

PUBLIC VERSION

**Application for Re-authorisation under Civil
Aviation Act 2023**



**Restated Joint Business Agreement and associated
agreements**

Submission to the New Zealand Ministry of Transport

18 July 2025

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1. Introduction and executive summary

Overview

Qantas Airways Limited (**Qantas**) and American Airlines Inc (**American**) (together, the **Applicants**) seek authorisation under sections 195 and 199 of the *Civil Aviation Act 2023* (the **Act**) from the Minister to continue to operate their existing joint business in New Zealand (for convenience, the **QAJB**), coordinating their operations between and within New Zealand, Australia and the United States (**US**), Canada and Mexico.

Consistent history of prior QAJB approval built upon well-established record of New Zealand benefits

The QAJB is a deeply integrated joint business between two complementary airlines that has generated, and continues to generate, substantial benefits for New Zealand consumers. Over the course of its near-15-year existence, the QAJB has developed and grown, evolving to include American-operated aircraft flying to and from New Zealand along with revenue sharing that has enabled fuller integration of the airlines' networks and operations. In recognition of benefits flowing from the QAJB and the necessity of the cooperation between the two airlines to achieve these ends, the QAJB was originally authorised by the Minister in 2011 and has been consistently re-authorised by the Minister in 2015 and again in 2020. The Minister's approval of the QAJB has enabled the QAJB to launch new routes, increase output, expand connectivity, improve the quality of service, and increase competition on air passenger routes between North America and New Zealand.

Prior to the original authorisation of the QAJB by the Minister in 2011, New Zealand's direct air links to the US were severely constrained. American did not operate any flights to or from New Zealand, and the landscape was largely limited to an alliance between Air New Zealand and United Airlines. This left New Zealand consumers with very limited choice, limited fare competition, and difficulty accessing the US and other North American destinations with the kind of ease and convenience that the joint business provides.

In 2015, building upon the first phase of their successful partnership, Qantas and American sought and received approval for an expanded joint business. As the Ministry described, "[m]ost significantly, and in line with recent global trends," the Applicants sought "to make the alliance metal neutral through a revenue sharing/settlement procedure."¹ This coincided with, for the first time ever, the launch of American-operated direct services to New Zealand. The Ministry recognised that revenue-sharing joint businesses had become more common across the airline industry and took the view that such alliances are "a necessary tool for airlines"² to generate benefits for consumers by facilitating the integration of networks between international airlines.

The full implementation phase of the expanded QAJB began in 2019 following the US Department of Transportation (**US DOT**) approval, however, the spread of COVID-19 in 2020 quickly forced the suspension of virtually all international flying. The Minister nonetheless re-authorised the QAJB in 2020 unconditionally. From its inception, as well as in the most recent years following the pandemic, the QAJB has steadily generated material benefits for New Zealand.

The importance of international airline joint businesses

Joint businesses are the hallmark of pro-competitive cooperation in the airline industry globally. These arrangements have been a powerful tool, fostering the growth and development of international travel to and from New Zealand. Joint businesses, such as the QAJB, are necessary and invaluable because no one international airline acting alone can serve all the destinations that consumers want to travel to across the globe. Most countries have restrictive foreign ownership regulations that legally prohibit airlines from operating all the flights that would be necessary to adequately serve the broad array of international itineraries that consumers desire. Airlines are prevented from mergers with other international airlines and are unable to organically grow their networks abroad. Authorising pro-

¹ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance' (Briefing, 6 November 2015), at [17]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>.

² Ibid [31]

competitive joint businesses is thus the most efficient way to meet substantial (and growing) customer demand for international connectivity.

International airline joint businesses are deeply integrated arrangements where airlines coordinate on all aspects of service operations between two regions. To incentivise this level of cooperation, the partners share revenue attributable to the international segment, regardless of which airline operates that flight. The partner airlines then have common economic incentives to promote the success of the alliance over their individual interests and thereby achieve merger-like efficiencies and deliver benefits that would not otherwise be possible as they combine their networks to provide a superior joint product. The integration between Qantas and American in the QAJB has proven itself to be a true illustration in this regard.

The direct benefits of the QAJB with no competitive detriments

As recognised by the Ministry, the QAJB has not resulted in any competitive detriments. American and Qantas do not overlap on any direct routes between New Zealand and the US. As previously acknowledged by the Ministry, *“their focus is on regional networks which have almost no overlap. Their cooperation on trans-Pacific routes does not reduce competition.”*³

In fact, the QAJB has increased competition, particularly against the Air New Zealand – United Airlines alliance, and generated substantial benefits for consumers. Most notably, American’s two direct routes between Auckland and each of Los Angeles, and Dallas, were launched as a result of the QAJB, and these routes continue to depend on the QAJB. The absolute necessity of QAJB support to enable the American-operated New Zealand flights is demonstrated by the QAJB [REDACTED] contribution. Over [REDACTED] of American’s total revenue on each of its Auckland (AKL)-Dallas-Fort Worth (DFW) and Auckland (AKL)-Los Angeles (LAX) services has been enabled by the QAJB. This includes attractive ‘behind and beyond’ network connectivity provided by Qantas’ low-cost Jetstar flight network in New Zealand.

The marketing support provided to American by Qantas, by virtue of its brand presence in New Zealand and the network connectivity provided by Jetstar, which feeds traffic to/from key destinations in New Zealand such as Christchurch, Wellington, Queenstown, and Dunedin, provide this crucial enablement to American. Such contribution is substantial in the context of the ultra-long haul services operated by American between the US and New Zealand where the high costs of the long journeys put significant pressure on thin margins. Absent the QAJB, Qantas would not be incentivised to support American’s flights to New Zealand in the ways it does today. [REDACTED].

The QAJB has also facilitated improvements in the ease, convenience, and breadth of travel options to the US now available to New Zealand consumers, and to US tourists travelling to New Zealand. These improvements have flowed from the new flying capacity and deep commercial cooperation enabled by the QAJB. Relevantly, the QAJB has delivered:

- **Direct services to / from the US:** Because of the QAJB, American launched its first-ever direct flights between Auckland and the US in 2016 (Auckland (AKL)-Los Angeles (LAX)) service. The QAJB then enabled American’s introduction of its seasonal Auckland (AKL)-Dallas-Fort Worth (DFW) route in 2022. Additionally, Qantas introduced the Sydney (SYD)–Auckland (AKL)–New York (JFK) service in 2023, providing a new direct link to the US East Coast. As quantified in the Application, these new routes contribute to consumer benefits from travel savings and removal of connections in the tens of millions of New Zealand dollars. Standing alone, without even considering the numerous other improvements flowing from the joint business, these direct flights are a substantial benefit to New Zealand.
- **Expanded capacity:** Since the QAJB’s inception, available seat kilometres (ASKs) between New Zealand and the US have grown substantially, with QAJB carriers operating 21,248,548,870 ASKs in FY24, up over 2,200% from 906,875,904 in FY19. In passenger terms, this saw a combined 128,443 passengers carried on QAJB routes between New Zealand and the US in 2024 alone.

³ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, paragraph [75]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

