011. The nature of JBAs has changed over time. Most notably, the agreement was amended to a revenue-sharing, “metal-neutral” agreement in June 2015. Prior to the authorisation of the first JBA in 2011, we understand Trans-Pacific routes between New Zealand and the United States were operated primarily by Air New Zealand and United Airlines, which are also in an alliance.

The Civil Aviation Act 2023 (“2023 Act”) intends to improve the transparency and robustness of the process for authorising airline alliances. Under the 2023 Act, the Minister may grant authorisation if they are satisfied that:

- granting authorisation will contribute to the main purpose or any of the additional purposes of the Civil Aviation Act; and
- giving effect to the agreement would result, or be likely to result, in a benefit to the public that would outweigh any lessening in competition.

To support the 2023 Act, the Ministry introduced an assessment framework and application guidelines. These resources are designed for airlines to provide consistent information, data and analysis in applications, and enable the Ministry to consistently assess applications. Under the Ministry’s assessment framework, applicants are required to demonstrate the benefits of cooperation, present credible counterfactual scenarios, and provide evidence on competition effects and wider public value.

Our analysis responds to the new legislative context provided by the 2023 Act and the assessment framework.

## RELEVANT MARKETS

The QAJB governs both airlines’ operations on routes between Australia, New Zealand, the United States, Canada, and Mexico. This assessment focuses on the effects of routes that involve New Zealand; the effects on routes that operate directly between other countries in the alliance will instead be the focus of analyses by the relevant competition authorities in those jurisdictions.

Under the current QAJB and previous JBAs, Qantas and American have coordinated on operating three Trans-Pacific routes between New Zealand and the United States, specifically:

- Auckland—Los Angeles (“AKL-LAX”), which American started operating in 2016;
- Auckland—Dallas Fort Worth (“AKL-DFW”), which American started operating in 2022; and



In terms of the three routes affected by the QAJB, we estimate their own-price and cross-price elasticities are broadly comparable to those for other Trans-Pacific routes. On this basis, the sensitivity and substitutability of routes affected by QAJB are consistent with expectations.

### COMPETITION EFFECTS

Data on market shares reveal Qantas / American is not the largest operator in either the Trans-Pacific or the Trans-Tasman markets, which is instead a position that is held by Air New Zealand and its alliance partner United Airlines. The fact that Qantas / American is not the largest airline group in either of these markets is important when considering competitive effects. This is especially relevant given Air New Zealand / United have the largest shares *and* operate in an alliance. In this context, not authorising Qantas / American to also operate under an alliance might serve to increase the market share of the larger alliance, thereby reducing competitive pressures.

Data on market concentration suggests the Trans-Pacific is more concentrated than the Trans-Tasman market. For Trans-Pacific routes, however, we find overall market concentration has tended to fall gradually over time, especially outside of the COVID period. This trend suggests the presence of earlier JBAs between Qantas and American have not led to an increase in market concentration. In the Trans-Tasman market, market concentration appears stable, at least outside of the COVID period. Market concentration is slightly higher now than pre-COVID, possibly due to a reduction in Trans-Tasman services being operated by Virgin Airways. When we consider market concentration on the three largest Trans-Pacific routes, we find NZ-SYD – that is, the route directly affected by QAJB – currently has the lowest market concentration. This suggests the small effects of the QAJB on Trans-Tasman capacity is unlikely to have material implications for competition.

Although market shares and market concentration provide useful empirical insights into the state of the market as it stands currently, they do not provide insights into some of the broader competitive tensions that are relevant to the QAJB. In our view, there is a tension between:

- *The potential for pro-competitive effects*, given that QAJB enables Qantas / American to invest in new services and capacity, such that they can compete more effectively with the larger and more established Air New Zealand / United alliance; and
- *The potential for anti-competitive effects*, whereby QAJB gives Qantas / American an advantage over other smaller airlines – such as Delta, Jetstar, and Hawaiian – which might otherwise, in the absence of the QAJB, expand their Trans-Pacific operations.

On the balance of evidence before us, we consider it more likely that the QAJB alliance is pro-competitive. Specifically, we note:

- First, since the first JBA was signed 2011, Qantas / American has increased overall capacity on the Trans-Pacific routes. This suggests past JBAs have not hindered investment.
- Second, since 2011, several smaller airlines, such as Delta, Jetstar, and Hawaiian, have entered the Trans-Pacific market, contributing to a further increase in capacity.
- Third, the increase in capacity by Qantas / American and other airlines is eroding the market share of the larger alliance operated by Air New Zealand / United.
- Fourth, timelines reveal many instances where airlines have entered new Trans-Pacific routes. While some of these have been sustained, many have not. The ongoing evidence of both entry and exit into the market is consistent with low barriers to entry.
- Fifth, load factors on Qantas / American services remain below those of Air New Zealand / United. s 9(2)(b)(ii), s 9(2)(ba)(i)

On this basis, we consider it more likely the QAJB will have pro-competitive effects on the Trans-Pacific market and positive to negligible effects on the Trans-Tasman market.

#### *PUBLIC VALUE*

Our analyses find the QAJB is likely to support frequency and capacity, s 9(2)(b)(ii), s 9(2)(ba)(i) and competition compared to a counterfactual where it is not authorised. In this context, we consider the QAB is likely to deliver net economic value.

#### *CONCLUSIONS*

Based on our analyses we find evidence the QAJB:

- Supports investment by Qantas / American and does not hinder investment by other airlines
- Applies to a Trans-Pacific market where the pricing of routes appears to behave as expected
- Exists in an environment characterised by entry and exit and that implies low barriers to entry
- Contributes to a more competitive market for air travel than would otherwise be realised
- Is likely to deliver net economic value to New Zealand

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## Acknowledgement and disclaimer

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## Glossary table

Applicants	The airlines seeking authorisation for their cooperation, i.e. Qantas Airways and American Airlines.
Ministry or MoT	The Ministry of Transport   Te Manatū Waka.
Qantas or QF	Qantas Airways Ltd
American or AA	American Airlines
JBA	Joint Business Agreement
QAJB	Qantas -American Airlines Joint Business Agreement
Metal neutral alliance	A form of agreement where partner airlines share revenues and costs on a service regardless of which airline (“metal”) operates the flight.
Load factor	Percentage of available seat capacity actually filled with paying passengers, calculated as route revenue passengers / route capacity.
SSNIP test	The small but significant non-transitory increase in price test (also known as the hypothetical monopolist test) is a conceptual tool used to define relevant markets under the assessment framework. The test asks whether a hypothetical monopolist could profitably impose a SSNIP in a given market (Ministry of Transport, 2025b).
O&D	Origin-and-destination: Denotes variable values that are derived from data related to the true origin and destination of a passenger itinerary. E.g. an O&D fare is the fare paid by a passenger for their entire journey.
IATA	The International Air Transport Association is an airline trade association that sets technical standards for airlines. It represents 317 airlines, including major carriers, from over 120 countries.
COVID period	The COVID period that is excluded from econometric analyses due to high volatility in the relevant variables. This is defined throughout this document as the period from the 1 February 2020 to 1 August 2023.

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# 1 Introduction and background

Motu Research (“Motu”) have been engaged by the Ministry of Transport (“MoT”) to undertake economic and competition analysis of an application for a joint business agreement (“JBA”) between Qantas and American (“QAJB”). The QAJB seeks to govern the coordination of the airlines’ operations between and within Australia, New Zealand, the US, Canada, and Mexico. The following sub-sections discuss the policy context (Section 1.1), the scope of our analysis (Section 1.2), the application itself (Section 1.3), and the structure of our report (Section 1.4).

## 1.1 Policy context

In 2023, the passage of the Civil Aviation Act (“2023 Act”) introduced a new process for considering alliance applications, like QAJB. Compared with the previous legislative regime, the 2023 Act places greater emphasis on transparency and stakeholder engagement.<sup>1</sup> This process seeks to ensure that relevant commercial and public interest perspectives can be tested before decisions are finalised.

To support this new process, the Ministry has developed an assessment framework that sets out the principles and analytical steps that will guide their advice to the Minister (Ministry of Transport, 2025b). This framework requires applicants to define the relevant markets, present credible counterfactual scenarios, and provide robust evidence on competition effects, public benefits, and net impacts. The depth of analysis the assessment framework expects from applications will be proportionate to individual applications, such as the scope of cooperation that is proposed.

Motu’s analysis feeds into the following six key areas of the Ministry’s assessment framework:

1. Does the application, data and supporting information supplied by the applicants validate their claim for authorisation? Does the available third-party data support their claims?
2. Is the counterfactual provided by the airlines credible?
3. Have previous authorisations led to material changes in market share, capacity, market concentration and pricing (airfares)?
4. Are the claimed wider benefits and detriments of the alliance reasonable and is there sufficient evidence provided in accordance with the Assessment Framework?
5. Based on information available, does the economic analysis support authorisation? Would competition be enhanced/promoted by including conditions in the authorisation? If so, what conditions should apply?
6. Are any key issues raised in submissions, e.g. the effect of other alliance and cooperation agreements authorisations.

Several of these assessment areas – for example, items 2, 4 and 5 – cover broad policy questions the Ministry will address separately from Motu’s analysis. In this context, this report should be viewed as an input into – rather than a determinant of – the Ministry’s broader policy process.

## 1.2 Scope of our analysis

Within the Ministry’s framework, the scope of Motu’s analysis of the QAJB covers five main topics:

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<sup>1</sup> The 2023 Act, for example, requires the Minister to publish a draft Proposed Decision setting out the intention either to grant or to decline authorisation. Interested parties then have an opportunity to make further submissions on this draft Proposed Decision before any final determination is made.

- First, we define and describe the relevant market(s) affected by the application. This focuses on factors that we expect to directly shape and constrain the rivalry between airlines.
- Second, we assess potential counterfactual scenarios. This includes critically examining the credibility of the Applicants' proposed counterfactual and proposing our own.
- Third, we present empirical evidence on the relative substitutability of markets affected by the application to understand whether they are behaving in the broadly expected manner.
- Fourth, we consider competitive effects under the alliance to the expected counterfactual that would arise were the application not to be authorised.
- Fifth, we consider the net public value of the proposed alliance including a critical evaluation of the Applicants' most relevant claims and other considerations.

Analyses that fall outside the Ministry's Assessment Framework are typically considered out of scope, although we do draw on complementary analyses where they help address relevant questions.

### 1.3 Overview of the application

Qantas Airways ("Qantas") and American Airlines ("American") have applied to the Ministry for authorisation of their alliance, or "QAJB", for five years to March 2031. This application seeks reauthorisation for an existing JBA that expires in March 2026. The existing JBA was authorised in 2020 and, in turn, extended earlier JBAs between the airlines that were previously authorised in 2015 and 2011. Under past and present JBAs, Qantas and American have jointly operated Trans-Pacific and Trans-Tasman routes between New Zealand, the United States, and Australia.

The existing JBA was considered under the previous Civil Aviation Act 1990. In contrast, the new application for the QAJB has been made under sections 195 and 199 of the 2023 Act and seeks authorisation for Qantas and American to cooperate across activities, specifically (1.8):

- [the coordination of schedules and inventory;
- managing the Applicants' capacity of services;
- the sharing of revenue between the Applicants;
- cost reduction efforts and synergies;
- fixing tariffs;
- joint marketing;
- frequent flyer schemes;
- the Applicant's commercial relationships with other airlines; and
- information-sharing between the applications]

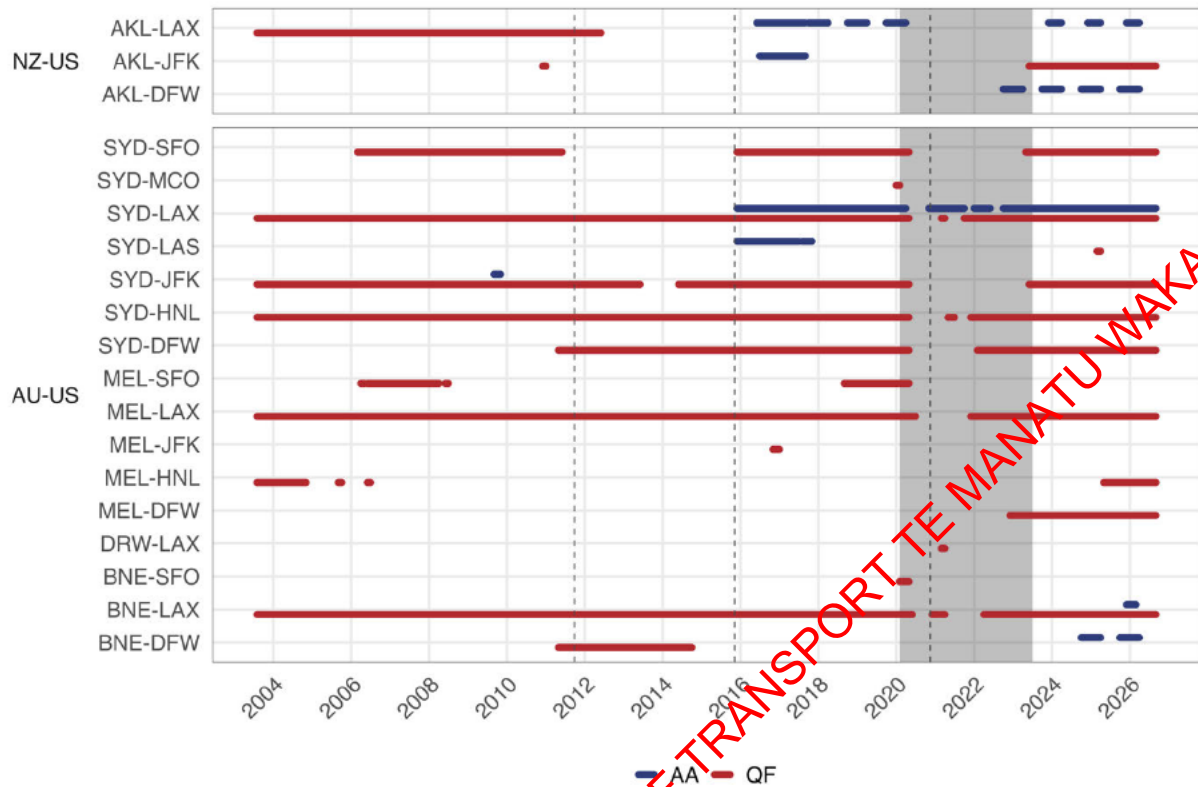
Qantas and American argue the QAJB will support coordination and generate additional revenue for Trans-Pacific flights s 9(2)(b)(ii), s 9(2)(ba)(i)

In this way, the Applicants argue that the QAJB incentivises investment in additional capacity and/or routes. To support this claim, the application points to three existing direct NZ-US routes:

- Auckland—Los Angeles ("AKL-LAX"), which American started operating in 2016;
- Auckland—Dallas Fort Worth ("AKL-DFW"), which American started operating in 2022; and
- Sydney—Auckland—New York ("SYD-AKL-JFK"), which Qantas started operating in 2023.

