

Public notice of final decision under section 199 of the Civil Aviation Act 2023

Authorisation

The Minister of Transport has responsibility for granting or declining authorisation of an application made under sections 195 and 199 of Civil Aviation Act 2023 (the Act). This responsibility is currently delegated to me as the Acting Minister of Transport responsible for aviation matters.

Section 201 of the Act requires the Minister, after making a final decision to grant or decline an authorisation, to give public notice of the final decision. It also requires the Minister to include reasons for the decision.

Proposal

Air New Zealand and Air China have applied for the continued authorisation of their airline alliance, under their strategic alliance agreement (SAA). The SAA was first authorised by the Minister of Transport in 2015 and last authorised in March 2021. The applicants seek authorisation to continue to give effect to the SAA for a further term of five years, until 31 March 2031.

Under the Alliance, the two airlines coordinate their operations between and within New Zealand and China. The SAA governs both airlines' commercial activity on routes between Auckland and Shanghai, and Auckland and Beijing.


The Ministry consulted the public on this application in August 2025. In November 2025, I made a proposed decision to grant authorisation of the SAA for five years to 31 March 2031 with no conditions. The Ministry consulted on this proposed decision in December 2025 and feedback was provided before the 23rd of December. This feedback was subsequently published and cross submissions were sought by Friday 23 January 2026. No cross submissions were received.

Notice of final decision

In accordance with sections 199 and 201 of the Civil Aviation Act 2023, I, James Meager, as Acting Minister of Transport (with responsibility for all aviation matters), give public notice of my final decision to grant authorisation to Air New Zealand and Air China to continue to implement the Strategic Alliance Agreement dated 23 March 2015 (the "SAA"), the Code Share Agreement and a number of Implementing Agreements.

The authorisation is for five years to 31 March 2031 and is not subject to any conditions.

The reasons for my decision are outlined in the table on the next page. Other documents providing more detail will be made available on the Ministry of Transport website.



Hon James Meager
Acting Minister of Transport
23 March 2026

Assessment of the SAA against the published framework¹

Framework Part	Assessment Summary
<p>1. Strategic alignment: Does the cooperation agreement align with, and contribute to, the main or any of the additional purposes of the Civil Aviation Act 2023?</p>	<p>The SAA contributes to the applicants' wider international network strategy as it enables each airline to market and sell services operated by the other, and offer passengers tickets on connecting services at favourable rates.</p> <p>Providing passengers with a choice of direct flights to major Chinese cities contributes to economic prosperity. The 'metal-neutral' nature of flights on both routes promotes efficiency in civil aviation.</p> <p>The SAA also aligns to other government objectives in the Tourism Growth Roadmap.</p>
<p>2. Market and counterfactual definitions: The markets affected by the cooperation agreement and the counterfactual scenarios are clearly defined.</p>	<p>The markets affected by the agreement are New Zealand and two key Chinese markets. There is a Yangtze River Delta market accessed via Shanghai, and the Jin-Ji economic market accessed by Beijing. We agree that there would be a reduction in flights provided in these markets in the absence of an authorised SAA.</p>
<p>3. Competition effects assessment: The state, or likely state, of competition with the agreement (the factual) is compared with the state of competition without the agreement (the counterfactual). The known and likely impacts of an agreement on markets are clearly outlined.</p>	<p>As the hub carrier at Shanghai, China Eastern has expanded capacity to, and from, New Zealand and the Yangtze River Delta market. It has grown its share of passenger traffic in this market to 47%. This suggests that the existence of the SAA has not dissuaded other carriers from entering the market.</p>
<p>4. Public value assessment: The benefits and detriments are compared to determine whether the agreement gives rise to a net public benefit. The Ministry will also consider whether conditions could offset competitive harm to give rise to a net public benefit.</p>	<p>The principal public benefit from the SAA is the continued operation of a direct Auckland – Beijing route. Less convenient one-stop services would be the only alternative in the absence of the SAA. Although it is not credible to suggest that the SAA (or any other alliance) creates no competitive detriment, our assessment is that the SAA makes Air New Zealand a more viable competitor to China Eastern on the Auckland – Shanghai route.</p>
<p>5. Net impact assessment: The assessment will determine whether the cooperation agreement delivers net benefits to the New Zealand public. This involves a final weighing and balancing of benefits and detriments (including the effects of any conditions required).</p>	<p>I consider that the SAA delivers net public benefits to New Zealand relative to the counterfactual. The SAA supports Air New Zealand to operate this route into China. China is a very important trade partner for New Zealand.</p>

¹ Assessment framework for airline cooperation agreements, July 2025, Ministry of Transport