- **Network reach and connectivity:** The combined QAJB network offers seamless access to destinations from its 325 airport locations across North America, Australia, and New Zealand, with roundtrip connectivity to 98.5% of the QAJB network.
- **Enhanced schedule choice and itinerary flexibility:** In 2024, 21% of QAJB passengers flew “mixed metal” itineraries, taking advantage of the ability to combine Qantas metal and American metal for optimal routing and schedules. Over 14,880 New Zealand-originating passengers took advantage of these options in 2024. Further, US-originating travellers can take advantage of these combined network options to extended travel throughout New Zealand and Australia.
- **Reduced travel times.** As noted above, the introduction of the new direct routes has created significant value in reduced travel times and connections for passengers flying between New Zealand and US destinations. In addition, the Applicants have worked together through the QAJB to reduce journey times generally on the routes.
- **Disruption handling:** Few people want to plan for things to go wrong, but in the hopefully rare instances when they do and travellers are located halfway around the world, the deep integration and investment in the QAJB has allowed for passenger rebooking enhancements of both “automated” rebooking and “self-service” rebooking functionalities. Automated rebooking is a tool that enables passengers experiencing travel disruptions to be automatically rebooked on the next available flight, that ensures that passengers are rebooked quickly and with the least possible disruption and provides passengers with the peace of mind that necessary adjustments to their flight itineraries were handled automatically and without action on their part. The combined QAJB network is utilised to get customers back on their journey as quickly and efficiently as possible.
- **Loyalty and customer experience:** QAJB frequent flyer integration has delivered significant value, with generous reciprocal benefits flowing to large numbers of passengers, including more than [REDACTED] New Zealand-based AAdvantage members as of March 2025 (a [REDACTED] increase since 2022). The number of passengers benefitting from the Applicants’ alignment in loyalty program earn / redemption continue to grow, with the number of Qantas Frequent Flyer members resident in New Zealand travelling on QAJB services to/from New Zealand doubling between 2023 and 2024. Membership in these programs also serves to benefit customers on Trans-Tasman services. The QAJB has also resulted in other notable customer experience improvements, including improvements in the overall “seamlessness” of travel on QAJB flights, and the Applicants’ airport, baggage handling and inflight passenger experiences.
- **A more competitive New Zealand-US air passenger market:** Importantly, the introduction of QAJB services has brought direct competition to the leading and incumbent Air New Zealand – United Airlines alliance, delivering a wider range of (and access to a variety of) fare products and pricing for New Zealand consumers. The QAJB carriers’ combined share of the New Zealand–US market by seats is modest compared with the largest operator, Air New Zealand. As an illustration the QAJB accounted for 23% in Northern Winter 2024/25, compared to Air New Zealand’s ~49% market share and the Air New Zealand – United Airlines alliance’s combined market share of ~64%. The QAJB brings essential competition to the New Zealand-US market, supported by the investment of significant resources, including marketing activities, promotions and sales to grow consumer awareness of its product offerings and benefits.
- **Enhanced tourism and trade:** In 2024, there were nearly 370,000 US visitors to New Zealand, spending an estimated NZD1.7 billion in the New Zealand economy. The QAJB’s expanded services and joint marketing have contributed to this growth, with advertising campaigns promoting New Zealand to North American consumers, supporting New Zealand’s tourism sector and broader economy.
- **Operational efficiencies:** The QAJB has facilitated and will continue to facilitate cost savings and other efficiencies through the integration of the Applicants’ operations over time.
- **Elimination of double marginalisation:** The QAJB has also resulted in a reduction in connecting airfares through the elimination of double marginalisation.

Overall, the QAJB has delivered substantial benefits for consumers, and has delivered these benefits to the advantage of New Zealand consumers and the New Zealand economy, and there is no doubt it will continue to do so if re-authorised. The estimated quantifiable benefits from demand stimulation and the elimination of double marginalisation together amount to over NZD70 million (for the coming 5

years). Of course, these quantifiable benefits do not include the value of the numerous other benefits and efficiencies arising from the QAJB (e.g. loyalty benefits etc.). Without the QAJB, [REDACTED], and the integration and coordination between the Applicants central to delivering the benefits of the QAJB – would be lost. As a result, consumers would no longer enjoy the enhanced connectivity, reduced travel times, service quality and efficiencies the QAJB has brought to New Zealand – US routes.

These clear benefits, and lack of competitive detriment, against a future without the QAJB has been acknowledged by the Minister unconditionally authorising the QAJB on three previous occasions.

The decision before the Minister

The Applicants provide in this Application a detailed submission which sets out relevant facts that demonstrate the QAJB clearly meets (and far exceeds) the technical criteria under the Act for re-authorisation. In addition to the substantial public benefits that the QAJB has delivered and will continue to deliver if re-authorised, the QAJB also contributes to the main and additional purposes of the Act by:

- contributing to a safe and secure civil aviation system;
- preserving New Zealand's national interests;
- maintaining or enhancing a transport system that contributes to economic prosperity and resilience; and
- promoting innovation, effectiveness and efficiency in civil aviation.

As noted at the outset, the Ministry has previously recommended authorisation of the QAJB to the Minister on several occasions, following which the QAJB has been unconditionally authorised. In its most recent assessment, the Ministry made the following conclusions:

- *"We would usually undertake a public interest analysis of a proposed alliance ... In this case the benefits of the existing alliance are apparent ..."*⁴
- *"Cooperation between Qantas and American Airlines has increased choice for consumers on the Auckland-Los Angeles route, and increased the marketing of New Zealand to tourists from North America. The full implementation of the agreement will allow further benefits to consumers from coordinated booking and reward schemes, and much larger regional networks in North America, Australia and New Zealand."*⁵
- *"...we conclude that [the QAJB] has increased trans-Pacific passenger capacity. It will therefore have allowed more New Zealanders to travel and brought more tourists to New Zealand."*⁶
- *"Qantas/American provide the only competition to Air New Zealand/United for direct flights between New Zealand and the United States. This is likely to constrain ticket prices and encourage more attractive products to be offered. While Air New Zealand has more than two-thirds of the market, Qantas/American has tended to offer cheaper tickets."*⁷
- *"[American Airlines' and Qantas'] cooperation on trans-Pacific routes does not reduce competition."*⁸

The QAJB is not just a commercial partnership—it is a key component of New Zealand's modern Trans-Pacific connectivity. It is respectfully submitted that the Minister's decision should recognise and secure these gains for the future by re-authorising the QAJB pursuant to section 199 of the Act.

⁴ Ibid [56] – [57].

⁵ Ibid [72].

⁶ Ibid [73].

⁷ Ibid [74].

⁸ Ibid [75].

Introduction

- 1.1 This is an Application made jointly by the Applicants, Qantas and American, and their related bodies corporate⁹ for authorisation under sections 195 and 199 of the Act. The Applicants currently have authorisation under the *Civil Aviation Act* 1990 (**Old Act**) for the QAJB which involves coordination of their operations between and within Australia, New Zealand and the US, Canada and Mexico (**Trans-Pacific Routes**), pursuant to the Restated Joint Business Agreement (**Restated JBA**)¹⁰ and associated agreements.
- 1.2 The Applicants have previously received unconditional authorisation from the Minister for the QAJB under the Old Act:
- (a) In 2011, the Ministry authorised the QAJB, pursuant to the original joint business agreement.
 - (b) In 2015, the Ministry re-authorised the QAJB under a restated joint business agreement.
 - (c) In 2020, the Ministry re-authorised the QAJB under the Restated JBA.
- 1.3 On 7 May 2025, the Ministry extended its latest re-authorisation (granted in 2020) of the QAJB until 31 March 2026.
- 1.4 By virtue of Schedule 1 of the Act, authorisation of the QAJB under the Old Act is deemed to be an authorisation under the Act.
- 1.5 The Applicants now seek re-authorisation by way of authorisation under the Act of the provisions of the Restated JBA and associated agreements to continue the coordination, through the QAJB, of their operations on the Trans-Pacific Routes (the **Proposed Conduct**) until at least 31 March 2031.
- 1.6 It is the Applicants' position that the Proposed Conduct satisfies the test in the Act for authorisation and that the Minister is empowered to authorise the Proposed Conduct for the term sought. For the reasons set out in this Application (and summarised below), the Minister can be satisfied that re-authorisation of the Proposed Conduct will:
- (a) contribute to the purpose(s) of the Act;
 - (b) will continue to deliver (relative to the counterfactual) real and substantial public benefits for New Zealand consumers and the economy (including in the New Zealand tourism and trade sectors); and
 - (c) will not result in any competitive detriment.
- 1.7 The Minister should therefore authorise the Proposed Conduct.

The Proposed Conduct

- 1.8 The Restated JBA and associated arrangements contain provisions that relate to the following specified activities or ancillary activities for the purposes of the Applicants conducting international carriage by air in cooperation with each other:
- [REDACTED]
- 1.9 The Applicants do not compete on any of the direct Trans-Pacific Routes between New Zealand and the US, meaning their respective flight networks are complementary. However, the Applicants might be considered to be actual, or potential, competitors for the supply or acquisition of goods and/or services for the purposes of the Commerce Act 1986 (**Commerce Act**).

⁹ See **Annexure A** which is a list of Qantas' related bodies corporate covered by this Application as at February 2025. American's related bodies corporate covered by this Application are: Envoy Aviation Group Inc. (Envoy), PSA Airlines, Inc. (PSA) and Piedmont Airlines, Inc. (Piedmont). American is the entity that is engaged in Trans-Pacific services whereas Envoy, PSA and Piedmont are wholly owned regional airline subsidiaries that provide scheduled air transportation under the brand name "American Eagle."

¹⁰ See **Confidential Annexure O**.

- 1.10 Therefore, re-authorisation is sought on the basis that the Restated JBA and associated agreements might contravene section 30 of the Commerce Act as the provisions relating to the activities for the Proposed Conduct might be considered to have the purpose, effect or likely effect of directly or indirectly price fixing, restricting output or allocating markets.
- 1.11 For the reasons explained in this Application, the Applicants do not consider that the Restated JBA or associated agreements would, or might, contravene section 27 of the Commerce Act.