Figure 1 illustrates how these routes sit within the broader network of Trans-Pacific (NZ-US and AU-US) routes that have been operated by either Qantas or American since 2004. We can see that, at the time the JBA was first authorised in 2011, Qantas and American operated only one route between New Zealand and the US (AKL-LAX), compared to the three that exist now.

Figure 1: Timeline of Trans-Pacific routes operated between NZ-US (top panel) and AU-US (bottom panel) by American and Qantas in the period 2004-2026 (NB: Future data reflect routes that currently have authorisation to that time).



The Applicants argue the QAJB s 9(2)(b)(ii), s 9(2)(ba) and compete effectively with the alliance between Air New Zealand and United, which have a much larger market share. For this reason, the Applicants argue the QAJB will be pro-competitive and confer a range of substantial public benefits (1.20) specifically:

- increased capacity on Trans-Pacific routes;
- increased connectivity and enhanced choice over an expanded and complementary network;
- reduced travel-times from direct services and coordinated schedules that reduce layovers;
- increased tourism and trade to and within New Zealand;
- greater access to a variety of fare products and price points;
- an improved passenger experience due to more seamless arrangements for baggage handling and re-booking options;
- coordinated frequent flyer benefits, such as reciprocal lounge access; and
- improved operating efficiencies through the integration of the Applicant's operations.

#### 1.4 Report structure

The following sections of this report are organised as follows: in Section 2 we define and describe the relevant markets; in Section 3 we consider the plausibility of the Applicant's counterfactual scenario; in Section 4 we discuss the substitutability of affected routes; in Section 5, we assess competition effects; and in Section 6, we consider the net public value of the QAJB.

## 2 Relevant markets

Defining relevant markets is necessary for identifying the boundaries of the analyses that we use to assess competitive effects. An appropriate definition of the relevant market clarifies which services and routes constrain each other, ensuring meaningful analyses under both the proposed alliance and any potential counterfactual. This section first considers the Applicant's claims (Section 2.1); second, defines relevant routes and markets (Section 2.2); and third, describes the relevant markets in terms of market share, direct capacity, average fares, and load factors (Section 2.3).

### 2.1 Assessing the Applicants' claims

The Applicants claim it is not necessary to precisely define the relevant markets, as no competitive concerns could arise relative to the counterfactual (9.1). The application does, however, discuss several locations or activities that may be of interest to the Ministry (9.3).

The Ministry's assessment framework, however, requires a list of markets and routes that may be affected by the proposed conduct (MoT framework, para. 127) i.e. "Alongside the list of markets, the applicants are expected to list all the air transport segments affected by the agreement. This should include, but is not limited to, segments on all routes with an origin or destination airport in New Zealand that are operated or marketed by the applicants." For this reason, we interpret the Ministry's assessment framework as requiring analysis of the potential competitive effects of alliances at varying levels of granularity, from national markets through to individual routes. That is, we need to confirm – rather than merely assert – that there are no competitive concerns.

Efforts to define relevant markets also draw on a conceptual policy test known as the *small but significant non-transitory increase in price* ("SSNIP") test (Ministry of Transport, 2025b). This conceptual test asks whether a hypothetical monopolist controlling a candidate market, such as a region or route, could profitably raise prices. If such a price raise would cause affected customers to avoid travelling on the monopolist's services, for example by travelling via substitute offerings, then the market definition should be broadened. In this way, the SSNIP test operationalises the logic of demand substitution: Markets are drawn narrowly where passengers have few substitutes, and more broadly where switching is easy, ensuring that assessments reflect competitive constraints.

### 2.2 Defining relevant routes and markets

The QAJB governs both airlines' operations on routes between New Zealand, Australia, and the United States. Under the current and previous JBAs, Qantas and American have begun operating three Trans-Pacific routes between New Zealand and the United States, specifically:

- Auckland—Los Angeles ("AKL-LAX"), which American started operating in 2016;
- Auckland—Dallas Fort Worth ("AKL-DFW"), which American started operating in 2022; and
- Sydney—Auckland—New York ("SYD-AKL-JFK"), which Qantas started operating in 2023.

On these routes, the application argues QAJB's revenue-sharing arrangement (1.14) incentivises cooperation and integration (5.8, 5.9), such as the coordination of schedules between the Trans-Tasman and Trans-Pacific services operated by Qantas and American, respectively. In turn, the application contends the QAJB helps to generate sufficient additional revenue ("revenue enablement") on the Trans-Pacific routes s 9(2)(b)(ii), s 9(2)(ba)(i)

Based on these claims and our analyses, we identify two relevant markets for the alliance routes:

- First, between New Zealand and the United States (“Trans-Pacific”) and,
- Second, between New Zealand and Australia (“Trans-Tasman”).

We considered more granular definitions, such as Auckland versus other parts of New Zealand as well as sub-regions within Australia and the United States. Undertaking analyses using these more granular definitions of relevant markets, however, returned similar results to national analyses.

A national definition of relevant markets was also supported by the large number of opportunities for switching that exist via domestic connections within New Zealand, Australia, and especially the US. Although the AKL-DFW and SYD-AKL-JFK services connect to distinct sub-regions within the US, for example, we expect some of the demand for these services would switch from existing Trans-Pacific routes that serve the west coast of the US, such as AKL-LAX and AKL-SFO. From the latter locations, passengers have many opportunities for onwards connections to DFW and JFK, for example. Treating DFW and JFK as part of a national US market, alongside LAX and SFO, thus helps to capture switching between these routes. Similarly, many direct and indirect routes exist for the Trans-Tasman market between New Zealand and Australia. In our view, defining the relevant markets at the national level will better capture the potential for switching to arise in these networks.

We have, however, also undertaken sensitivity testing that:

- assesses outcomes using an alternative market definition that splits Auckland out from the rest of New Zealand; and
- quantifies the price-responsiveness of individual routes within these national markets to understand whether they exhibit what we might consider to be normal behaviour.

The general purpose of these sensitivity tests was to understand the relative robustness of key analyses to changes in how we define the relevant market.

We did not include, as focal routes in the econometric analyses, any Trans-Pacific routes that travelled directly to non-US destinations e.g. Canada via the SYD-YVR route. This reflects an a priori decision to restrict our primary analysis to New Zealand, Australia, and the United States. The very small number of alternative direct Trans-Pacific routes were then excluded from analysis due to the relatively low traffic volumes travelling between the primary countries of interest via ‘third’ countries e.g. Canada or Mexico. Note however that alternative routings that originate in, terminate in, or travel through third countries are present in the data where the total annual traffic flows from the third country accounts for greater than 0.05% of traffic volumes carried through the focal routes.

A final related comment is warranted on the potential for cumulative effects when the QAJB is considered together with other alliance arrangements or corporate subsidiaries. In the Trans-Tasman market, for example, Qantas operates services with another alliance partner, namely Emirates, and alongside a subsidiary, namely Jetstar. This raises the question of whether these services should be treated as a part of the alliance. In our primary analyses we have chosen to bundle Emirates’ Trans-Tasman services together with those of Qantas / American when analysing the effects of QAJB, while treating Jetstar separately. We have, however, undertaken sensitivity testing in which we also include Jetstar together with Qantas, American, and Emirates services.

### 2.3 Describing the relevant markets

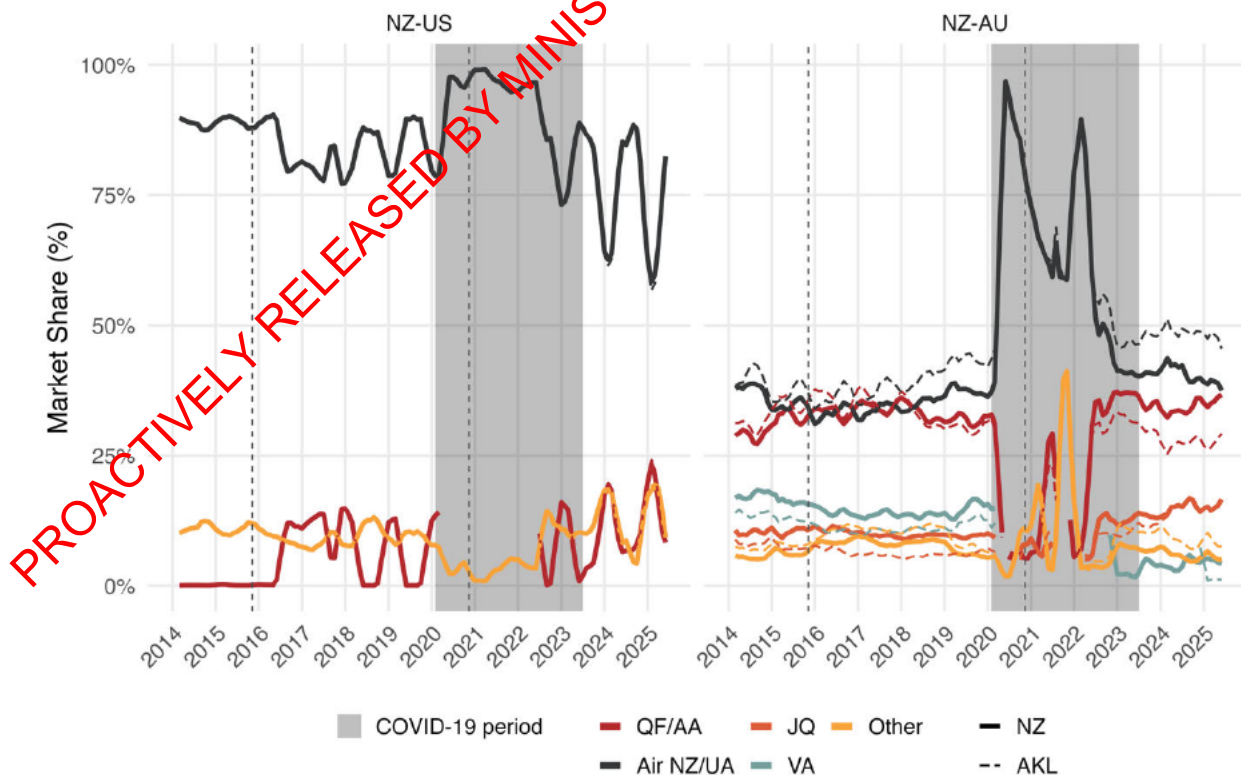
In this section we use data to describe, or characterise, the relevant markets defined in Section 2.2 in terms of market share (Section 2.3.1), direct capacity (Section 2.3.2), average fares (Section 2.3.3), and load factors (Section 2.3.4). We emphasise these are *descriptive* exercises and do not provide conclusive evidence of the likely effects of QAJB on competition in the relevant markets, at least not when taken in isolation from the additional information that is presented in Sections 3, 4, and 5.

### 2.3.1 Market share

To begin, Figure 2 illustrates market share for airline groups that operate in the Trans-Pacific (left panel) and Trans-Tasman (right panel) markets, where solid and dashed lines denote the NZ and Auckland markets, respectively. Figure 2 reveals several interesting aspects about market shares:

- First, market shares and trends for Qantas and American (“QF/AA”) are similar when defining the relevant market as either New Zealand (solid lines) or Auckland (dashed lines). This suggests a more granular definition of the relevant market – that splits Auckland out from the rest of the country – does not materially affect the resulting market shares.
- Second, QF/AA does not hold the largest share of either of the two relevant markets that we consider. This position is instead held by Air New Zealand and its alliance partner United Airlines (“NZ/UA”), which together currently hold approximately 75% and 40% shares in the Trans-Pacific and Trans-Tasman markets, respectively.
- Third, QF/AA’s market share has increased over time to around 15% and 35% in the Trans-Pacific and Trans-Tasman markets, respectively. In the Trans-Pacific market, this growth has occurred alongside growth in “Other” airlines and as the NZ/UA share has fallen. In the Trans-Tasman market, QF/AA’s share has grown as that for “Other” airlines has fallen.
- Fourth, we observe strong seasonal trends in the market share of airlines operating in the Trans-Pacific market, which appear to have grown in magnitude over time. These seasonal trends, however, differ markedly by alliance. This suggests alliances set Trans-Pacific capacity not just in response to demand but also the availability of planes on their networks, providing prima facie support for claims that alliances enable planes to be used more efficiently.

Figure 2: Trends in market share for United States (left panels) and Australia (right panels) for New Zealand (solid lines) and Auckland (dotted lines) in the period 2014-2025. Market shares are defined in terms of total O&D passengers carried per month.

