

Public notice of a proposed 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 Hon James Meager, as the Acting Minister of Transport responsible for aviation matters.

Section 200 of the Act requires the Minister to publish a draft Proposed Decision setting out the intention to grant or decline an authorisation. It also requires the Minister to specify a time within which the Minister will receive written representations on the proposal, before any final determination is made.

Summary

Airline cooperation agreements, such as alliances, are an increasingly common feature of international aviation. They exist primarily to improve efficiency, expand global reach, and enhance services for travellers. While alliances can result in benefits to consumers, they also risk reducing competition, which can lead to higher fares or reduced services.

Airline alliances need authorisation to manage the risk of reducing competition. The effect of an authorisation is that the arrangements are exempt from provisions of the Commerce Act 1986 that prohibit behaviour that substantially lessens competition.

The Ministry uses an assessment framework to help it assess applications consistently under the Act. The Ministry of Transport has analysed the application on behalf of the Minister.

Section 199 of the Act provides the scope and statutory test about which the Minister must be satisfied before granting that authorisation.

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.

Why I support the continuation of Air New Zealand and Air China's SAA

I consider the Strategic Alliance Agreement delivers net public benefits to New Zealand.

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. 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. The SAA also aligns to other government objectives in the Tourism Growth Roadmap.

I consider that with the SAA, there are likely to be more flights between New Zealand and China than there would otherwise be. The existence of the SAA has not dissuaded other carriers from entering the market between China and New Zealand.

I have considered aligning the expiry dates of the authorisation for the SAA with the expiry of the authorisation for the Air New Zealand and Cathay Pacific North Asia alliance agreement. If, at the time, authorisation of both alliances is sought, this would support assessing the cumulative impact of these alliances, and some assessment of the Air New Zealand and Singapore Airlines strategic alliance agreement. However, on balance, it is better to give the SAA parties the certainty that extending the authorisation for 5 years provides.

Notice of proposed decision

In accordance with section 200 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 intention 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 proposed authorisation is for five years to 31 March 2031 and is not subject to any conditions.

Any written representations from any person regarding the proposed decision to grant the authorisation should be submitted to the Ministry of Transport - alliances@transport.govt.nz by Monday 22 December 2025. Submissions will then be made public before Christmas. Any cross-submissions on these submissions will be accepted by Friday 23 January 2026.

Hon James Meager

Acting Minister of Transport

1 December 2025