The Proposed Conduct satisfies the test for authorisation and should therefore be authorised

- 1.12 As recognised by the previous authorisations relating to the QAJB, the QAJB has enabled, and will (if the Proposed Conduct is re-authorised) continue to enable, the Applicants to better connect the Trans-Pacific Routes (including those to / from New Zealand) and thereby offer greater choice and convenience to New Zealand, Australian and US consumers.
- 1.13 The QAJB has facilitated a material expansion of capacity between New Zealand, Australia and North America, including the introduction of new direct services between New Zealand and the US, such as American's Auckland (AKL)-Los Angeles (LAX) direct service in 2016 and Auckland (AKL)-Dallas-Fort Worth (DFW) direct service in 2022, providing New Zealanders with direct access to American's hubs and significant onward connections in the US. In addition, Qantas also launched a new Sydney (SYD)-Auckland (AKL)-New York (JFK) service in 2023,¹¹ providing an alternative to Air New Zealand's direct flights between Auckland and New York.
- 1.14 The metal neutral revenue sharing joint business made possible through the QAJB has enabled (and will continue to enable) American and Qantas to continue to work towards restoring (following industry wide reductions due to travel restrictions and the COVID-19 novel coronavirus pandemic (**Pandemic**)) and ultimately growing Trans-Pacific Route capacity. It has uniquely facilitated enhanced connectivity and greater schedule and itinerary choice to the benefit of New Zealand, Australian and US consumers and businesses, including the New Zealand tourism and trade sectors.
- 1.15 With no overlap routes between the Applicants to or from New Zealand, the Proposed Conduct gives rise to no competitive detriment and is entirely pro-competitive.
- 1.16 The QAJB will continue to promote competition and choice (and deliver benefits to the New Zealand businesses and consumers) within the New Zealand aviation system by:
- (a) facilitating the Applicants to offer a compelling and competitive proposition, relative to the counterfactual; and
 - (b) providing an important competitive constraint to the leading home airline Air New Zealand's alliance with United Airlines.
- 1.17 As set out in more detail in this Application, the Proposed Conduct contributes to the main and additional purposes of the Act, and satisfies the test for authorisation in section 199 of the Act.

Granting authorisation will contribute to the purposes of the Act

- 1.18 The Restated JBA and associated agreements contribute to the main purpose and the additional purposes of the Act because the cooperation between the Applicants will:
- (a) contribute to a safe and secure civil aviation system as the Applicants are each global operators of airlines with well-established reputations who prioritise safety and are committed to growth and investment;
 - (b) maintain or enhance a transport system that contributes to economic prosperity because the QAJB will support greater capacity and connectivity between New Zealand and the US (compared to the future without the Proposed Conduct), encourage tourism and trade, create job

¹¹ See Qantas press release dated 25 August 2022 - <https://www.qantasnewsroom.com.au/media-releases/qantas-announces-direct-auckland-new-york-flights-and-upgrade-to-lounges/>. The Sydney-Auckland-JFK route is a fifth freedom flight involving a Sydney-Auckland segment, and an Auckland-JFK segment, with passengers able to travel on either or both segment.

opportunities within the aviation sector and related industries, and realise operational and logistical efficiencies;

- (c) preserve New Zealand's national security and national interests by supporting greater connectivity and by contributing to New Zealand's economic prosperity; and
- (d) promote innovation, effectiveness and efficiency in civil aviation because the QAJB will enhance competition for air passenger services between New Zealand and the US from the services of the Applicants particularly against the market-leading home airline Air New Zealand and its alliance with United Airlines.

The Proposed Conduct will continue to deliver continued substantial public benefits

- 1.19 For well over a decade, since the QAJB was originally authorised by the Ministry in 2011 and subsequently amended (via the Restated JBA) and re-authorised in each of 2015¹² and 2020,¹³ the QAJB has enabled the Applicants together to deliver substantial public benefits to New Zealand consumers and the broader New Zealand economy, through enhanced tourism and trade opportunities, alongside similar benefits to Australian and US consumers. These significant widespread benefits have consistently previously been recognised by the Ministry¹⁴ (along with other regulators, such as the Australian Competition and Consumer Commission (**ACCC**)).
- 1.20 The Applicants consider that the QAJB has given rise to a range of demonstrated benefits, including:
- (a) increased routes and capacity on the Trans-Pacific Routes (including via new routes/services);
 - (b) increased connectivity and enhanced schedule choice over an expanded combined complementary network;
 - (c) reduced travel times, as a result of the introduction of new direct services between New Zealand and the US and the coordination of schedules to reduce layover (connection) times;
 - (d) increased tourism and trade to and within New Zealand, thereby supporting the New Zealand economy;
 - (e) promotion of competition on Trans-Pacific Routes;
 - (f) greater access to a variety of fare products and price points;
 - (g) an improved passenger experience, including enhancements in “seamlessness” for QAJB passengers, baggage handling, location, rebooking, connection and inflight experience enhancements, and continuing efforts in product and service innovation;
 - (h) coordination of frequent flyer benefits, including significant earning and redemption opportunities across the combined network, reciprocal lounge access and access to world class, awarded lounges, and access to benefits like priority check-in, additional baggage allowance, increased rewards benefits and preferential seating; and
 - (i) improved operating efficiencies through the integration of the Applicants' operations over time.
- 1.21 A range of benefits have previously been recognised by the Ministry in authorising and re-authorising the QAJB in 2011, 2015 and 2020, including:
- (a) significant economic benefits to New Zealand through new services;¹⁵

¹² New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance' (Briefing, 6 November 2015). Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

¹³ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [57]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

¹⁴ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance' (Briefing, 6 November 2015), at [37]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

¹⁵ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance', Annex A: Ministry Report (2015), paragraph [23]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

- (b) new and improved products and services, including new routes, additional frequencies, improved schedules, enhanced connectivity and improved airport services, and greater choice of connections and stop-over options;¹⁶
- (c) benefits to consumers from coordinated booking and reward schemes, and much larger regional networks in North America, Australia and New Zealand;¹⁷
- (d) increased choice for consumers;¹⁸
- (e) increased capacity;¹⁹
- (f) increased capacity and competition on affected routes;²⁰
- (g) increased competition on the Trans-Pacific,²¹ including between New Zealand and the US,²² providing a strong competitive balance to the existing alliance between Air New Zealand and United²³ which is likely to constrain ticket prices and encourage more attractive products to be offered;²⁴
- (h) increased tourism through increased marketing of New Zealand to tourists from North America²⁵ and increased passenger traffic,²⁶ increasing the number of US visitors travelling to New Zealand,²⁷ and allowing more New Zealanders to travel;²⁸
- (i) new fare products and lower fares, providing preferential availability of fares for each other's passengers ensuring more availability for discounted fares, resulting in lower fares on many Trans-Pacific Routes;²⁹ and
- (j) enhanced value-added services (including reciprocal lounge access, equivalent frequent flyer privileges and improved check in procedures).³⁰

¹⁶ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance', Annex A: Ministry Report (2015), setting out benefits cited by the Ministry in 2011, paragraph [13]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

¹⁷ New Zealand Ministry of Transport 2020 Re-Authorisation Report, paragraph [72]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

¹⁸ New Zealand Ministry of Transport 2020 Re-Authorisation Report, paragraph [42] and [72]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

¹⁹ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance', Annex A: Ministry Report (2015), at paragraph [23]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

²⁰ NZ MOT 2020 Re-Authorisation Briefing Paper, paragraph [7]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QantasAmericanAirlines-2020AuthorisationOfStrategicAlliance.pdf>

²¹ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance', Annex A: Ministry Report (2015), at paragraph [67] and [76-77]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

²² New Zealand Ministry of Transport 2020 Re-Authorisation Report, paragraph [57]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

²³ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance', Annex A: Ministry Report (2015), at paragraph [24]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

²⁴ New Zealand Ministry of Transport 2020 Re-Authorisation Report, paragraph [74]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

²⁵ New Zealand Ministry of Transport 2020 Re-Authorisation Report, paragraph [72]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

²⁶ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance', Annex A: Ministry Report (2015), setting out benefits cited by the Ministry in 2011, paragraph [13]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

²⁷ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance', Annex A: Ministry Report (2015), paragraph [23]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

²⁸ New Zealand Ministry of Transport 2020 Re-Authorisation Briefing Paper, paragraph [12]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QantasAmericanAirlines-2020AuthorisationOfStrategicAlliance.pdf>

²⁹ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance', Annex A: Ministry Report (2015), setting out benefits cited by the Ministry in 2011, paragraph [13]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

³⁰ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance', Annex A: Ministry Report (2015), setting out benefits cited by the Ministry in 2011, paragraph [13]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