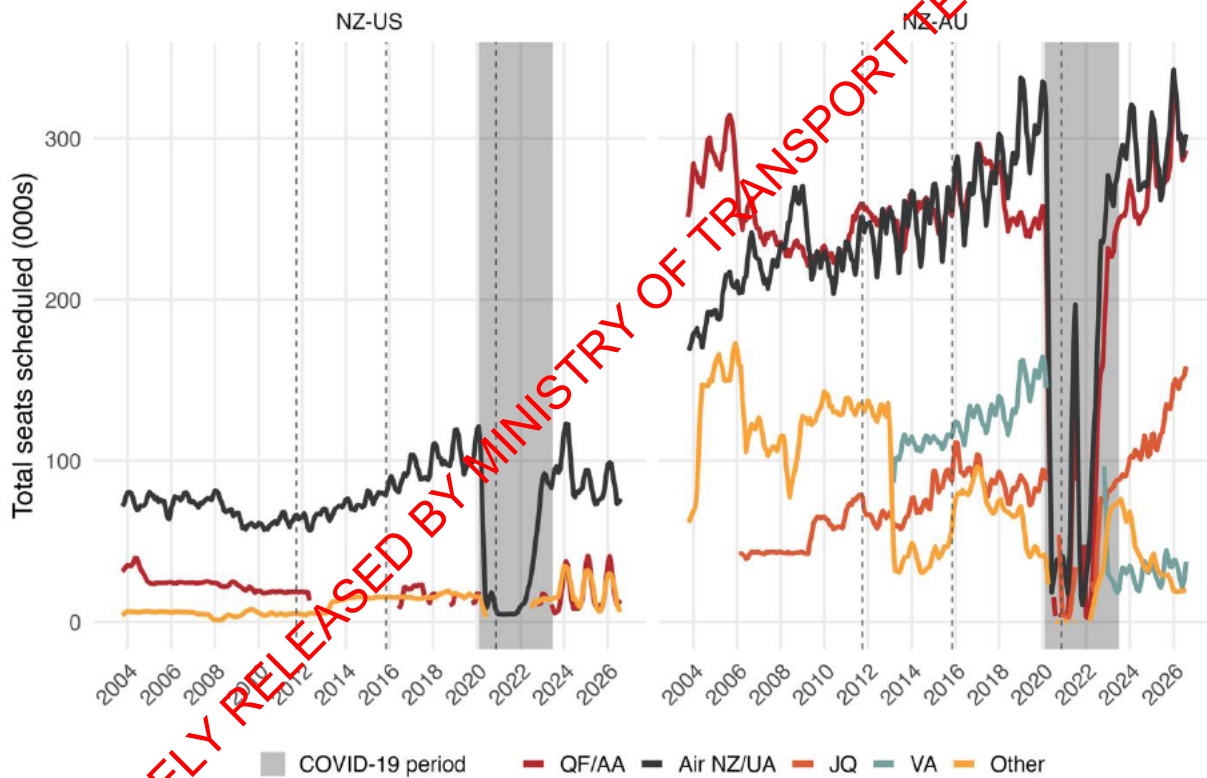


2.3.2 Direct capacity

Figure 3 illustrates trends in direct capacity – that is, total scheduled seats – for the Trans-Pacific (left panel) and Trans-Tasman (right panel) markets. Overall direct capacity on the Trans-Pacific is significantly smaller than the Trans-Tasman market, which is intuitive given the relatively shorter distances and high levels of economic integration between New Zealand and Australia. Since circa 2010, direct capacity appears to have increased significantly in both markets.

In the Trans-Pacific market, we observe steady growth in NZ/UA capacity begins just after the authorization of the first JBA between Qantas and American in 2011, which continued right up to the COVID pandemic. Since that time, both QF/AA and “Other” airlines have increased capacity, where the latter includes services that are operated by Jetstar and Delta. On the surface, and without having yet defined a counterfactual, the data on direct capacity confirms the authorisation of the QAJB in 2011 has not led to a subsequent reduction in capacity in either market.

Figure 3: Trends in direct capacity between New Zealand and the United States (left panel) and Australia (right panel). Capacity is defined in terms of total seats scheduled per month.



Turning to the larger Trans-Tasman market, we observe increases in direct capacity over time, although the composition of this capacity has been relatively volatile. Specifically, capacity delivered by Virgin and other airlines has fallen markedly whereas capacity operated by Air New Zealand, Qantas, and Jetstar has grown. Growth in the direct capacity operated by Qantas and Jetstar has been especially rapid in the post-COVID period. Again, we observe growing seasonality in the capacity supplied to both markets.

### 2.3.3 Average fares

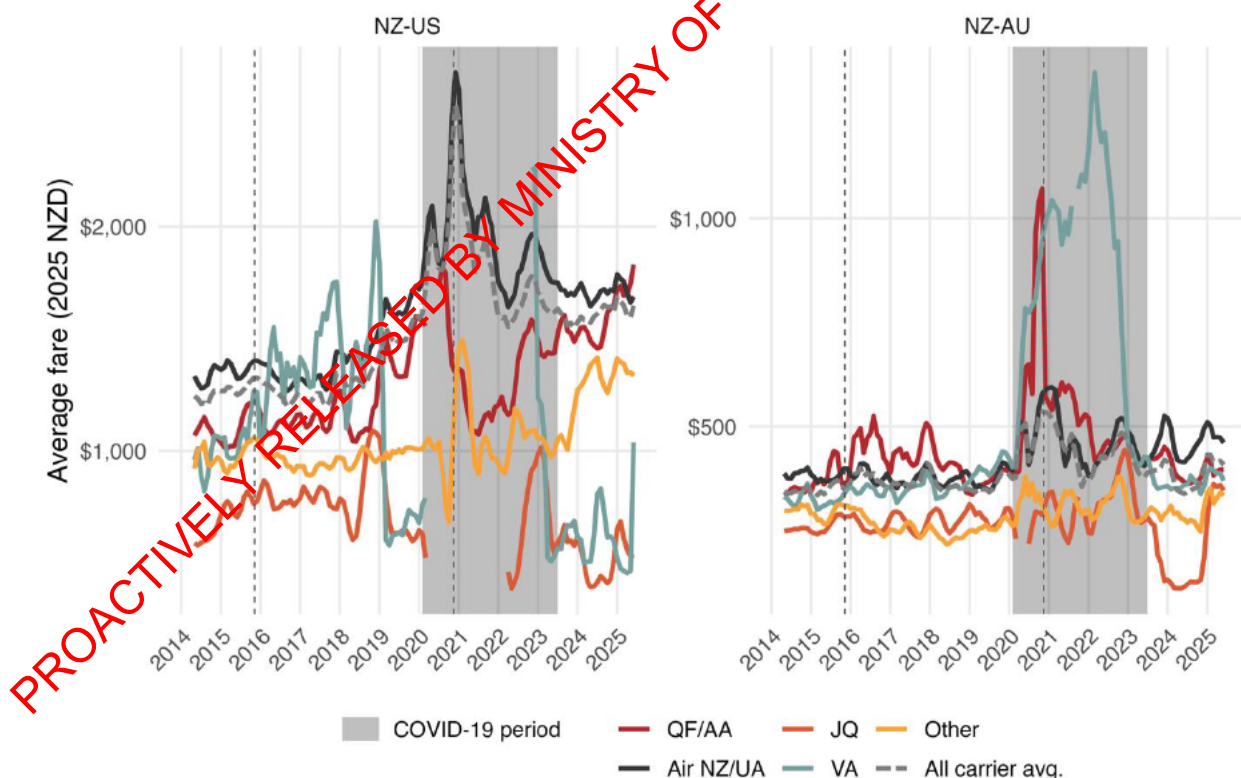
Figure 4 illustrates trends in real (inflation adjusted) average fare for the Trans-Pacific (left panel) and Trans-Tasman (right panel) markets by airline as well as the all-carrier average (dashed).<sup>2</sup> Average fares increased rapidly in the pre-COVID period but have since remained relatively stable.

In terms of differences between airlines, average fares on NZ/UA services were consistently higher than the all-carrier average fare for most of the period from 2004 to 2024. This gap has, however, closed completely in recent years. There are several potential explanations for this trend in relative average fares that include but are not necessarily limited to:

- Air New Zealand / United previously offered quality attributes that passengers were willing-to-pay more for when compared to those available on alternative airlines.
- Qantas / American have previously priced their Trans-Pacific services at relatively low fares, for example, as they seek to grow passenger volumes and boost market share.
- The recent increase in capacity on the Trans-Pacific market by airlines other than Air New Zealand / United (cf. Figure 3) has increased competition and caused fares to converge.

Relatively low average fares for Jetstar are partly explained by the fact that their services tend to operate between Sydney, Melbourne and Brisbane and Honolulu, for which the flight distance is approximately one-third shorter than that between cities in Australia and the mainland US.

Figure 4: Trends in average fares between New Zealand and the United States (left panel) and Australia (right panel). Average fare is defined in terms of the true origin and destination of the passenger itinerary and is reported in 2025 New Zealand Dollars (inflation adjusted).



In the Trans-Tasman market, Figure 4 suggests the all-carrier average fare increased gradually pre-COVID but has since been stable. Average fares on QF/AA services have, however, tended to fall

<sup>2</sup> We adjust nominal average fares using the New Zealand Consumer Price Index. Because exchange-rate movements were found to have limited explanatory power, no further adjustment was made for changes in purchasing power across the NZD, AUD, and USD currency pairs.

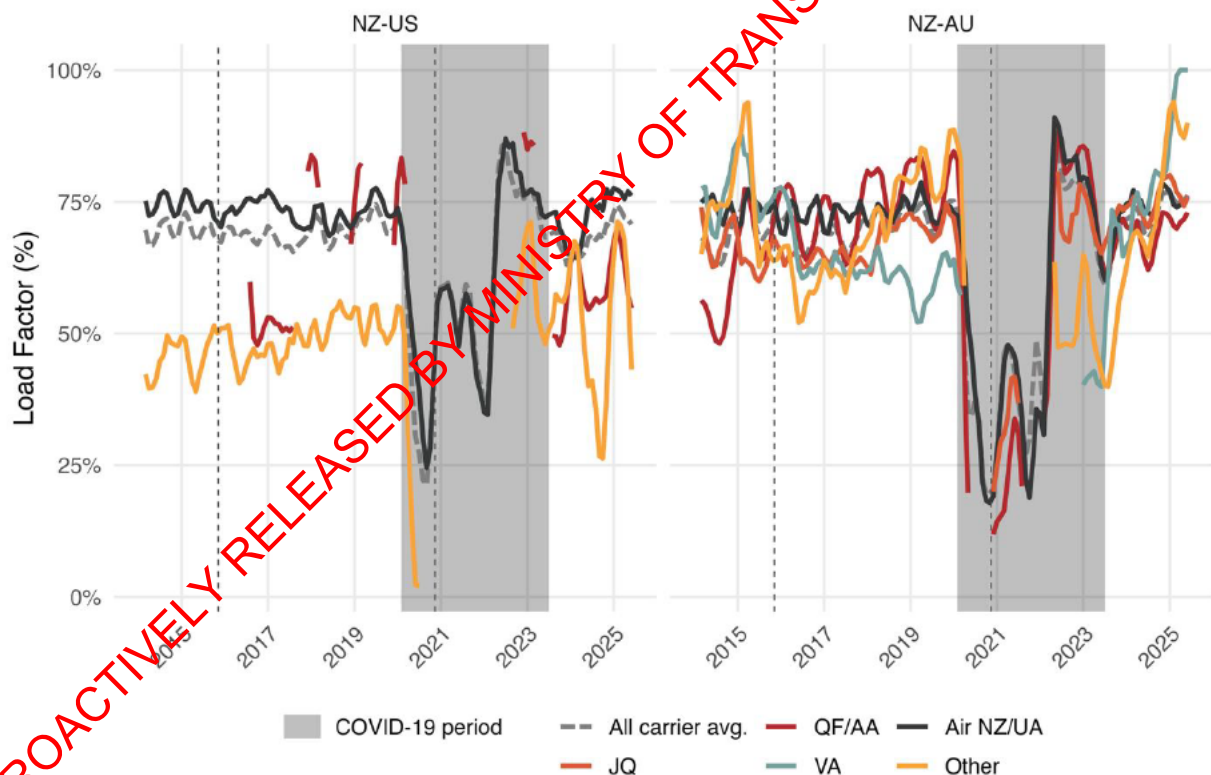
post-COVID, such that they are now somewhat lower than those for NZ/UA. Although average fares for Jetstar have increased substantially post-COVID, this likely reflects the effects of discounting that would be expected to accompany the expansion in capacity that was previously shown in Figure 3.

### 2.3.4 Load factors

Figure 5 illustrates estimated trends in load factors for the Trans-Pacific (left panel) and Trans-Tasman (right panel) markets. Average load factors hover around 70-75% in both markets.

In the Trans-Pacific market, we observe considerable seasonal variation and heterogeneity. NZ/UA, for example, achieve load factors around 75% vis-à-vis 60-65% for QF/AA. Since COVID, load factors on QF/AA Trans-Pacific services appear to have a slight positive trend. This suggests the increase in capacity previously illustrated in Figure 3 has been more than offset by increased demand. A similar positive trend in load factors is apparent for “Other” airlines, which includes the new AKL-LAX services being operated by Delta Airlines. In general, load factors across QA/AA and “Other” appear to be gradually converging towards the levels that are achieved by NZ/UA.

Figure 5 Trends in load factors between New Zealand and the United States (left panel) and Australia (right panel). Load factors are defined in terms of total monthly segment passengers divided by total monthly seat capacity for each route. The all-carrier passenger-weighted average load factor is shown by the dashed grey line.



Note: Seat capacity on each service is estimated from information on plane configurations. This information is approximate, subject to uncertainty and measurement error, and can give rise to load factors approaching 100%.

In the Trans-Tasman market, load factors also exhibit a slight positive trend but with considerably less heterogeneity than is evident in the Trans-Pacific market. Taken together, this load factor data might imply the Trans-Pacific market is still in a somewhat nascent and evolving state vis-a-vis the Trans-Tasman market, which is “thicker” – in the sense it has more capacity – and more mature.

