

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 Acting Minister of Transport responsible for aviation matters.

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

Proposal

Qantas and American Airlines have applied for the continued authorisation of their airline alliance, under their Joint Business Agreement (the JBA). The JBA was first authorised by the Minister of Transport in 2011 and last renewed in November 2020 (and was due to expire 14 November 2025). I recently extended this authorisation from 14 November 2025 to 31 March 2026 to allow for completion of the assessment process under the new Act. The Applicants seek authorisation to continue to give effect to the JBA for a further term of five years, until 31 March 2031.

Under the JBA, the two airlines jointly operate Trans-Pacific and Trans-Tasman routes between New Zealand, Australia, and North America. The JBA governs both airlines' commercial activity on routes between Auckland and Los Angeles, Auckland and Dallas Fort Worth, Sydney and Auckland, and Auckland and New York.

The Ministry consulted the public on this application in August 2025. In November 2025, I made a proposed decision to grant authorisation of the JBA 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 Qantas and American Airlines to continue to implement their Joint Business Agreement dated 26 September 2011.

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 JBA 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>These flights provide capacity, connectivity, and consumer choice benefits to New Zealand, contributing to economic prosperity and efficiency in the civil aviation system.</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, Australia, and North America. We agree that there would be a reduction in flights provided in these markets in the absence of an authorised JBA.</p> <p>We acknowledge the high operating costs of Trans-Pacific flights and recognise that revenue from connecting passengers supports the commercial viability of those long-haul services. Although market responses could mitigate the negative impact of this capacity loss, we accept that a material loss of capacity would be likely if the JBA is not authorised.</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>The applicants are not the dominant operators on the New Zealand – North America market. Air New Zealand and United Airlines, operating under an alliance agreement, have approximately 75% of the market share. We assess that the JBA enables Qantas and American Airlines to compete with the dominant carriers more effectively. However, we acknowledge that it gives rise to potential anti-competitive effects relative to smaller operators that might otherwise expand Trans-Pacific flights. We consider that the pro-competitive effects (eroding the dominance of the market leaders) outweigh the potential for anti-competitive effects for other airlines.</p> <p>Trans-Pacific direct capacity has increased since the JBA was first authorised in 2011. This increase came from Qantas /American Airlines and from other airlines operating independently (including Delta on the Auckland – Los Angeles route). This suggests there has not been a dampening of competition in this market. Instead, it suggests that continuing with the JBA will have pro-competitive effect on the Trans-Pacific 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>Overall the JBA delivers net public benefits to New Zealand relative to the counterfactual. This is primarily because of the increased connectivity from additional capacity and new routes, and from increased overall competition in the market.</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>As noted above, I consider that the JBA delivers net public benefits to New Zealand because it:</p> <ul style="list-style-type: none"> • supports investment by the JBA parties and does not hinder investment by other airlines • contributes to a more competitive market for air travel • provides increased connectivity from additional capacity and new routes. I accept that a material loss of Trans-Pacific capacity would be likely if the JBA is not authorised.

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