- 1.22 The ACCC has, in authorising and re-authorising the QAJB in each of 2011, 2015 and 2021, similarly found material public benefits and no detriments.
- 1.23 Most recently, in 2021, the ACCC concluded that the QAJB was likely to result in public benefits including: enhanced products and services including a greater likelihood of increased capacity and new routes,³¹ increased connectivity and improved schedule choice,³² loyalty program benefits,³³ improved lounge access,³⁴ and operational efficiencies.³⁵
- 1.24 In addition, the ACCC considered that the QAJB was likely to facilitate public benefits through cost savings and other efficiencies realised through the integration of the Applicants' operations over time.³⁶
- 1.25 The ACCC also considered stimulation of tourism and trade to be a potential benefit.³⁷
- 1.26 The QAJB was last re-authorised by the Ministry in November 2020,³⁸ in the midst of the Pandemic, in which international travel to / from New Zealand and Australia was effectively halted or at least severely curtailed for extensive periods. Even during the immediate Pandemic period, to the (limited) extent that New Zealand and Australian residential passengers were able to travel internationally, the QAJB offered benefits by ensuring that Qantas' codeshare was present on American's flights as an offering for passengers (with associated benefits for frequent flyers) during a period in which there was no Qantas commercial capacity internationally.
- 1.27 The QAJB also supported the Applicants to re-launch and/or add new routes to / from New Zealand after Pandemic-related restrictions in New Zealand gradually eased throughout 2022. These efforts resulted in a substantial increase in options for New Zealand consumers and tourists and business travellers to New Zealand. Some lingering impacts of the Pandemic (including supply-related constraints) continue today, including continuing supply-chain issues for new aircraft which are discussed further in this Application.³⁹ Despite these ongoing challenges, the QAJB has enabled the Applicants to continue to grow Trans-Pacific capacity and meet demand, in particular on routes to / from New Zealand.
- 1.28 Re-authorisation of the Proposed Conduct by the Ministry is critical to facilitating the Applicants to continue the QAJB. Re-authorisation will permit the substantial benefits for New Zealand consumers and the economy (including in the New Zealand tourism and trade sectors) to continue being generated by the QAJB and to be delivered over the longer term, compared to a future without the Proposed Conduct.
- 1.29 Importantly, the QAJB has enabled [REDACTED] on its New Zealand routes. [REDACTED].

³¹ See Qantas American Airlines Final Determination (2021) [Final Determination - 25.03.21 - PR - AA1000532 Qantas-American Airlines.pdf](#), paragraph [4.32] and [4.39].

³² See Qantas American Airlines Final Determination (2021) [Final Determination - 25.03.21 - PR - AA1000532 Qantas-American Airlines.pdf](#), paragraph [4.40] and [4.43].

³³ See Qantas American Airlines Final Determination (2021) [Final Determination - 25.03.21 - PR - AA1000532 Qantas-American Airlines.pdf](#), paragraph [4.48] and [4.49].

³⁴ See Qantas American Airlines Final Determination (2021) [Final Determination - 25.03.21 - PR - AA1000532 Qantas-American Airlines.pdf](#), paragraph [4.50] and [4.52].

³⁵ See Qantas American Airlines Final Determination (2021) [Final Determination - 25.03.21 - PR - AA1000532 Qantas-American Airlines.pdf](#), paragraph [4.31] and [4.63].

³⁶ See Qantas American Airlines Final Determination (2021) [Final Determination - 25.03.21 - PR - AA1000532 Qantas-American Airlines.pdf](#), paragraph [4.55].

³⁷ See Qantas American Airlines Final Determination (2021) [Final Determination - 25.03.21 - PR - AA1000532 Qantas-American Airlines.pdf](#), paragraph [4.62 and 4.63].

³⁸ See Qantas Airways-American Airlines reauthorisation 2020 <https://www.transport.govt.nz/consultations/qantas-airways-american-airlines-reauthorisation>.

³⁹ For example, Qantas ordered twelve Airbus A350-1000 aircraft in May 2022 for ultra long-haul travel — direct flights from Sydney to each of London and New York — as part of 'Project Sunrise.' While Qantas initially estimated that it would be able to start flying the A350s in late 2025, the A350s have faced delivery delays and, accordingly, Qantas anticipates that the first aircraft of fleet will not arrive until late-2026. Qantas also continues to face delays in the return of its A380s due to global constraints relating to maintenance and repair services for such aircraft, though it has successfully returned several A380s to service and more aircraft are due to return in the near term. [REDACTED].

- 1.30 It then necessarily follows that Authorisation from the Ministry [REDACTED]. American's Auckland (AKL)-Los Angeles (LAX) and Auckland (AKL)-Dallas Fort Worth (DFW) routes serve as important trunk routes between New Zealand and the US that enable highly convenient connections between the two countries. The QAJB also enables the Applicants to enhance services between Australia and the US, which combined with Qantas' Trans-Tasman offering, provides New Zealand consumers with significantly more one-stop transit options via Australia to US destinations.
- 1.31 Absent the Proposed Conduct, [REDACTED] the detriment of New Zealand consumers and New Zealand's tourism and trade sectors. Loss of the QAJB would also have adverse impacts by eliminating the important competitive counter-balance that the QAJB provides in New Zealand against the leading Air New Zealand – United Airlines alliance.
- 1.32 The numerous public benefits from the QAJB would be eroded in a future without the Proposed Conduct. Without re-authorisation of the Proposed Conduct, [REDACTED]. In these circumstances, the Applicants would lack any meaningful [REDACTED] incentive to share broad access to each other's capacity and inventory, or to provide flexibility and scope for respective frequent flyer members to earn and redeem points across an extensive combined network, or collaborate on product innovation and service improvements and benefits.
- 1.33 The deep incentive alignment made possible by the Proposed Conduct and the resulting enhanced combined network enable the Applicants to competitively sell to 'behind and beyond' destinations and leverage connectivity through each other's hubs and gateways. Demand generated from broad connectivity is essential for 'long and thin' routes like the Trans-Pacific Routes to / from New Zealand and Australia because there is insufficient demand specific to the route (i.e. 'local, non-stop demand') to support the large and costly investment required for these operations. This cooperation and enhanced connectivity through a greater combined network underpins the QAJB, supporting each airline's services through extensive sales channels on both sides of the Pacific.
- 1.34 By enabling the Applicants to continue to reinstate and expand services across the Trans-Pacific Routes, re-authorisation of the Proposed Conduct supports the re-connection and growth of New Zealand tourism and trade sectors globally, including to secondary cities and regional centres within New Zealand (across both North and South Islands), while also providing the certainty and incentives to underpin additional growth, new products / services, and investment in passenger benefits over the longer term. This will enable continued benefits to be delivered to New Zealand, Australian and US consumers, with the Applicants carrying a total of ~1.64 million passengers on QAJB Trans-Pacific Routes in CY2024 (up from ~1.43 million in CY2023), including 128,000 passengers on routes to / from New Zealand (up from 99,150 in CY2023).

No public detriment: no competitive detriment

- 1.35 The Ministry's Assessment Framework Guidelines⁴⁰ require an assessment of whether the Proposed Conduct is likely to impede effective competition, thus leading to worse competitive outcomes for the New Zealand public.⁴¹
- 1.36 The Applicants submit that re-authorisation of the Proposed Conduct will **not** impede effective competition or result in any competitive detriment with respect to New Zealand, relative to a future without the Proposed Conduct. This is because the Proposed Conduct:
- (a) is inherently pro-competitive as it supports ([REDACTED]) American's ability to offer routes to / from New Zealand, relative to a counterfactual [REDACTED] and stimulates product innovation and price competition on the Trans-Pacific Routes (including services between New Zealand and the US);
 - (b) will not result in any horizontal unilateral competitive effects as there are no direct overlap routes between the Applicants in any New Zealand-US air passenger market, and, in any event, these

⁴⁰ New Zealand Ministry of Transport 'Assessment framework for airline co-operation agreements' (July 2025) (**Assessment Framework Guidelines**), at [48].

⁴¹ Assessment Framework Guidelines, at [10].

routes are (and will remain) highly competitive with a growing number of directly competing airlines including Air New Zealand, United Airlines and Delta;

- (i) the Applicants' shares are low and Air New Zealand remains the leading operator by a significant measure;
- (ii) the Applicants will continue to be competitively constrained by airlines offering indirect services between New Zealand and the US (for example, LATAM Airlines and Air Canada) with the continued prospect of potential entry and expansion by competitors; and
- (c) will not result in any vertical unilateral effects, coordinated effects or other social, environmental or economic detriments. The Applicants do not have the ability to foreclose competitor access to key inputs or feeder traffic, including because they are required to provide interline or codeshare access to entrants. Further, in circumstances where the Applicants' market shares are low and there are no overlapping routes between them, the likelihood of any coordinated effects is extremely remote.