### 3 Counterfactual scenarios

In this section, we consider potential counterfactual scenarios. The latter can be understood as evidence-based hypothetical (“what if”) scenarios for what we might expect to happen if the QJBA was not reauthorised. The counterfactual provides a benchmark to which we can compare outcomes – for example, capacity – with and without the QJBA. In the following sub-sections, we describe the Applicants’ counterfactuals (Section 3.1); verify aspects of the Applicants’ counterfactual (Section 3.2); and present our proposed alternative counterfactual (Section 3.3).

#### 3.1 The Applicants’ counterfactual

According to the Applicants, s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted] The Applicants contend the QJBA enables connections between Trans-Tasman services operating “behind and beyond” Auckland, s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted] on the Trans-Pacific flights operated by American. According to the Applicants, s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted]

The application notes that, s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted] The application further notes that, s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted] Even in this counterfactual, the Applicants s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted]

Table 1 summarises how we have interpreted the main effects of the Applicants’ counterfactuals on the relevant markets. That is, s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted]

Table 1: Summarising our interpretation of the main effects of the Applicants’ counterfactuals on the relevant markets

Market	Main aspects of the applicants’ counterfactual
Trans-Pacific	s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted]
Trans-Tasman	s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted]

Table 2 illustrates our estimates of how the Applicants’ counterfactual might affect direct capacity on the Trans-Pacific and Trans-Tasman markets. To arrive at these estimates, we have used data for 2025 and assume other airlines operating in either of these markets do not make any other compensating changes – such as the operation of additional flights – in response to the reduction in capacity by Qantas and American. In the following sections, we re-visit the latter assumption.

s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted]

s 9(2)(b)(ii), s 9(2)(ba)(i) [redacted]

s 9(2)(b)(ii), s 9(2)(ba)(i)

Market	Route	Direct capacity p.a.		
		Factual	Counterfactual	Change
Trans-Pacific	AKL-LAX	44,772		
	AKL-DFW	78,090		
	AKL-JFK	124,136		
	Other	1,209,099		
	<i>Total</i>	<i>1,456,097</i>		
Trans-Tasman	AKL-SYD	124,136		
	Other	8,434,611		
	<i>Total</i>	<i>8,558,747</i>		

Note: The totals for AKL-LAX, AKL-DFW, and AKL-JFK represent our estimate of the direct capacity p.a. that would be operated on these routes by the Applicants under the QAJB were it to be authorised. To arrive at these estimates, we have used actual and scheduled services for calendar year 2025.

### 3.2 Key aspects of the Applicants' counterfactual

#### 3.2.1 Level of revenue enablement

The plausibility of the Applicants' counterfactual s 9(2)(b)(ii), s 9(2)(ba)(i) on the amount of revenue the QAJB enables on Trans-Pacific services. The Applicants claim QAJB enables them to access the domestic feeder network behind and beyond Auckland, thereby improving the connectivity to the Trans-Pacific trunk. The application, for example, implies QAJB generates approximately [REDACTED] of revenue on services between AU-US and NZ-US. s 9(2)(b)(ii), s 9(2)(ba)(i) s9(2)(b)(ii) & s9(2)(ba)(i)

We use Cirium data to verify the level of revenue-enablement claimed by the Applicants, as shown in Figure 6 and Figure 7. The analysis draws on Cirium's *Segment* dataset, which reports passenger movements by flight leg and includes fare information at the origin-and-destination (O&D) level. O&D fares capture the fare paid for the complete passenger journeys. The segment dataset identifies the marketing and operating airlines associated with each leg of an itinerary.

Our analysis focuses on American Airlines–operated Trans-Pacific trunk routes (AKL–LAX, AKL–DFW, and AKL–JFK) and estimates the share of passengers and O&D revenue attributable to Qantas Group marketing or feeder activity. Two forms of enablement were distinguished:

- *Marketing revenue enablement (MRE)*: revenue from passengers booked onto an AA-operated flight under a QF or JQ marketing code; and
- *Network revenue enablement*: revenue from passengers travelling on a QF or JQ 'behind' leg to connect to an AA Trans-Pacific service. This includes domestic feeders operated by JQ and international feeders (Trans-Tasman) potentially operated by QF.

Network revenue enablement is inherently asymmetric. "Behind" enablement refers to feeder traffic from the home market into the long-haul service, while "beyond" enablement refers to onward travel from the gateway using the partner airline's network. The beyond network is advantageous but not essential, whereas the behind network is critical to sustaining long-haul services. The U.S. domestic air travel market is large and well-developed, offering many options for passengers connecting beyond the gateway. By contrast, the availability of feed into the long-haul service from Qantas' domestic network plays a more central role in the viability of American's Trans-Pacific operations. For this reason our network revenue enablement analysis focused on feeder ('behind') revenue enablement (FRE) only. Monthly series of marketing and network revenue enablement shares were produced by route, providing an empirical indication of the extent to which Qantas' domestic market presence supports the American's long-haul operations.

Figure 6: Marketing revenue enablement (MRE) of Trans-Pacific trunk lines operated by American Airlines. MRE is defined as the proportion of passenger origin-and-destination (O&D) revenue on the AA-operated Trans-Pacific segments where QF was the marketing airline. AA-operated routes between Australia and the US are collectively shown by the dashed grey lines. The horizontal lines report the all-route, all-time passenger-weighted average MRE for Australia and New Zealand.

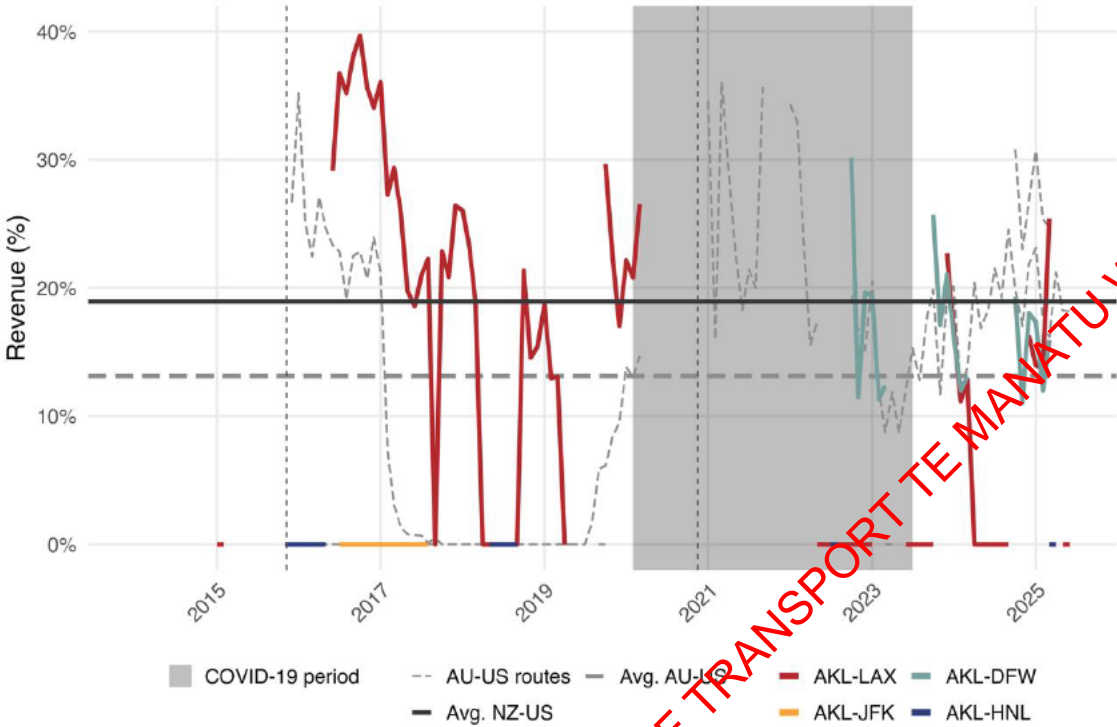
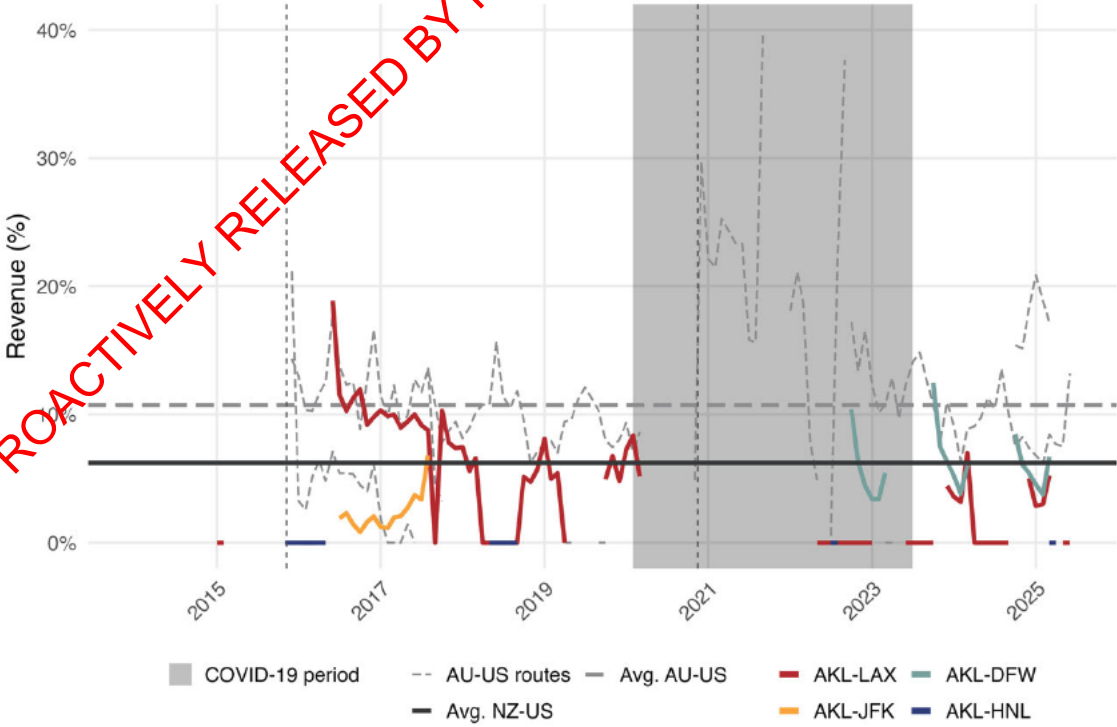


Figure 7: Feeder revenue enablement ("FRE") of Trans-Pacific trunk lines operated by American Airlines. FRE is defined as the proportion of passenger O&D revenue on the AA-operated Trans-Pacific segments that originate from a QF 'behind' feeder route. For example, the proportion of O&D revenue generated by passengers travelling AKL-LAX who arrived at AKL via a QF or JQ operated leg. AA-operated routes between Australia and the US are collectively shown by the dashed grey lines. The horizontal lines report the all-route, all-time passenger-weighted average FRE for Australia and New Zealand.



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Notes: The graph is vertically truncated as some AU-US Trans-Pacific flights during the COVID-19 period were filled exclusively with QF/JQ feeder traffic.

Although the average percentages for MRE and FRE shown in Figure 6 and Figure 7 are s 9(2)(b)(ii), s 9(2)(ba)(i), we note:

- MRE and FRE are only proxies for revenue-enablement and do not measure the actual contribution of QAJB to revenue on American's Trans-Pacific routes, which is instead defined by the revenue-sharing agreement between the airlines.
- The Applicants' data also reports bi-directional network enablement, which including the benefits of the 'beyond' network of the destination domestic partner (NB: We chose to verify only the enablement arising from the 'behind' or feeder network).
- The data supplied by the Applicants indicated s 9(2)(b)(ii), s 9(2)(ba)(i). For the latter, our estimates of MRE and FRE are much closer to the Applicants' enablement estimates.

On balance, our analyses confirm that s 9(2)(b)(ii), s 9(2)(ba)(i)

### 3.2.2 Viability of affected services

The second aspect of the Applicant's counterfactual that we consider is the financial viability of affected services. The key question here is whether, in the absence of the QAJB, the s 9(2)(b)(ii), s 9(2)(ba)(i)

We note upfront that we do not directly observe financial viability and, as such, this is not something that we can verify directly. That said, we see several reasons to expect the Trans-Pacific routes currently being operated by American are s 9(2)(b)(ii), s 9(2)(ba)(i), specifically:

- As both the AKL-DFW and SYD-AKL-JFK routes have been established quite recently, the demand for these services still appears to be ramping up. This ongoing ramp-up in demand can be seen in the data on market shares illustrated in Figure 2, for example.
- The data on load factors presented in Figure 5 suggests that Qantas and American currently achieve load factors that are significantly below those achieved by Air New Zealand and United. s 9(2)(b)(ii), s 9(2)(ba)(i).

Moreover, timelines of entry and exit in the Trans-Pacific market – by both Qantas / American and other airlines per Figure 1 and Figure 8, respectively – reveal a relatively dynamic competitive environment. Over time, we observe an increase in the number of direct routes operated between NZ-US as well as several examples of various airlines entering to test new direct connections.

In addition to the direct routes that are currently operating, the timelines in Figure 1 and Figure 8 indicate that – since 2004 – several airlines have both entered *and* subsequently exited from the following direct Trans-Pacific routes:

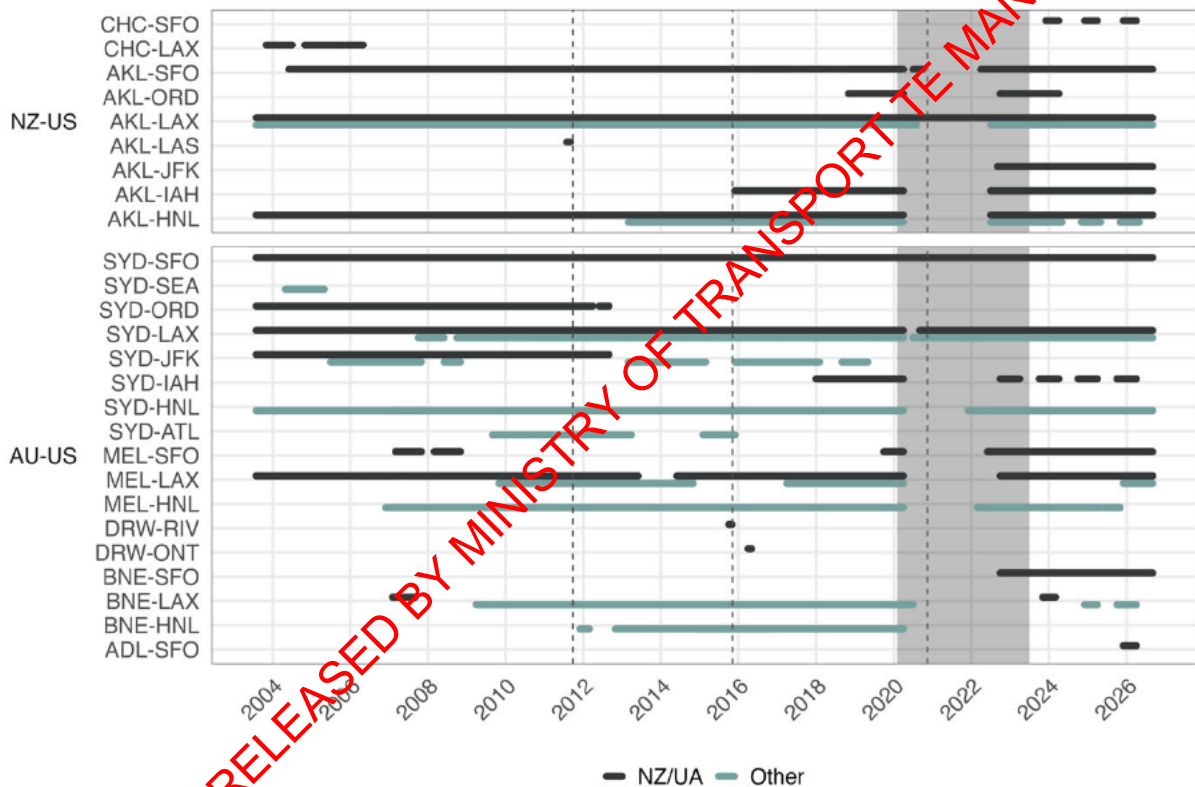
- **Qantas:** Sydney-Orlando (SYD-MCO), Sydney-Las Vegas (SYD-LAS), Melbourne-New York (MEL-JFK), Darwin--Los Angeles (DLW-LAX), and Brisbane-San Francisco (BNE-SFO).
- **American:** Auckland-New York (AKL-JFK), Sydney-Las Vegas (SYD-LAS)

<sup>4</sup> The connections provided by the respective airlines' domestic networks and associated marketing/sales capabilities also supports the choice to define relevant markets at a national level, that is, NZ-US and NZ-AU. Specifically, s 9(2)(b)(ii), s 9(2)(ba)(i) arising under the QAJB reflects the importance of domestic connections, which can help funnel domestic passengers and boost load factors on onwards Trans-Pacific flights.

- **Air New Zealand / United:** Christchurch-Los Angeles (CHC-LAX), Auckland-Chicago (AKL-ORD), Sydney-Chicago (SYD-ORD), Darwin- (DRW-RIV), Darwin-Ontario (DRW-ONT), and Brisbane-Los Angeles (BNE-LAX)
- **Other:** Sydney-Seattle (SYD-SEA), Sydney-New York (SYD-JFK), Brisbane-Honolulu (BNE-HNL), and Sydney-Atlanta (SYD-ATL).

Since 2004, airlines appear to have entered and subsequently exited from approximately 17 routes in the Trans-Pacific market between NZ-US and AU-US, compared to the 27 routes that are currently operating. The relatively high “exit rate” of routes (i.e. those routes that are entered but subsequently exited) implies the ongoing viability of Trans-Pacific services and that existing airlines face somewhat modest barriers to entry on new routes.

Figure 8: Timeline of Trans-Pacific routes operated between NZ-US (top panel) and AU-US (bottom panel) by NZ/UA and Other airlines in the period 2004-2026 (NB: Future data reflect routes that currently have authorisation to that time)



Moreover, we note Auckland and New Zealand are relatively small markets compared to other long-haul destinations where American currently operate direct services in Asia and Oceania, such as Tokyo, Seoul, and Sydney.

On balance, the direct effects of the Applicants’ counterfactual – strikes us as plausible. The recent establishment of several routes, their comparably low load factors, regular instances of entry and exit, and Auckland / New Zealand’s small size compared to American’s other destinations in the Asia Pacific region .

### 3.2.3 Other forms of cooperation

We also considered the plausibility of the Applicants’ counterfactual under other (weaker) forms of cooperation, such as code-sharing agreements. As noted in the Application,

The key question with this aspect of the counterfactual is whether other forms of cooperation would generate sufficient revenue s 9(2)(b)(ii), s 9(2)(ba)(i). To answer this question, we consider the composition of the Trans-Pacific market between New Zealand and the US. Currently, direct services break down as follows:

- The Air New Zealand / United alliance operates services on six direct routes, namely CHC-SFO, AKL-SFO, AKL-LAX, AKL-JFK, AKL-IAH, and AKL-HNL per Figure 8.
- The Qantas / American alliance operates services on three direct routes, namely AKL-LAX, AKL-DFW, and SYD-AKL-JFK per Figure 1
- Other airlines operate on two direct routes, namely AKL-LAX (Delta) and AKL-HNL (Hawaiian) per Figure 8.

Of the 11 direct routes in the Trans-Pacific market, 9 are operated under alliance arrangements compared to two that are not. Of the latter, Hawaiian's AKL-HNL has a code share arrangement with Qantas whereas Delta's AKL-LAX service does not have any cooperation arrangement.

Although Delta's AKL-LAX service indicates that direct Trans-Pacific flights to the US mainland might be viable even without any alliance or code share arrangements, we note this service only started in October 2023 and as such is relatively new. Given the relatively high exit rate noted in Section 3.2.2, we suggest it is too soon to assess whether this service will remain viable.

On balance, evidence on the composition of the market suggest that, at the present time, other forms of cooperation are s 9(2)(b)(ii), s 9(2)(ba)(i). That said, other forms of cooperation could possibly help to mitigate some of the reductions in capacity associated with the counterfactual. We explore this question further when developing our proposed counterfactual in Section 3.3.

### 3.2.4 Response of other airlines

The Applicants' counterfactual does not consider a question that we consider to be relevant to the Ministry's process. That is, if QAJB was not re-authorized and assuming Qantas / American did withdraw or reduce services, then what might be the next best response by other airlines?

We note the two other largest US airlines, namely United and Delta, are already present in the Trans-Pacific market. Air New Zealand / United, for example, have operated Trans-Pacific services under an alliance that pre-dates that for Qantas / American. Similarly, and as noted above, Delta has recently entered the Trans-Pacific market with direct AKL-LAX services. Due to the relatively small size of other US airlines that currently operate internationally as well as the relatively long distances involved in operating Trans-Pacific services to New Zealand, we consider entry from other US airlines to be somewhat unlikely, at least in the short to medium term.

As such, s 9(2)(b)(ii), s 9(2)(ba)(i), we expect any potential response is most likely to originate in the other two existing carriers that currently operate Trans-Pacific services. Table 3 summaries other airlines that are currently present on each of the three Trans-Pacific routes affected by the QAJB.

Table 3: Summarising the potential response of other airlines to a counterfactual where QAJB was not authorised

Route	Other airlines present
AKL-LAX	Air New Zealand / United alliance Delta
AKL-DFW	-
SYD-AKL-JFK	Air New Zealand / United alliance

Considering the AKL-LAX service first, we observe two other airlines are present, which could increase capacity. Air New Zealand / United, for example, already operate 1-2 services per day between AKL-LAX, which s 9(2)(b)(ii), s 9(2)(ba)(i) – could conceivably be increased

to 2 services per day on a regular basis. Similarly, Delta experiences similar demand profiles to American and could plausibly look to boost capacity on these flights in the future. On this basis, there would seem to be options for either of these two airlines to increase capacity s 9(2)(b)(ii), s 9(2)(ba)(i) in the event it was profitable to do so.

In contrast, no other airlines currently operate AKL-DFW and nor is DFW a major hub for either United or Delta. This seems likely to reduce the ability for these airlines to respond to the s 9(2)(b)(ii), s 9(2)(ba)(i) by entering this specific route. Instead, the best response of other airlines to the s 9(2)(b)(ii), s 9(2)(ba)(i) is likely to be to offer connections that help to funnel domestic passengers onto their other existing routes, such as AKL-LAX and AKL-SFO.

For SYD-AKL-JFK, Air New Zealand / United is the only other airline present. We understand this service currently operates three days per week, which may suggest there is the potential to increase capacity should s 9(2)(b)(ii), s 9(2)(ba)(i) make it profitable to do so. On the other hand, given Air New Zealand / United is the only other airline operating this route, they may face weaker incentives to increase capacity and instead find it more profitable to respond to additional demand arising from s 9(2)(b)(ii), s 9(2)(ba)(i) by increasing fares or spreading it over other services.

### 3.3 Our proposed counterfactual

On the balance of evidence, we consider the Applicants' proposed counterfactual presents plausible direct responses to a scenario in which the QAJB was not re-authorised. s 9(2)(b)(ii), s 9(2)(ba)(i)

We estimate the combined direct effects of these responses s 9(2)(b)(ii), s 9(2)(ba)(i) We have broadly verified the level of revenue-enablement attributed to the QAJB and the s 9(2)(b)(ii), s 9(2)(ba)(i) of affected services. In general, evidence supports the direct effects articulated in the Applicants' proposed counterfactual.

Where we diverge somewhat from the Applicants' counterfactual is in the indirect, or secondary, effects of QAJB not being authorised. First, we consider it likely that – in the absence of the QAJB – Qantas / American would pursue and secure other forms of cooperation that serve to partly mitigate the loss of revenue. We note both airlines are members of the One World alliance, for example. Second, we consider it likely that, in a scenario where Qantas / American withdraw or reduce Trans-Pacific services, other airlines – such as Delta and Air New Zealand / United or even possibly Hawaiian and Jetstar – could possibly respond by increasing capacity on other Trans-Pacific routes. Although we do not anticipate these two indirect secondary effects to fully offset the loss of capacity in the absence of the QAJB, we consider they would at least mitigate some of the loss in revenue for Qantas / American and/or subsequent implications for capacity.

The magnitude of these indirect responses seems likely to be route-specific. In the absence of evidence, we have arrived at our proposed counterfactual based on the following assumptions:

- For AKL-LAX, we expect other airlines such as Air New Zealand / United and/or Delta would respond by increasing supplied capacity s 9(2)(b)(ii), s 9(2)(ba)(i)
- s 9(2)(b)(ii), s 9(2)(ba)(i)
- For SYD-AKL-JFK, we expect that a combination of increased capacity from Air New Zealand / United as well as other forms of cooperation would contribute to s 9(2)(b)(ii), s 9(2)(ba)(i)

Table 4 summarises the implications of these assumptions compared to the counterfactual inferred from the Application in Section 3.1. Whereas our interpretation of the Applicants’ counterfactual implies s 9(2)(b)(ii), s 9(2)(ba)(i)

Table 4: Comparing our interpretation of the Applicants’ counterfactual to our proposed counterfactual

Market	Route	Factual	Counterfactuals		Change	
			Inferred	Proposed	Inferred	Proposed
Trans-Pacific	AKL-LAX	44,772	s 9(2)(b)(ii), s 9(2)(ba)(i)			
	AKL-DFW	78,090	s 9(2)(b)(ii), s 9(2)(ba)(i)			
	AKL-JFK	124,136	s 9(2)(b)(ii), s 9(2)(ba)(i)			
	Other	1,209,099	s 9(2)(b)(ii), s 9(2)(ba)(i)			
	Total	1,456,097	s 9(2)(b)(ii), s 9(2)(ba)(i)			
Trans-Tasman	AKL-SYD	124,136	s 9(2)(b)(ii), s 9(2)(ba)(i)			
	Other	8,434,611	s 9(2)(b)(ii), s 9(2)(ba)(i)			
	Total	8,558,747	s 9(2)(b)(ii), s 9(2)(ba)(i)			

Our proposed counterfactual seeks to describe plausible outcomes under a hypothetical scenario where QAJB was not authorised and accounting for direct and indirect effects. In this scenario, we accept s 9(2)(b)(ii), s 9(2)(ba)(i)

Although we agree this will have direct negative effects on [redacted] in the Trans-Pacific market, we expect this [redacted] to be partly mitigated by indirect secondary effects, such as other forms of cooperation and responses by other airlines. s 9(2)(b)(ii), s 9(2)(ba)(i)

[redacted] under our proposed counterfactual is somewhat smaller than that inferred from the Application [redacted] but nonetheless material.

s9(2)(b)(ii) & s9(2)(ba)(i)

9(2)(b)(ii) & s9(2)(ba)(i)

9(2)(b)(ii) & s9(2)(ba)(i)

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## 4 Substitutability of affected routes

We now analyse the substitutability of individual routes within the wider Trans-Pacific market. The purpose of this analysis is to understand whether routes in this market are behaving in a normal manner. To do so, we characterise the behaviour of routes to changes in the price of direct services vis-à-vis indirect services. The following sections present our conceptual approach (Section 4.1), outline the model and data (Section 4.2), and summarise our results (Section 4.3).