1.37 The lack of competitive detriment arising from the QAJB has been consistently acknowledged by the Ministry in authorising the QAJB in the past. In 2020, the Ministry concluded, for example, that "[t]he strong regional focus of both Qantas and American, and the complementarity of their networks...makes it unlikely that their cooperation would reduce competition in any connected markets."⁴²

1.38 The Applicants submit that this finding remains true and applicable to the current Application.

Public value and net impact assessments

1.39 In assessing whether an airline agreement should be authorised (or re-authorised), the Assessment Framework Guidelines explain that:

- (a) the Ministry is to undertake a weighing of incremental benefits and detriments likely to arise from the proposed conduct, to determine whether the agreement gives rise to a net public benefit (**public value assessment**); and
- (b) the Ministry must also determine if the agreement delivers net benefits to the New Zealand public in a final weighing and balancing of benefits and detriments (**net impact assessment**).⁴³

1.40 For the reasons set out above, and in more detail in this Application, the QAJB delivers clear and previously recognised, substantial public benefits without detriment, resulting in a significant and clear net public benefit. In such circumstances, re-authorisation of the Proposed Conduct should be granted under section 199 of the Act as the Minister can be satisfied of the elements in section 199(2) of the Act.

Term of authorisation sought

1.41 As section 199(3)(a) of the Act requires the Minister to specify the duration of the authorisation, the Applicants seek re-authorisation of the Proposed Conduct for a period of at least five years, from expiry of the current authorisation through to at least 31 March 2031.

1.42 Re-authorisation of this duration is consistent with the period for which authorisation was granted in 2015 and 2020 (which were each five years in duration) and [REDACTED]. A period of less than five years would inject regulatory uncertainty and significant competitive disadvantage for the Applicants, and ultimately undermine the substantial benefits that would be delivered to New Zealand consumers. Further, the requested period for the re-authorisation is necessary so that the Applicants can continue to competitively constrain the Air New Zealand – United Airlines alliance, which was authorised in 2002 for an unlimited period. For completeness, the Applicants note that the Minister granted an amendment to

⁴² New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [46]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

⁴³ Assessment Framework Guidelines, at [15].

the Air New Zealand and United Airlines arrangements in 2016 which was also authorised for an unlimited term.⁴⁴

- 1.43 The Applicants also intend to seek re-authorisation of the Proposed Conduct from the ACCC for a further five-year period from expiry of the current ACCC authorisation in April 2026.

2. Previous authorisations in respect of the QAJB since 2011

- 2.1 The QAJB is a longstanding joint business which has repeatedly demonstrated, over its history, that it generates significant net public benefits in New Zealand without competitive harm. Relevantly, the QAJB has been the subject of authorisation, and re-authorisation, in both New Zealand and Australia since 2011. The public benefits and any potential for detriment have been comprehensively considered on multiple occasions with decisions in favour of authorisation in each case and without identification of any detriment in each circumstance. The Applicants submit that this Application for re-authorisation of the Proposed Conduct under the Act should be considered in this same context.
- 2.2 The Applicants initially formed their QAJB in New Zealand through a Joint Business Agreement signed in 2011 (the **Original JBA**). The Ministry granted unconditional approval for the QAJB on 26 September 2011, for a period of five years. The QAJB under the Original JBA also received unconditional authorisation from the ACCC on 29 September 2011 and was approved by the US DOT on 9 November 2011.
- 2.3 In June 2015, the Original JBA was amended to become the Restated JBA. The Restated JBA incorporated American's plans to enter the Trans-Pacific air passenger market with its own direct Sydney (SYD)–Los Angeles (LAX) route and Auckland (AKL)–Los Angeles (LAX) route. The (then) new Sydney (SYD)–Los Angeles (LAX) service was intended to support Qantas in launching new services on the Sydney (SYD)–San Francisco (SFO) route, as Qantas lacked the capacity to operate both the Sydney (SYD)–Los Angeles (LAX) and Sydney (SYD)–San Francisco (SFO) routes simultaneously.
- 2.4 On 8 November 2015, the Ministry re-authorised the QAJB under the Restated JBA for a further five years, extending approval until 14 November 2020. In re-authorising the QAJB in 2015, the Ministry considered that:
- (a) *"The proposed alliance will pave the way for a new direct (non-stop) service between Auckland and Los Angeles, operated by American Airlines" and "[t]he new service is likely to deliver significant economic benefits to New Zealand";⁴⁵*
 - (b) *"Direct competition between American Airlines and Air New Zealand on the Auckland-Los Angeles route [is likely to result in more capacity and lower fares, which is likely to stimulate additional demand and increase the number of United States visitors travelling to New Zealand";⁴⁶*
 - (c) *"The alliance would provide a strong competitive balance to the existing alliance between Air New Zealand and United airlines. The alliance provides both Qantas and American Airlines with the ability to sell connecting tickets on either side of the route, taking advantage of American Airlines' large domestic network in the United States, and Qantas' domestic network in New Zealand (operated under the Jetstar brand);⁴⁷ and*
 - (d) *"[O]ur view is that American Airlines is unlikely to launch the new service if the alliance does not go ahead. ... In our view, it is also questionable whether American Airlines would be able to*

⁴⁴ New Zealand Ministry of Transport 'Air New Zealand and United Airlines alliance amendment application' (Briefing, 21 October 2016), at [84]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/Air-New-Zealand-and-United-Airlines-alliance-amendment-application.pdf>

⁴⁵ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance' (Briefing, 6 November 2015), at [21]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

⁴⁶ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance' (Briefing, 6 November 2015), at [23]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

⁴⁷ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance' (Briefing, 6 November 2015), at [24]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

operate an economically viable service without Qantas' support (in particular, favourable access to Jetstar's domestic network)".⁴⁸

- 2.5 The QAJB, under the Restated JBA, was also approved unconditionally by the ACCC for five years in February 2016, extending approval until 18 March 2021.⁴⁹ The ACCC determined that the QAJB would likely continue to deliver significant public benefits and be unlikely to deliver any significant competitive detriment, particularly as American would likely not have operated Trans-Pacific services independently without the QAJB.
- 2.6 The Applicants filed for antitrust immunity (**ATI**) from the US DOT for the Restated JBA in June 2015. The US DOT tentatively proposed to deny the application in November 2016 and the Applicants withdrew their application in December 2016. The Applicants revised and resubmitted their application, and the US DOT granted final approval of and ATI for the QAJB in July 2019. In granting approval, the US DOT determined that the QAJB would be pro-competitive and likely to generate substantial benefits for the traveling public. The US DOT's grant of ATI is not time-limited but requires that the Applicants submit a Self-Assessment within seven years of the US DOT's approval (i.e.. in 2026).
- 2.7 The Restated JBA was updated in 2017, but implementation of the Restated JBA on its current terms did not commence until July 2019 after final US DOT approval had been granted.⁵⁰
- 2.8 In July 2020, the Applicants requested re-authorisation of the QAJB under the Restated JBA from the Ministry. Re-authorisation was granted unconditionally in November 2020 for another five-year term, with authorisation initially expiring on 14 November 2025. In granting re-authorisation, the Ministry concluded that the QAJB:
- (a) was unlikely to reduce competition in any connected markets given the lack of competitive overlap between the Applicants' respective networks;⁵¹
 - (b) facilitated an additional direct route between New Zealand and the US (Auckland (AKL)–Los Angeles (LAX), operated by American), which coincided with a large increase in air travel between the two countries, thereby increasing the available capacity, allowing more New Zealanders to travel and facilitating increased tourist visitation to New Zealand;⁵²
 - (c) provided cheaper fares to New Zealand travellers and was likely to encourage more attractive product offerings;⁵³ and
 - (d) overall, benefited New Zealand by providing for more services and effective competition in New Zealand than absent re-authorisation.⁵⁴

⁴⁸ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance' (Briefing, 6 November 2015), at [34]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

⁴⁹ See ACCC Determination: Application for Revocation of A91265 and A91266 and the Substitution of authorisation A91502 and A91503 lodged by Qantas Airways and American Airlines in respect of their restated joint business agreement and associated agreements (25 February 2016). Authorisation numbers A91502 and A91503. Available: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register>

⁵⁰ Decision of US DOT DOT-OST-2018-0030 <https://www.transportation.gov/sites/dot.gov/files/docs/briefing-room/344826/2019-7-7-finalorder.pdf>

⁵¹ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [75]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

⁵² New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [72]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

⁵³ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [74]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

⁵⁴ New Zealand Ministry of Transport 'Qantas/American Airlines 2020 Reauthorisation of Strategic Alliance' (Briefing, 12 November 2020). Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QantasAmericanAirlines-2020AuthorisationOfStrategicAlliance.pdf>

- 2.9 The Ministry noted that the Applicants had conveyed that, if authorisation had been declined “*American Airlines would be unlikely to reinstate its Auckland-Los Angeles service or launch the planned Christchurch-Los Angeles and Auckland-Dallas/Fort Worth services*”⁵⁵ and recognised:⁵⁶

“This makes sense. Without the full support of the other partner, the two airlines could be expected to channel passengers through their existing services between Australia and North America, rather than incur the significant costs associated with direct services to New Zealand. The US market is heavily reliant on connecting traffic, and access to connecting services on each end of the route is vital to enable the airlines to compete effectively with Air New Zealand and United Airlines.”