### 4.1 Conceptual approach

Our conceptual approach relies on the economic concepts of “own-price” and “cross-price” elasticities of demand. Here, the own-price elasticity ( $\alpha_o$ ) measures the effect of a change in direct airfares on the *demand for the direct route*. In contrast, the “cross-price elasticity” ( $\alpha_c$ ) measures the effect of a change in direct airfares on the *demand for indirect routes*.

Intuitively, we expect own-price elasticities of demand to be negative,  $\alpha_o < 0$ . That is, if the airfare increases for travelling via the direct route, then the demand for the direct route will decrease, holding other factors constant. Empirical studies report own-price elasticities  $\alpha_o < -1.00$ .<sup>5</sup> In contrast, we expect cross-price elasticities to be positive  $\alpha_c > 0$ . This implies that if direct airfares were to increase, then the demand for indirect routes would increase.<sup>6</sup> Together, the own-price and cross-price elasticities contain useful information on the extent to which airfares affect the demand for travel via direct vis-à-vis indirect routes. That is, overall patterns of substitutability.

Importantly, although own-price and cross-price elasticities measure two distinct effects of a change in airfares, they are also somewhat linked. We might expect, for example, the own-price elasticity to be more negative (i.e. the demand for direct travel to be more price-sensitive) on those routes where indirect routes are a more viable substitute, i.e. where the cross-price elasticity is larger. This link between the two measures implies a negative relationship between own-price and cross-price elasticities: Demand for direct routes will tend to be more price-sensitive (as measured by a larger, or more negative, own-price elasticity) in those situations where indirect routes are more viable alternatives (as measured by a larger cross-price elasticity).

By estimating the own-price and cross-price elasticities for Trans-Pacific routes between NZ-US, we can begin to understand whether this market is behaving in a manner that is broadly expected.

### 4.2 Model and data

The following sections explain how we estimate own-price and cross-price elasticities for routes in the Trans-Pacific market by combining an empirical model (Section 4.2.1) with data (Section 4.2.2).

#### 4.2.1 Model

To begin, let  $D_{rt}^A$  and  $D_{rt}^B$  denote the bi-directional demand to travel direct ( $A$ ) and indirect ( $B$ ), respectively, on route  $r$  in month  $t$ . Moreover, let us use  $P_{rt}^A$  and  $P_{rt}^B$  to denote the average airfare to travel using direct and indirect routes, respectively. We could then use the following simple log-log model to estimate the own-price and cross-price elasticities of the demand for travel:<sup>7</sup>

<sup>5</sup> This implies that a doubling of the direct airfare would cause the demand to travel direct to approximately halve. Empirical estimates of the own-price elasticity of the demand for air travel tend to be slightly larger in magnitude. See, for example, Perera, S., & Tan, D. (2019). In search of the “Right Price” for air travel: First steps towards estimating granular price-demand elasticity. *Transportation Research Part A: Policy and Practice*, 130, 557-569.

<sup>6</sup> The magnitude of cross-price elasticities is variable as it depends on the size of the direct and indirect routes.

<sup>7</sup> A log-log model formulation is convenient because it allows us to derive constant elasticities, which are simple to interpret and apply and readily compared to estimates drawn from the existing literature.

$$\ln D_{rt}^A = \alpha_o^A \ln P_{rt}^A + \alpha_c^A \ln P_{rt}^B$$

$$\ln D_{rt}^B = \alpha_c^B \ln P_{rt}^A + \alpha_o^B \ln P_{rt}^B$$

Here,  $\alpha_o^A$  and  $\alpha_o^B$  denote the own-price elasticities of demand to travel via direct and indirect routes, respectively, whereas  $\alpha_c^A$  and  $\alpha_c^B$  denote the cross-price elasticities of demand. Of these parameters, we are primarily interested in  $\alpha_o^A$  and  $\alpha_c^B$ , which measure the own-price elasticity of a change in demand for direct travel and the cross-price elasticity of the demand for indirect travel.

Of course, airfares are not the only factor that affect the demand for travel via direct or indirect routes. For this reason, we extend the simple model above to include additional controls for:

- Individual effects for routes,  $\delta_r^A$  and  $\delta_r^B$ , which help to control for differences in the level of demand on individual routes.
- Individual effects for months,  $\delta_t^A$  and  $\delta_t^B$ , which help to control for seasonal differences in demand. We interact these monthly terms with the individual route effects  $\delta_r^A$  and  $\delta_r^B$ , such that each route can have its own monthly (“seasonal”) pattern.
- Other time-varying factors, such as macroeconomic conditions, which affect overall demand. To control for these effects, we use a non-parametric, non-linear spline model  $s(t)$ .

When estimating this model, we also allow for the own-price and cross-price elasticities of interest – that is,  $\alpha_o^A$  and  $\alpha_c^B$  – to vary with route,  $r$ . This essentially allows each individual direct route to have a different own- and cross-price elasticity. Formally, our model specification becomes:

$$\ln D_{rt}^A = \alpha_o^A \ln P_{rt}^A + \alpha_c^A \ln P_{rt}^B + (1 + \delta_t^A + \beta_{or}^A \ln P_{rt}^A) \delta_r^A + s^A(t)$$

$$\ln D_{rt}^B = \alpha_c^B \ln P_{rt}^A + \alpha_o^B \ln P_{rt}^B + (1 + \delta_t^B + \beta_{cr}^B \ln P_{rt}^A) \delta_r^B + s^B(t)$$

Where the two interaction terms in brackets – that is,  $(1 + \delta_t^A + \beta_{or}^A \ln P_{rt}^A) \delta_r^A$  and  $(1 + \delta_t^B + \beta_{cr}^B \ln P_{rt}^A) \delta_r^B$  are of critical importance because they allow the individual effects of months and airfares to vary by route. For an individual route,  $r_1$ , the total own-price and cross-price elasticities are given by  $\alpha_{or_1}^A = \alpha_o^A + \beta_{or_1}^A$  and  $\alpha_{cr_1}^B = \alpha_c^B + \beta_{cr_1}^B$ . That is, the estimated population-level elasticities plus the relevant route-level elasticities.

As we have limited data, we define  $\delta_t^A$ ,  $\delta_t^B$ ,  $\alpha_{or}^A$ ,  $\alpha_{cr}^B$ ,  $\delta_r^A$ , and  $\delta_r^B$  as varying (“random”) effects, which helps to guard against the risk of over-fitting. We also address endogeneity by instrumenting the fare variables,  $\ln P_{rt}^A$  and  $\ln P_{rt}^B$ , using foreign exchange rates, specifically the USD:NZD and USD:AUD cross-rates. Our identifying assumption is the latter represent exogenous shocks to demand that enable the model to isolate the effects of changes in airfares.

We estimate the above two linear models simultaneously, allowing for residual correlations between the two equations. We also estimate the models in a Bayesian setting, which enables us to incorporate prior information on the sign and magnitude of the own-price and cross-price elasticities. Specifically, we impose priors  $\alpha_o^A, \alpha_c^B \sim N(-1.25, 0.25)$  and  $\alpha_c^A, \alpha_o^B \sim N(0.20, 0.10)$ . To mitigate the influence of unusual observations, we let the response variable follow a Student’s- $t$  distribution and allow for heteroskedastic variance, i.e. cluster by month and route.

#### 4.2.2 Data

This analysis relied primarily on data sourced from Cirium, a commercial aviation intelligence provider. The Cirium FM Traffic, FM Segments, and Schedules datasets together provide comprehensive coverage of international and domestic aviation activity.

These data allow us to track monthly traffic flows, passenger volumes, fares, and scheduled capacity at the route and carrier level. Traffic and segment data are available from 2014, while schedule data

extend back to 2004. Together, these datasets provide a consistent and comparable view across markets. This enables meaningful benchmarking of routes covered by the JBA against substitute routes in relevant markets and supports the development of robust substitution models.

Our model distinguishes two measures of demand. The  $D_{rt}^A$  variable denotes the number of passengers travelling directly on the focal route. Similarly, the  $D_{rt}^B$  variable denotes the number of passengers travelling on alternative itineraries that connect the endpoints of the focal route through one or more intermediate gateways. These measures were derived from separate Cirium datasets:

- Direct (*A*) routes were constructed using FM Segments data. Segment records capture the total number of revenue passengers travelling on each operated flight leg, including passengers connecting from other flights.
- Indirect (*B*) routes were constructed using FM Traffic data. Traffic data describe complete itineraries between a passenger's true origin and destination (O&D). Passengers were assigned to the relevant route-pair whenever their itinerary included both endpoints of the focal market but did not travel the direct focal route. We included passengers originating in, connecting to, or travelling through 'third' countries (i.e. outside New Zealand, Australia, and the United States) where those third countries accounted for more than 0.05% of total traffic flows.

Both datasets include average O&D fares, allowing consistent treatment of pricing variables.

The extended COVID-19 period, during which government restrictions significantly reduced international air travel, spanned February 2020 to August 2023. Because this period does not represent stable market conditions, it was excluded from econometric analyses.<sup>8</sup>

While Cirium coverage is both detailed and comprehensive these datasets have certain limitations that readers should consider alongside our analysis:

- Cirium use a 'traffic and fares methodology model' to generate passenger and fare estimates where data coverage is incomplete. In the markets we examined, this model appears to under report itineraries sold by airlines ('Marketing Carriers') on flights they do not operate.
- Unless an airline provides specific seat counts associated with their aircraft configuration, Cirium total seat data reflects the default seat count for the scheduled equipment type. As such, reported capacities (and load factors) should be treated as close approximations.
- Fare classes are not reliably reported. Tickets are assigned to fare classes using IATA RBDs (Reservation Booking Designators). However, all relevant airlines applied RBDs inconsistently with IATA standards. This limitation was the primary reason our analysis was aggregated across fare classes.
- Cirium Traffic data include itineraries with up to two intermediate stops. Three-or-more-stop itineraries cannot be re-integrated. We expect the extent of omitted passenger on three-or-more stop itineraries is small in magnitude.

Cirium data were supplemented with airport location data sourced from OurAirports while daily exchange rate data was sourced from the Reserve Bank of New Zealand.

### 4.3 Results

Table 5 summarises the estimated own-price and cross-price elasticities that we find when estimating the model described in Section 4.2.1 using the data described in Section 4.2.2. Here we order routes from the highest to lowest cross-price elasticity and bold those affected by QAJB.

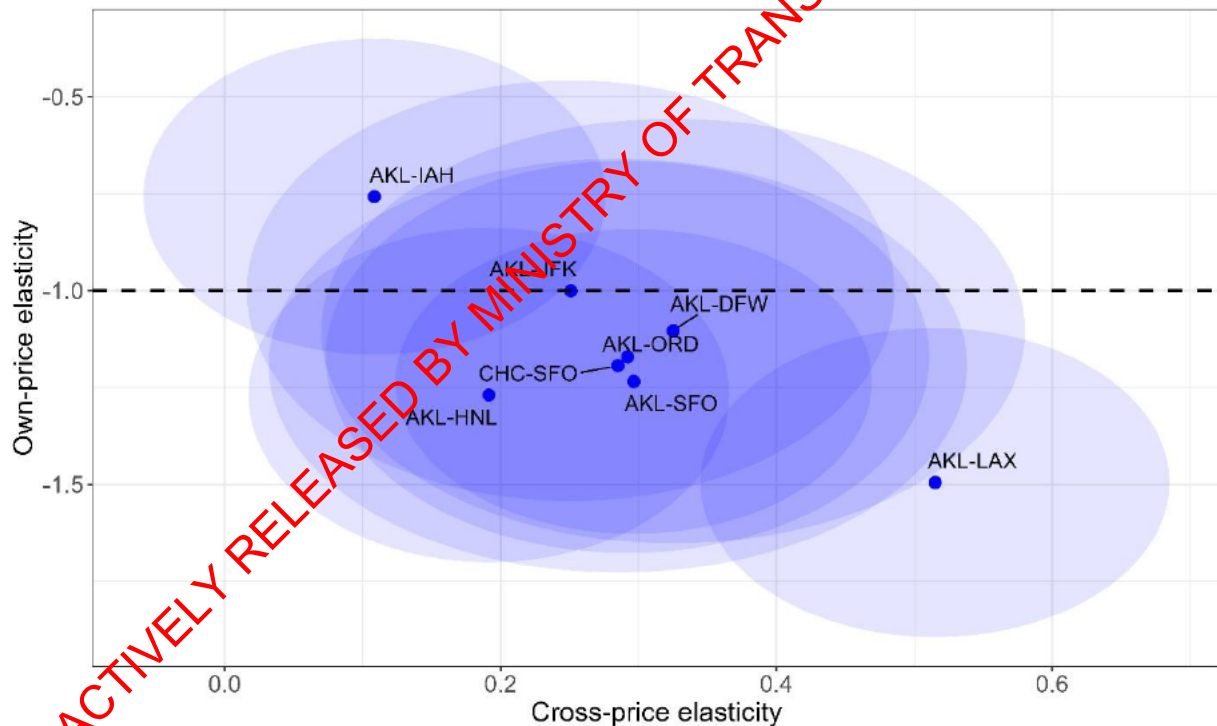
<sup>8</sup> For completeness and transparency, we present time-series including the COVID-affected period. Consideration of post-COVID recovery patterns in capacity and demand are discussed separately in the report.

Table 5: Estimated own-price and cross-price elasticities for routes in the Trans-Pacific market between NZ and US

Route	Own-price elasticities				Cross-price elasticities			
	Mean	s.e.	CI low	CI high	Mean	s.e.	CI low	CI high
AKL-LAX	-1.50	0.24	-1.90	-1.10	0.52	0.10	0.35	0.69
AKL-DFW	-1.10	0.33	-1.65	-0.55	0.33	0.16	0.07	0.58
AKL-SFO	-1.23	0.24	-1.63	-0.84	0.30	0.11	0.13	0.47
AKL-ORD	-1.17	0.30	-1.68	-0.67	0.29	0.13	0.08	0.52
CHC-SFO	-1.19	0.33	-1.72	-0.66	0.29	0.15	0.03	0.54
AKL-JFK	-1.00	0.33	-1.51	-0.43	0.25	0.14	0.01	0.48
AKL-HNL	-1.27	0.26	-1.71	-0.84	0.19	0.11	0.02	0.37
AKL-IAH	-0.76	0.25	-1.17	-0.36	0.11	0.10	-0.06	0.28

In Figure 9, we then plot the own-price elasticities (vertical axis) versus the cross-price elasticities (horizontal axis) along with their 90% credibility intervals. The resulting negative relationship aligns with the intuition presented in Section 4.1: That is, demand for direct routes tends to be more price-sensitive (as measured by a larger, or more negative, own-price elasticity) when indirect routes represent a more viable alternative (as measured by a larger cross-price elasticity).

Figure 9: Estimated own-price elasticities (vertical axis) and cross-price elasticities (horizontal axis) for individual routes in the Trans-Pacific market. The blue shaded ellipses denote the 90% credibility interval of the point estimates.



The eight own-price elasticities that we estimate, all but one have mid-point estimates below -1.0. The exception is AKL-IAH, although even the latter's own-price elasticity has 90% CIs that extend to include -1.0. And, whereas estimated own- and cross-price elasticities vary in magnitude between routes, we observe considerable overlap in the coverage of the 90% CIs of the estimates.

On balance, these results suggest routes in the Trans-Pacific market between NZ-US are responding to changes in airfares for direct vis-à-vis indirect routes in ways that align with our expectations. Own-price elasticities with magnitudes that are around -1.0, for example, suggest the airlines are likely to be charging the revenue maximising airfare. Above this point, any additional revenue that might be raised from further increase in airfares would be broadly offset by reduced demand. Moreover, we find own-price elasticities for direct travel are larger in magnitude on those routes

where we also find larger cross-price elasticities for indirect travel. We interpret the results of this analysis as evidence the Trans-Pacific market is exhibiting generally expected responses to airfares.

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## 5 Competitive effects

In this section, we consider whether the QAJB may change the level and nature of competition in the market. Whereas coordination under the QAJB can increase demand and generate efficiencies that help these airlines to sustain § 9(2)(b)(ii), § 9(2)(ba)(i) in a market where they are not the largest operator, it can also reduce competitive pressure given that Qantas and American will no longer act as independent rivals and possibly discourage entry. In this section, we consider how the QJBA is likely to affect competition. First, we consider market shares (Section 5.1); second, levels of market concentration (Section 5.2), and third, broader competitiveness tensions (Section 5.3).

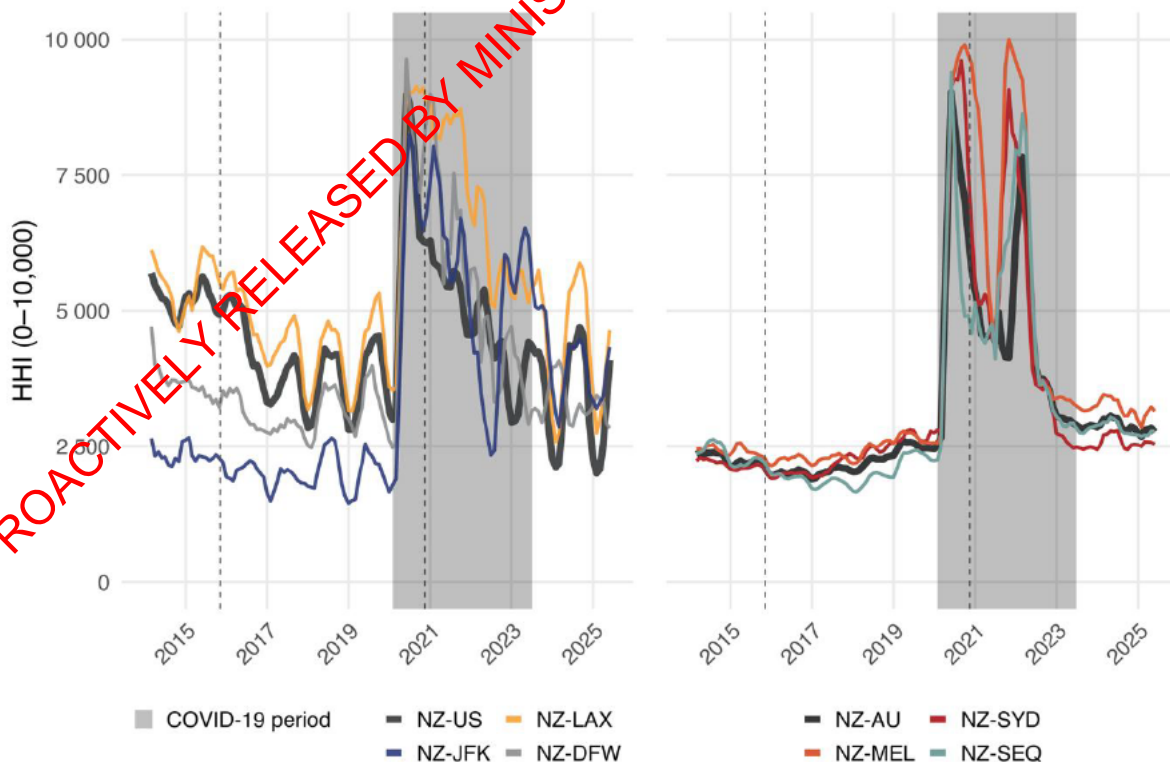
### 5.1 Market shares

The relative market shares in Figure 2 reveal Qantas / American is not the largest operator in either the Trans-Pacific or the Trans-Tasman markets, which is instead a position that is held by Air New Zealand and its alliance partner United Airlines. The fact that Qantas / American is not the largest airline group in either of these markets is important when considering competitive effects. This is especially relevant given Air New Zealand / United have the largest shares *and* operate in an alliance. In this context, not authorising Qantas / American to also operate under an alliance might serve to increase the market share of an even larger alliance, thereby reducing competitive pressures.

### 5.2 Market concentration

Figure 10 illustrates trends in market concentration for the Trans-Pacific (right panel) and Trans-Tasman (left panel) from 2014-2025.

Figure 10: Trends in market concentration index (“HHI”) for United States (left panel) and Australia (right panel) for major routes 2014-2025. Passenger-weighted average HHI across all routes in each market is denoted in solid black.



Here, we measure concentration using the Hirschman-Herfindahl Index (“HHI”), as the sum of the squared market shares of all firms in a market. Higher HHI values indicate greater concentration with scores above 1,800 generally considered to reflect a more concentrated and less competitive

market.<sup>9</sup> The HHI suggests the Trans-Pacific (right panel) is more concentrated than the Trans-Tasman market (left panel). For Trans-Pacific routes, we find overall market concentration has tended to fall gradually over time, especially before and after the COVID period. This trend suggests the presence of earlier JBAs between Qantas and American have not led to an increase in market concentration. At the level of individual routes, Figure 10 suggests market concentration on the NZ-LAX and NZ-DFW routes have tended to fall over time whereas that for the NZ-JFK route has increased slightly over time. Our investigations found the latter trend is explained by passengers diverting from myriad indirect routes via Australia to instead concentrate on new direct routes operating via Auckland. In this context, higher market concentration on the NZ-JFK route simply reflects the benefits of direct services rather than disbenefits from reduced competition. On balance, market concentration in the Trans-Pacific market appears to be declining, which aligns with the overall trends in market share previously illustrated in Figure 2.

In the Trans-Tasman market, market concentration appears to have remained stable over time at least outside of the COVID period. Market concentration is slightly higher now than it was pre-COVID, which is likely to reflect a reduction in Trans-Tasman services being operated by Virgin Airways.<sup>10</sup> Of the three largest Trans-Pacific routes, NZ-SYD currently has the lowest HHI. This further confirms that the effects of the QAJB on the Trans-Tasman market – specifically, a reduction in capacity on SYD-AKL-JFK – is unlikely to have material effects on competition.

### 5.3 Competitive tensions

Although market shares and market concentration provide useful quantitative insights into the state of the market as it stands currently, they do not capture some of the broader competitive tensions that are relevant to the QAJB. In our view, there is a competitive tension between:

- *The potential for pro-competitive effects*, given that QAJB enables Qantas / American to invest in new services and capacity, such that they can compete more effectively with the larger and more established Air New Zealand / United alliance; and
- *The potential for anti-competitive effects*, whereby QAJB gives Qantas / American an advantage over other smaller airlines – such as Delta, Jetstar, and Hawaiian – which might otherwise, in the absence of the QAJB, choose to expand their Trans-Pacific operations.

On the balance of evidence before us, we consider it more likely that the QAJB alliance is pro-competitive. Specifically, we note:

- First, since the first JBA was signed 2011, Qantas / American has increased overall capacity on the Trans-Pacific routes. This suggests past JBAs have not hindered investment.
- Second, since 2011 several smaller airlines, such as Delta, Jetstar, and Hawaiian, have entered the Trans-Pacific market, contributing to a further increase in capacity.
- Third, the increase in capacity by Qantas / American and other airlines is serving to erode the market share of the larger alliance operated by Air New Zealand / United.
- Fourth, timelines reveal many instances where airlines have entered new Trans-Pacific routes. While some of these have been sustained, many have not. In our view, recent evidence of both entry and exit into the market seems consistent with low barriers to entry, relatively marginal profitability, and a broadly competitive market.
- Fifth, load factors on Qantas / American services remain below those of Air New Zealand / United. [s 9\(2\)\(b\)\(ii\), s 9\(2\)\(ba\)\(i\)](#)

<sup>9</sup> We can calculate HHI both at the level of whole markets and for individual routes.

<sup>10</sup> This would also explain the reduction in market share for “Other” airlines shown in the right panel of Error! Reference source not found..

On this basis, we consider it more likely the QAJB will have pro-competitive effects on the Trans-Pacific market and positive to negligible effects on the Trans-Tasman market.

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## 6 Public value

### 6.1 Net public value

The results of our analysis suggest authorisation of the QAJB will deliver net public value, arising primarily via the following channels:

- *Increased capacity.* Our analysis finds the QAJB is likely to incentivise Qantas / American to invest in new or additional services and contribute to an overall increase in capacity in the Trans-Pacific, and to a lesser extent the Trans-Tasman market.
- *Increased competition.* Our analysis suggests earlier iterations of the QAJB have enabled Qantas / American to invest in new routes and increased services that would otherwise be marginal. In turn, this has increased overall competition on the affected markets.

Our analyses find the QAJB is likely to support frequency and capacity; s 9(2)(b)(ii), s 9(2)(ba)(i) and competition compared to a counterfactual where it is not authorised. In this context, we consider the QAB is likely to deliver net public value.

### 6.2 Other considerations

In arriving at these conclusions, we acknowledge that effects on competition are complex and depend on the best responses of other airlines, which cannot be readily observed nor easily verified. It is possible the QAJB facilitates increased investment by Qantas / American but discourages investment by other smaller airlines, such as Delta, Jetstar, and Hawaiian.

In weighing up the balance of effects, we consider it important to note the significant difference in the scale of Air New Zealand / United vis-à-vis Qantas / American vis-à-vis other airlines. Put simply, we think the pro-competitive effects of QAJB – by enabling Qantas / American to compete more effectively with the Air New Zealand / United alliance – out-weigh the potential for anti-competitive effects on other smaller airlines.

That said, the recent unilateral entry of Delta into the AKL-LAX route raises questions about how the Trans-Pacific market should be approached in the future. Specifically, if Delta can sustain services without an alliance, then it raises questions about whether alliances are truly necessary and whether their pro-competitive effects do outweigh their anti-competitive effects. Such questions lie outside the scope of this analysis, but we raise them as something for the Ministry to consider in future.

Finally, we note that the question of competitive effects is complicated by the presence of the Air New Zealand / United alliance, which we assume continues in our proposed counterfactual. There may be value in coordinating the timing of future alliance applications for the relevant markets, such that the combined effects of difference alliances can be considered together. In such a case, counterfactuals would not necessarily have to assume the continuation of the Air New Zealand – United alliance and might allow for a fuller assessment that considered the relative merits of both alliances together, rather than in isolation.