- 2.10 On 7 May 2025, the Ministry extended its authorisation of the QAJB until 31 March 2026.
- 2.11 In October 2020, the Applicants sought re-authorisation of the QAJB under the Restated JBA from the ACCC for a further five years. Authorisation was granted unconditionally in March 2021, with authorisation expiring on 16 April 2026.
- 2.12 The Restated JBA which was the subject of the Ministry’s most recent re-authorisation was due to expire in July 2029. The Applicants have recently extended the term [REDACTED]. These are discussed further in section 5 below.

3. The Applicants

- 3.1 This is a joint application by Qantas and American.

Qantas⁵⁷

Contact details

- 3.2 Qantas’ contact details are:

Postal address: Qantas, 10 Bourke Road, Mascot NSW 2020, Australia
Telephone: +61 2 9691 3636
Web address: <https://www.qantas.com/>
Contact person/s: [REDACTED]

- 3.3 All correspondence and notices in respect of this application should be directed in the first instance to:

Minter Ellison Rudd Watts
Level 22, PwC Tower
15 Customs Street West
Auckland 1010

Attention: Jennifer Hambleton
Telephone: +64 9 353 9794
Email: [REDACTED]@minterellison.co.nz

Description of Qantas

- 3.4 Qantas is an Australian-based domestic and international airline. Qantas also operates airline related businesses including freight operations and loyalty programs, and various airline subsidiaries – Jetstar

⁵⁵ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [50]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

⁵⁶ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [51]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

⁵⁷ More information about the Qantas Group is available at www.qantas.com.

Airways Pty Limited (**Jetstar**) (which operates domestic and international flights), regional airline QantasLink and Network Aviation.

- 3.5 Following the Pandemic, Qantas has sought to rebuild its domestic and international network and capacity. The international destinations to which Qantas operates (based on destinations published for sale as at June 2025) are set out in **Figure 1** below and in the route map included as Annexure B to this Application.

Figure 1: Qantas International Destinations (ex Australia) as at June 2025

Region	Destinations
Pacific	Apia, Auckland, Christchurch, Dili, Nadi, Noumea, Nuku'alofa, Port Moresby, Queenstown, Wellington, Koror, Honiara, Port Vila
Asia	Bangkok, Bengaluru, Delhi, Denpasar, Hong Kong, Jakarta, Manila, Seoul (ends May 2025), Singapore, Tokyo Haneda, Tokyo Narita, Sapporo (from December 2025)
Europe	London Heathrow, Rome, Paris
Americas	Dallas-Fort Worth, Honolulu, Los Angeles, New York JFK (from June 2023), San Francisco (from March 2023), Santiago, Vancouver
Africa	Johannesburg

- 3.6 As at June 2025, the Qantas Group fleet⁵⁸ totalled 363 aircraft.
- 3.7 Qantas has experienced delays with the return of its A380s and delivery of new aircraft, and is now anticipating the arrival of new widebody aircraft from late-2026. The arrival of new widebody aircraft, along with the return of Qantas A380s, will enable Qantas to make enhancements to its operations, including additional routes or changes to aircraft being deployed to increase capacity on some services.
- 3.8 In addition to the Restated JBA, the Qantas Group is currently a party to the following arrangements:
- (a) an alliance with Emirates, which was re-authorised by Minister on 28 March 2023 for five years until 31 March 2028, and re-authorised by the ACCC for five years on 17 August 2023;⁵⁹
 - (b) the **oneworld**[®] marketing alliance; and
 - (c) various codeshare agreements.

Jetstar

- 3.9 Jetstar is a vital part of the Qantas Group's domestic and international operations. It operates low-cost, value-based domestic Australia and New Zealand services (operated by Jetstar Airways), international services from Australia to destinations in Asia, the Pacific and New Zealand (operated by Jetstar Airways),⁶⁰ and services within and between various countries in Asia under the Jetstar business model, currently operated by the following joint ventures:⁶¹
- (a) Jetstar Asia Airways Pte Limited (**Jetstar Asia**), in which the Qantas Group has a 49% interest, which is incorporated in Singapore and operates flights from Singapore to various destinations in

⁵⁸ Includes Qantas Airways, Jetstar Australia and New Zealand, fleet to be redeployed in Australia/New Zealand from Jetstar Asia (Singapore), Qantas Freight and QantasLink and excludes aircraft operated by Jetstar Japan and capacity hire aircraft to Jetstar Australia, from Jetstar Japan. See page 16 of Qantas Annual Report 2024.

⁵⁹ See ACCC Determination: Application for revocation of AA1000400 and the substitution of authorisation AA1000625 lodged by Qantas Airways Limited and Emirates in respect of a Restated Master Coordination Agreement Authorisation number: AA1000625. Available [Final Determination - 17.08.23 - PR - AA1000625 Qantas Emirates.pdf](#).

⁶⁰ Jetstar Asia operates seasonal services between Singapore and Broome (note this will cease in July 2025).

⁶¹ In Australia, the ACCC re-authorised coordination between the Qantas Group and the various Jetstar branded joint ventures in April 2023.

Asia. As announced on 11 June 2025, the Jetstar Asia business is permanently closing from 31 July 2025⁶²; and

- (b) Jetstar Japan Co Ltd (**Jetstar Japan**) in which the Qantas Group has a 33.32% shareholding. Jetstar Japan is incorporated in Japan and operates flights within Japan and internationally.

- 3.10 Jetstar's services (ex-Australia) to international destinations are set out in **Figure 2** below, (with additional destinations in Asia serviced by Jetstar Asia and Jetstar Japan).

Figure 2: Jetstar International Destinations (ex-Australia) as at June 2025

Region	Destinations
Pacific	Auckland, Christchurch, Dunedin (from June 2025), Hamilton (from June 2025), Nadi, Port Vila, Queenstown, Wellington, Rarotonga
South East Asia	Bangkok, Cebu (from November 2025), Denpasar, Ho Chi Minh City, Phuket, Manila (from November 2025), Singapore
North East Asia	Osaka, Seoul, Tokyo-Narita
Americas	Honolulu (ends October 2025)

- 3.11 A Jetstar route map is included as **Annexure B** to this Application.

- 3.12 This Application covers proposed coordination between Qantas, Jetstar and American.

Qantas Group Trans-Pacific and Trans-Tasman services

- 3.13 The Qantas Group operates a number of passenger services per week between New Zealand, Australia and the US, being:⁶³

- (a) five non-stop services per week between Auckland (AKL) and New York (JFK);⁶⁴
- (b) three weekly return services to San Francisco (SFO) from Sydney (SYD);
- (c) 11 weekly return services to Dallas-Fort Worth (DFW) (seven non-stop services from Sydney (SYD) and four non-stop services from Melbourne (MEL));
- (d) five weekly return services between Sydney (SYD) and Honolulu (HNL) (operated by Qantas) (Jetstar services will end in October 2025);
- (e) three weekly return services between Melbourne (MEL) and Honolulu (HNL) (previously operated by Jetstar, but operated by Qantas since 1 May 2025); and
- (f) three weekly return services from Vancouver (YVR) (three from Sydney).

- 3.14 Qantas recently announced some enhancements to its Trans-Pacific offering, namely:

- (a) increasing the frequency of its flights to Melbourne (MEL) from Dallas-Fort Worth (DFW) in December 2025 and January 2026; and
- (b) operating the Airbus A380 on all daily services to Sydney (SYD) to Dallas-Fort Worth (DFW) from January 2026.⁶⁵

- 3.15 In terms of Trans-Tasman services, as at the last week of June 2025 the Qantas Group also operates 192 services per week between Australia and New Zealand, being:

⁶² See Qantas News Room, 11 June 2025: [QANTAS GROUP TO CLOSE ITS INTRA-ASIA AIRLINE JETSTAR ASIA](#)

⁶³ As at June 2025.

⁶⁴ Operated as part of Qantas' Sydney-Auckland-New York route, press release dated 25 August 2022 - Sydney-Auckland-New York route.

⁶⁵ <https://news.aa.com/news/news-details/2025/American-Airlines-and-Qantas-announce-additional-flights-from-the-United-States-to-Australia-NET-ALP-05/default.aspx>

- (a) 90 weekly return services to Auckland (AKL) (28 non-stop services from Melbourne (MEL), 48 non-stop services from Sydney (SYD), 14 non-stop services from Brisbane (BNE));
 - (b) 37 weekly return services to Wellington (WLG) (nine non-stop services from Melbourne (MEL), 14 non-stop services from Sydney (SYD), seven non-stop services from Brisbane (BNE), seven non-stop service from Gold Coast (OOL));
 - (c) 44 weekly return services to Christchurch (CHC) (11 non-stop services from Melbourne (MEL), 21 non-stop services from Sydney (SYD), 12 non-stop services from Brisbane (BNE)); and
 - (d) 21 weekly return services to Queenstown (ZQN) (four non-stop services from Melbourne (MEL), 14 non-stop services from Sydney (SYD), three non-stop services from Brisbane (BNE)).
- 3.16 Qantas has recently announced the launch of two new Trans-Tasman services between Auckland (AKL) and Adelaide (ADL) (to commence in October 2025) and between Auckland (AKL) and Perth (PER) (to commence in December 2025). These will provide further route options for New Zealand consumers.
- 3.17 Domestically, Jetstar also operates services within New Zealand to key ports including Auckland (AKL), Christchurch (CHC), Wellington (WLG), Queenstown (ZQN) and Dunedin (DUD). Qantas and Jetstar also operate domestically within Australia.
- 3.18 In terms of freight, in addition to freight carried in 'belly' space in passenger operations on the Trans-Pacific Routes, Qantas operates the following dedicated freighter services:
- (a) Chicago (ORD)-Los Angeles (LAX)-Honolulu (HNL)-Auckland (AKL)-Sydney (SYD) on a weekly basis;
 - (b) Chicago (ORD)-Dallas (DFW)-Los Angeles (LAX)-Honolulu (HNL)-Sydney (SYD) on a weekly basis;
 - (c) Sydney (SYD)-Bangkok (BKK)-Shanghai (PVG)-Anchorage (ANC)-New York (JFK) on a weekly basis;
 - (d) Sydney (SYD)-Chongqing (CKG)-Shanghai (PVG)-Anchorage (ANC)-Chicago (ORD) on a twice weekly basis;
 - (e) Sydney (SYD)-Shanghai (PVG)-Anchorage (ANC)-New York (JFK) on a weekly basis;
 - (f) New York (JFK)-Chicago (ORD)-Honolulu (HNL)-Sydney (SYD) on a weekly basis; and
 - (g) New York (JFK)-Chicago (ORD)-Honolulu (HNL)-Melbourne (MEL)-Sydney (SYD) on a weekly basis.
- 3.19 Qantas' dedicated freighter services connect the US to New Zealand and New Zealand to the US via Sydney.
- 3.20 Qantas also operates dedicated freighter services from Australia to New Zealand. As of June 2025, Qantas Freight operates:
- (a) Sydney (SYD)-Auckland (AKL)-Christchurch (CHC)-Sydney (SYD)-Melbourne (MEL) on a weekly basis;
 - (b) Melbourne (MEL)-Sydney (SYD)-Auckland (AKL)-Christchurch (CHC)-Sydney (SYD) on a weekly basis;
 - (c) Sydney (SYD)-Auckland (AKL)-Christchurch (CHC)-Sydney (SYD) on a thrice weekly basis;
 - (d) Sydney (SYD)-Hong Kong (HKG)-Sydney (SYD) on a twice weekly basis;
 - (e) Perth (PER)-Hong Kong (HKG)-Sydney (SYD) on a weekly basis; and
 - (f) Sydney (SYD)-Shanghai (PVG) on a twice weekly basis.
- 3.21 A map of Qantas' B747 freighter routes is included below:⁶⁶

⁶⁶ See https://freight.qantas.com/content/dam/qantas/freight/pdfs/QF_747_freighter_network_200421.pdf.

Figure 3: Qantas B747 freighter route map



American⁶⁷

Contact details

3.22 American's contact details are:

Postal address: [REDACTED]
Physical address: [REDACTED]
Telephone: [REDACTED]
Web address: <https://www.aa.com/>
Contact person: [REDACTED]

3.23 All correspondence and notices in respect of this application should be directed in the first instance to:

Jones Day
Aurora Place
Level 41, 88 Phillip St.
Sydney NSW 2000 Australia

Attention: Prudence Smith
Telephone: [REDACTED]
Email: [REDACTED]

Description of American

3.24 American Airlines Group Inc. (**AAG**), a Delaware corporation, is a holding company and its principal, wholly-owned subsidiaries are American Airlines, Inc, Envoy Aviation Group Inc. (**Envoy**), PSA Airlines, Inc. (**PSA**) and Piedmont Airlines, Inc. (**Piedmont**). AAG was formed in 1982 under the name AMR Corporation as the parent company of American, which was founded in 1934. American (together with its wholly-owned regional airline subsidiaries—Envoy, PSA, and Piedmont—and third-party regional carriers—including Republic Airways Inc., and SkyWest Airlines, Inc.—operating under the brand name “American Eagle”) operates flights to more than 350 destinations in more than 60 countries through its hubs in Charlotte, Chicago, Dallas-Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D.C., and partner gateways, including in London, Dublin, Madrid, Auckland, Sydney and Tokyo (among others).

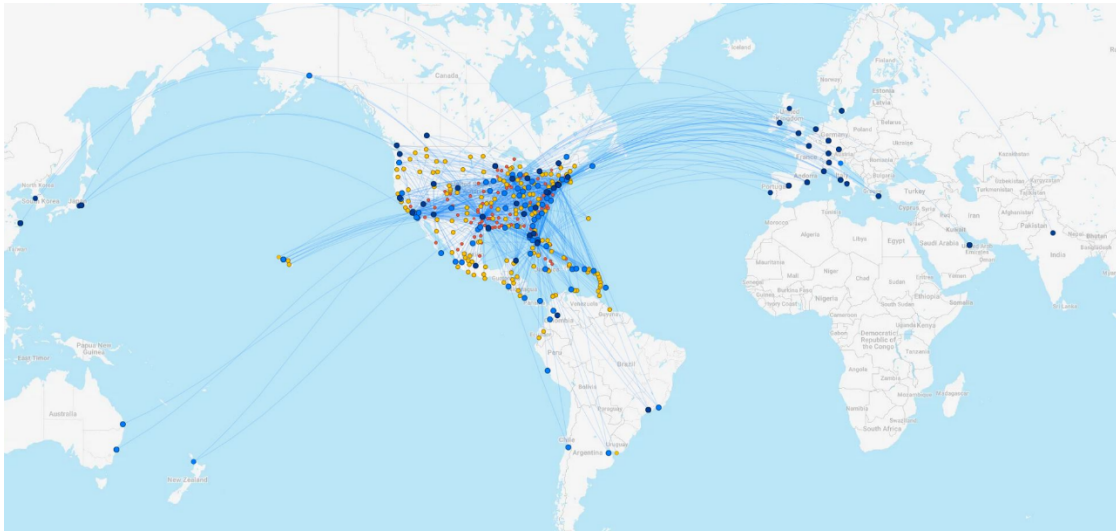
3.25 American, like Qantas, is a founding member of the **oneworld®** alliance. American also has established a transatlantic joint business with British Airways, Iberia, Finnair, and Aer Lingus and a transpacific joint

⁶⁷ More information about American is available at www.aa.com.

business with Japan Airlines, each of which has been granted antitrust immunity by relevant regulators. American also has codeshare agreements with other airlines.

3.26 A route map showing American destinations (as at April 2025) is shown at **Figure 4** below.

Figure 4: American route map (April 2025)



3.27 As at June 2025, American's Trans-Pacific operations comprised:

- (a) seven weekly non-stop return services between Los Angeles (LAX) and Sydney year round; and
- (b) six seasonal (northern hemisphere winter (**Northern Winter**)) weekly non-stop return services between Dallas-Fort Worth (DFW) and Brisbane (BNE) in November;
- (c) seven seasonal (Northern Winter) weekly non-stop return services between Dallas-Fort Worth (DFW) and Brisbane (BNE) in December through February;
- (d) seven seasonal (Northern Winter) weekly non-stop return services between Auckland (AKL) and Los Angeles (LAX) in December through February;
- (e) three seasonal (Northern Winter) weekly non-stop return services between Auckland (AKL) and Dallas-Fort Worth (DFW) for first half of November; and
- (f) seven seasonal (Northern Winter) weekly non-stop return services between Auckland (AKL) and Dallas-Fort Worth (DFW) for second half of November through March.

3.28 On 5 May 2025, it was announced that American will:

- (a) launch a seasonal service from Los Angeles (LAX) to Brisbane (BNE) to commence in December 2025, on a temporary basis until end of January 2026, to complement Qantas services; and
- (b) resume seasonal service from Dallas-Fort Worth (DFW) to Brisbane (BNE) in October 2025 with its newly-designed Boeing 787-9 aircraft.⁶⁸

3.29 American's Los Angeles (LAX)-Auckland (AKL) and Dallas-Fort Worth (DFW)-Auckland (AKL) routes are seasonal routes offered over the Northern Winter, which is broadly from the end of October to the end of March, however the specific start and end dates for these seasonal services varies and can be shorter or longer depending on the particular year.