## 7 Conclusions

Based on our analyses, we find evidence that the QAJB is likely to:

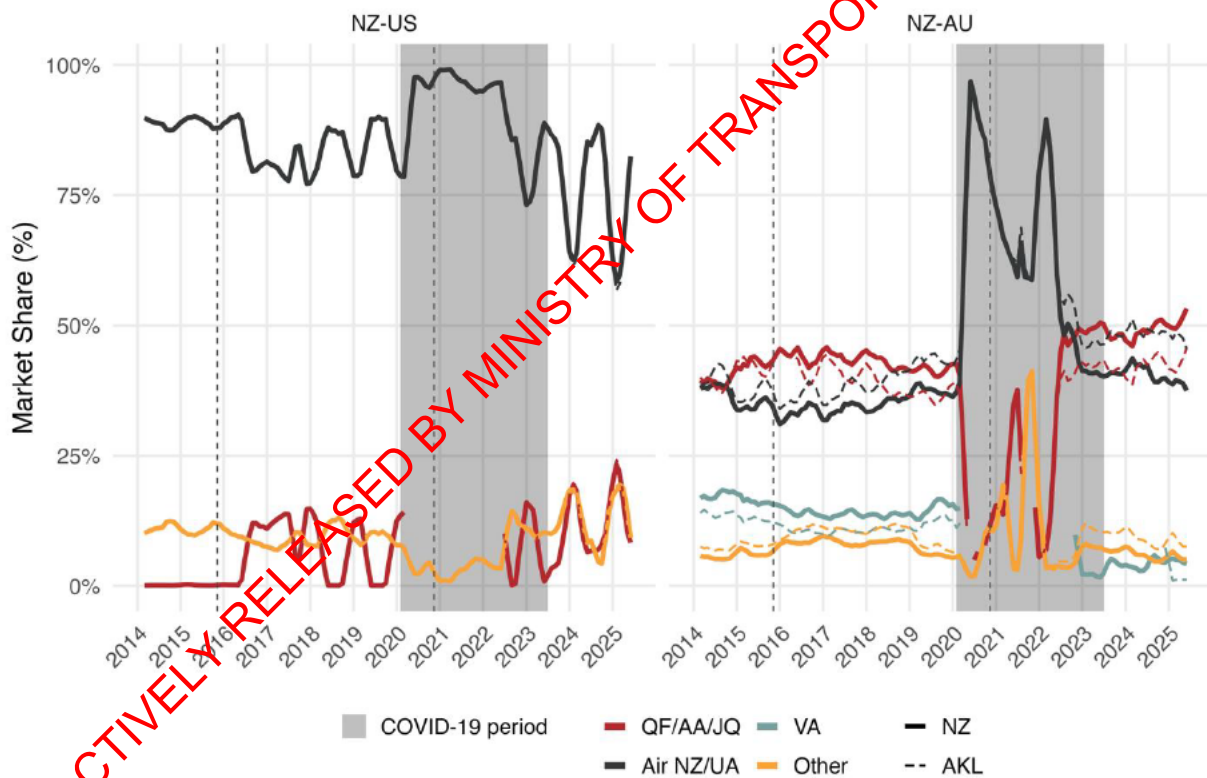
- support investment by Qantas / American and does not hinder investment by other airlines;
- apply to a Trans-Pacific market where the pricing of routes appears to behave as expected;
- exist in an environment characterised by entry and exit and that implies low barriers to entry;
- contribute to a more competitive market for air travel than would otherwise be realised; and
- deliver net economic value to New Zealand

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## Appendix A Sensitivity Tests and Route-level data

As Jetstar is a wholly owned subsidiary of Qantas, we conducted a descriptive sensitivity analysis to assess whether including Jetstar within the Applicants’ group materially affects observed market share trends (Figure 11). Jetstar does not operate Trans-Pacific services from New Zealand, so its inclusion within the Applicants’ group has no effect on market shares in the NZ–US market (left panel). In the Trans-Tasman market, adding JQ increases the combined QF/AA/EK/JQ group’s share, making it the largest operator overall (right panel). Although Jetstar operates a number of Trans-Tasman services on routes to airports outside Auckland, the inclusion of JQ does not materially alter the relative pattern of national versus Auckland-based market shares shown in Figure 2. This sensitivity check confirms our definition of the relevant market in the main analysis is not materially altered by the treatment of Jetstar with respect to the Applicants’ group.

Figure 11: Sensitivity analysis for trends in market share for United States (left panels) and Australia (right panels) for New Zealand (solid lines) and Auckland (dotted lines) in the period 2014-2025 to the inclusion of Jetstar (JQ) to the QF/AA/EK group.



likewise, the inclusion of Jetstar in the Applicants’ group does not materially change our interpretation of the descriptive analysis of the capacity trends in Figure 3. The growth in capacity in the Trans-Tasman market has been relatively high for the combined Qantas group in the post-COVID period (Figure 12). As noted in the body of the report, this would appear to be primarily the result of redirected demand due to a sharp reduction in capacity operated by Virgin. There is no effect on the Trans-Pacific market.

Figure 12: Sensitivity analysis for trends in direct capacity between New Zealand and the United States (left panel) and Australia (right panel) to the inclusion of Jetstar (JQ) into the QF/AA/EK group.

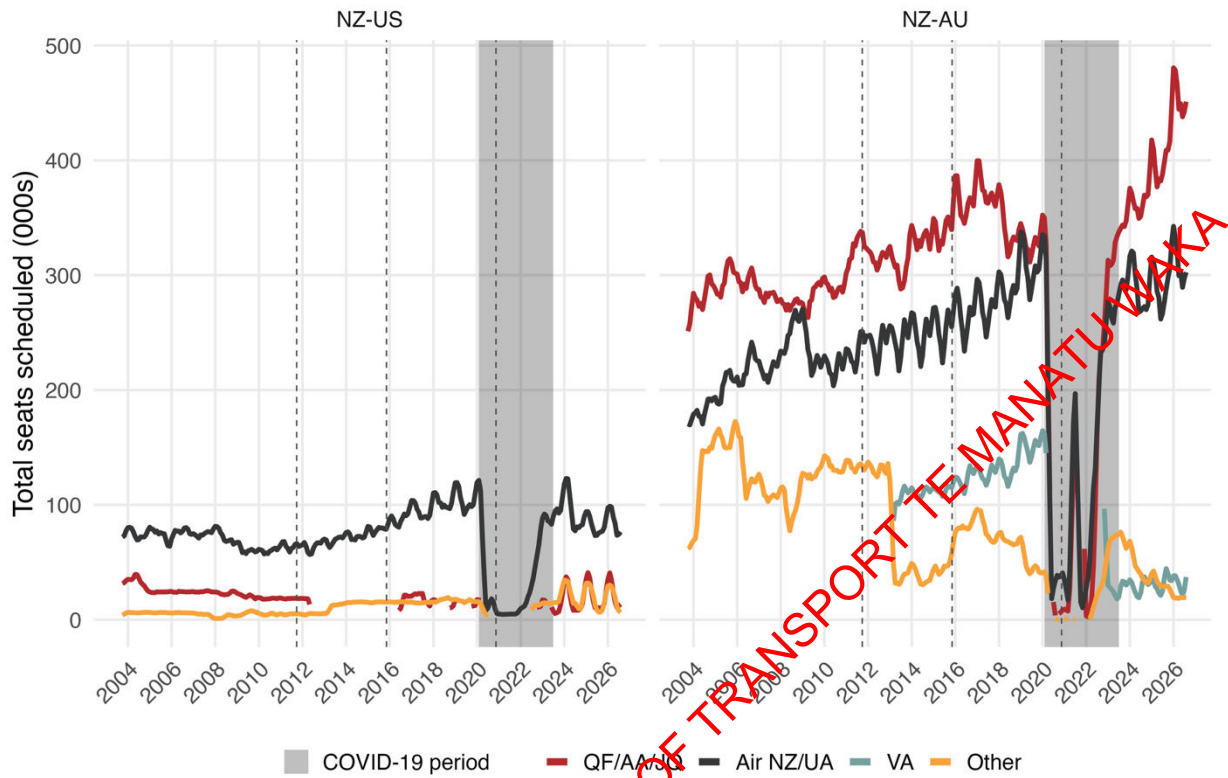


Table 6 and Table 7 show aggregate passenger and fare values at a market and route level. Table 6 reports annual passenger numbers and fares by direct and indirect route for the NZ “originating” Trans-Pacific and Trans-Tasman operations. Table 7 reports route-level aggregates of passenger numbers and average fares for the 2024 to 2025 period and highlights the proportion of traffic travelling via each direct route and the fare premium over passengers travelling through each O&D via an indirect routing.

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Table 6: Annual passenger numbers and average fares for Trans-Pacific (NZ-US) and Trans-Tasman (NZ-AU) markets 2014 to 2025.

	Metric	Route	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
NZ-AU	Pax	Direct Route	24,520	26,243	27,323	26,981	28,628	29,473	19,614	5,556	18,066	24,175	27,033	26,261
NZ-AU	Pax	Indirect Routes	418,153	469,553	494,743	501,123	511,010	515,745	323,464	83,997	291,249	407,738	451,705	462,002
NZ-AU	Fare	Direct Route	\$334	\$348	\$371	\$379	\$374	\$407	\$433	\$533	\$536	\$520	\$490	\$532
NZ-AU	Fare	Indirect Routes	\$292	\$298	\$320	\$328	\$321	\$343	\$354	\$379	\$466	\$439	\$423	\$465
NZ-US	Pax	Direct Route	20,546	21,348	17,696	18,518	21,303	18,345	12,068	2,786	10,656	12,961	14,825	15,300
NZ-US	Pax	Indirect Routes	44,806	48,636	64,269	67,926	70,216	73,342	41,279	342	41,137	65,460	73,853	76,315
NZ-US	Fare	Direct Route	\$986	\$1,018	\$1,002	\$1,034	\$1,109	\$1,320	\$1,464	\$1,709	\$1,670	\$1,623	\$1,679	\$1,697
NZ-US	Fare	Indirect Routes	\$947	\$983	\$974	\$1,007	\$1,078	\$1,282	\$1,404	\$985	\$1,645	\$1,577	\$1,631	\$1,682

Table 7: Route-level passenger numbers on direct vs indirect routings and all-time average fares over the 2014 to 2025 period. Direct fare/indirect fare represents the premium paid by passengers on average travelling the direct route.

Country pair	Direct route	Direct route passenger No.	Indirect routes passenger numbers	% total Passengers travelling on the direct route	Direct route avg. fare	Indirect routes avg. fare	Direct fare / Indirect fare
NZ-US	AKL-LAX	3,787,061	5,559,180	40.52%	\$ 1,329.80	\$ 1,223.30	109%
NZ-US	AKL-SFO	2,301,905	6,096,516	25.03%	\$ 1,317.37	\$ 1,246.99	106%
NZ-AU	AKL-SYD	14,126,822	43,411,542	24.55%	\$ 435.38	\$ 357.24	122%
NZ-AU	AKL-MEL	10,304,491	46,126,345	18.26%	\$ 462.49	\$ 345.05	134%
NZ-US	AKL-HNL	1,367,947	7,482,939	15.46%	\$ 790.29	\$ 1,341.64	59%
NZ-AU	AKL-BNE	8,171,756	48,009,177	14.55%	\$ 394.15	\$ 357.74	110%
NZ-US	AKL-IAH	1,014,895	7,953,757	11.31%	\$ 1,499.18	\$ 1,228.17	122%
NZ-AU	CHC-SYD	4,020,991	52,276,079	7.15%	\$ 410.10	\$ 361.61	113%
NZ-AU	SYD-WLG	3,110,046	53,110,460	5.53%	\$ 476.72	\$ 358.23	133%
NZ-AU	AKL-OOL	3,062,277	52,520,778	5.51%	\$ 273.00	\$ 362.85	75%
NZ-AU	CHC-MEL	2,940,737	52,922,830	5.26%	\$ 368.79	\$ 360.45	102%
NZ-AU	SYD-ZQN	2,934,533	52,921,625	5.25%	\$ 368.53	\$ 360.44	102%
NZ-AU	BNE-CHC	2,247,733	53,501,052	4.03%	\$ 371.44	\$ 358.67	104%
NZ-AU	MEL-WLG	1,977,327	53,836,268	3.54%	\$ 430.94	\$ 358.22	120%
NZ-AU	AKL-PER	1,846,060	53,798,027	3.32%	\$ 697.53	\$ 347.07	201%

NZ-US	AKL-JFK	276,833	8,590,633	3.12%	\$ 2,174.67	\$ 1,229.25	177%
NZ-AU	MEL-ZQN	1,628,600	54,026,179	2.93%	\$ 324.47	\$ 359.64	90%
NZ-AU	BNE-WLG	1,567,453	54,091,530	2.82%	\$ 351.05	\$ 358.80	98%
NZ-US	AKL-DFW	195,077	8,669,017	2.20%	\$ 1,337.88	\$ 1,255.64	107%
NZ-US	AKL-ORD	177,360	8,682,717	2.00%	\$ 1,745.88	\$ 1,248.87	140%
NZ-AU	BNE-ZQN	906,628	54,664,985	1.63%	\$ 367.28	\$ 357.81	103%
NZ-AU	CHC-OOL	789,317	54,759,293	1.42%	\$ 262.49	\$ 358.98	73%
NZ-AU	ADL-AKL	722,995	54,830,537	1.30%	\$ 570.22	\$ 354.95	161%
NZ-AU	OOL-WLG	436,778	55,099,780	0.79%	\$ 241.58	\$ 358.48	67%
NZ-AU	OOL-ZQN	397,159	55,141,048	0.72%	\$ 232.02	\$ 358.46	65%
NZ-AU	AKL-CNS	306,305	55,232,516	0.55%	\$ 468.72	\$ 356.96	131%
NZ-AU	BNE-DUD	285,396	55,262,105	0.51%	\$ 273.64	\$ 358.06	76%
NZ-US	CHC-SFO	32,584	8,804,407	0.37%	\$ 1,567.97	\$ 1,256.53	127%
NZ-AU	AKL-MCY	138,138	55,398,072	0.25%	\$ 383.12	\$ 357.50	107%
NZ-AU	AKL-HBA	83,058	55,454,361	0.15%	\$ 473.52	\$ 357.40	132%
NZ-AU	CHC-PER	81,792	55,457,085	0.15%	\$ 498.18	\$ 357.37	139%
NZ-AU	CBR-WLG	22,611	55,512,908	0.04%	\$ 251.80	\$ 357.59	70%
NZ-AU	ROT-SYD	22,582	55,513,698	0.04%	\$ 271.39	\$ 357.59	76%
NZ-AU	AKL-NTL	14,058	55,521,177	0.03%	\$ 210.45	\$ 357.59	59%
NZ-AU	CHC-CNS	9,865	55,526,095	0.02%	\$ 366.74	\$ 357.55	103%
NZ-AU	HLZ-SYD	2,684	55,532,702	0.00%	\$ 275.36	\$ 357.55	77%
NZ-AU	DUD-SYD	1,886	55,533,494	0.00%	\$ 351.04	\$ 357.55	98%
NZ-AU	DUD-MEL	1,886	55,533,495	0.00%	\$ 341.84	\$ 357.55	96%
NZ-AU	HLZ-OOL	1,788	55,533,437	0.00%	\$ 256.35	\$ 357.55	72%
NZ-AU	DUD-OOL	812	55,534,476	0.00%	\$ 268.67	\$ 357.55	75%
NZ-AU	AKL-CBR	277	55,534,952	0.00%	\$ 342.95	\$ 357.55	96%

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