3.30 American also provides 'belly' space for freight and cargo services (but not dedicated freighter services) on the Trans-Pacific Routes.

⁶⁸ <https://news.aa.com/news/news-details/2025/American-Airlines-and-Qantas-announce-additional-flights-from-the-United-States-to-Australia-NET-ALP-05/default.aspx>

- 3.31 American notes that in the 2020 application to the Ministry for re-authorisation, it had announced a proposed Christchurch (CHC)-Los Angeles (LAX) route.⁶⁹ [REDACTED]. However, in direct competitive response to American's announcement, United Airlines (which has an indefinite alliance with Air New Zealand) launched a Christchurch (CHC)-San Francisco (SFO) service. Given the low passenger volumes on this route, it is unclear whether it would be possible to support multiple airlines, and so the competitive dynamics relating to the route have shifted. American instead launched service between Dallas-Fort Worth (DFW) and Auckland (AKL) in 2022. [REDACTED].

The QAJB and overlap between the Applicants

- 3.32 The below diagram illustrates the current QAJB routes on the Trans-Pacific for the Northern Winter 2024/2025 period, showing the routes operated by each of Qantas and American between New Zealand, Australia and North America. This diagram illustrates that there is no route overlap with respect to New Zealand and only a single year-round route of overlap (Sydney (SYD)-Los Angeles (LAX)) across the QAJB, with American's new seasonal Brisbane (BNE)-Los Angeles (LAX) service announced in May 2025 leading to a seasonal overlap during the Northern Winter season once it commences in December 2025. Qantas currently operates a daily Brisbane (BNE)-Los Angeles (LAX) service. Commencing December 2025 (during Northern Winter 25/26), American will operate a service three times per week with Qantas operating the remaining four services per week, for the purposes of Qantas redeploying its aircraft to increase frequencies on its Melbourne (MEL)-Dallas-Fort Worth (DFW) service.

Figure 5: QAJB Routes for the Northern Winter 2024-2025 period



Applicants' Trans-Pacific flight schedules

- 3.33 In accordance with the Ministry's Assessment Framework Guidelines,⁷⁰ the below provides details of the Applicants' current flight schedules and anticipated schedule for the next summer and winter IATA season with respect to flights between New Zealand and the US.

⁶⁹ Qantas/American Airlines Application to the Minister of Transport pursuant to Part 9 of the Civil Aviation Act 1990 Restated Joint Business Agreement and associated agreements (22 July 2020), at pg. 3. Available: [Qantas and American Airlines Application](#)

⁷⁰ Assessment Framework Guidelines, at [127].

Table 1: Applicants' schedules between New Zealand and the US

	Northern Winter 24	Northern Summer 25	Northern Winter 25/26	Northern Summer 26*
QF AKL-JFK	Dep: 16:55 Arr: 14:25	Dep: 16:25 Arr: 16:20	Dep: 16:55 Arr: 14:25	Dep: 16:25 Arr: 16:20
AA AKL-LAX	Dep: 15:50 Arr: 06:55	*NA: AA services are Northern Winter seasonal services	Dep: 15:50 Arr: 06:55	*NA: AA services are Northern Winter seasonal services
AA AKL-DFW	Dep: 13:20 Arr: 07:55		Dep: 13:20 Arr: 08:05	

* Based on published schedule through to May 2026. Northern Summer commences on the last Sunday of March. Northern Winter commences on the last Sunday of October.

Canada and Mexico

- 3.34 Neither Applicant operates services between New Zealand and Canada or Mexico. American does not operate direct services between Australia to either Canada or Mexico, whilst Qantas only operates routes between Australia and Canada (e.g. Sydney–Vancouver) which were previously seasonal. Air New Zealand and Air Canada both operate direct flights between Auckland and Vancouver, but neither operate direct flights from New Zealand to Mexico.
- 3.35 Detailed discussion about Canada and Mexico is therefore not the focus of this Application. However, it is important for the Applicants to include Canada and Mexico within the scope of the Proposed Conduct given the need for the QAJB to be able to offer connectivity to and from those countries via American's US gateways. Joint sales and distribution support, plus coordinated revenue management, makes travel to and from Australia and New Zealand to these destinations seamless and accessible as part of the QAJB framework.

4. Context: Air services on Trans-Pacific and NZ/US relationship

- 4.1 Services between New Zealand and Australia and the US, i.e. on the Trans-Pacific, are a critical element of the maintenance of strong economic ties between these countries, which supports the economic prosperity of those jurisdictions, as well as a critical element to the overall preservation of New Zealand's national security and national interests. The New Zealand government regards protection of economic security as a factor in national security. It has stated that: "*Protecting New Zealand from threats that would do us harm means safeguarding ... our national economic security*". The New Zealand government has also stated that, in the context of safeguarding national economic security, this means "[p]reventing and protecting against actions and developments that threaten the viability of our national economy"⁷¹.
- 4.2 Air services between New Zealand and international markets facilitate New Zealand's connections, and introduce significant tourism and business investment which contributes to New Zealand's financial security. As recently noted by the Acting Minister of Transport in relation to a renewed partnership between British Airways and Qatar Airways, airline cooperation agreements allow visitors to more easily reach New Zealand, which in turn, "*boosts the economy through [New Zealand's] second largest export – tourism – and ultimately grows jobs and incomes for local New Zealanders*".⁷²
- 4.3 Relevantly for the QAJB, the significance of the New Zealand-US relationship has been specifically recognised by the New Zealand Government: "*New Zealand and the United States have a deep and*

⁷¹ See Secure Together New Zealand's National Security Strategy 2023 – 2028 <https://www.dpmc.govt.nz/sites/default/files/2023-11/national-security-strategy-aug2023.pdf> page 9.

⁷² Hon James Meager "Travellers to benefit from joint airline agreement extension" (5 April 2025) <https://www.beehive.govt.nz/release/travellers-benefit-joint-airline-agreement-extension>

long-standing relationship and share a commitment to democratic institutions and the international rule of law. The relationship is multi-faceted and includes close cooperation across a broad range of areas from business and trade, to defence and intelligence, science and technology, culture, arts, education and people-to-people links".⁷³ Recently New Zealand's then Deputy Prime Minister, Winston Peters stated: "New Zealand's partnership with the United States remains one of our most long standing and important, particularly when seen in the light of our joint interests in the Pacific and the evolving security environment."⁷⁴ In addition, the Government has recently announced Tourism New Zealand will receive an additional NZD13.5 million in funding for international tourism marketing to drive international visitor numbers to New Zealand, targeted towards New Zealand's three core markets of Australia, the US and China.⁷⁵ This additional investment affirms the US is one of the three 'core' markets for the New Zealand tourism industry.

- 4.4 The strategic partnership between New Zealand and the US, which had previously been affirmed through the Wellington Declaration (2010) and Washington Declaration (2012), was again reaffirmed in a joint US and New Zealand declaration made in April 2024 – in which both countries will seek to meet annually at the Secretary of State and Foreign Minister level.⁷⁶ The US is New Zealand's second largest foreign investor⁷⁷ and remains a key economic partner, which underlines the importance of the bilateral relationship and the Proposed Conduct itself to the overall New Zealand economy, thereby supporting the nation's economic prosperity.
- 4.5 Air passenger services on the Trans-Pacific are fundamental to building tourism and economic links between New Zealand, Australia and the US (and beyond, in terms of Canada and Mexico). Further, as set out in more detail in this Application, the maintenance and growth of those links is directly enhanced by the Proposed Conduct. This was recognised by Tourism Industry Aotearoa when it stated in 2020, "[t]he JBA facilitates some of these much-needed connectivity links with one of our biggest markets, North America. A continued Qantas and American Airlines alliance will assist with the rebuild of international tourism in Australia and New Zealand through support for sales in North America itself, and building two ports of entry into New Zealand. We know many North American customers will travel to New Zealand and Australia on the same trip, and more links between the two countries grow this further. It also puts more customers in North America within two flights of New Zealand."⁷⁸
- 4.6 Tourism New Zealand reported that in 2024, US visitors spent NZD1.6 billion in New Zealand and 8.5% of all arrivals in New Zealand were from the US.⁷⁹
- 4.7 The particular significance of the US to New Zealand's tourism industry, and the increased competition on services between NZ and the US to which the Applicants have contributed, has also been acknowledged by Auckland Airport, which observed that:

"North America is our third biggest inbound tourism market and within that the Los Angeles route has been a real bright spot. We've gone from one airline – Air New Zealand – flying once a day

⁷³ See New Zealand Ministry of Foreign Affairs and Trade, 'United States of America', available at: <https://www.mfat.govt.nz/en/countries-and-regions/americas/united-states-of-america>.

⁷⁴ [US-NZ partnership in Pacific in focus in Hawaii | Beehive.govt.nz](https://www.beehive.govt.nz/release/us-nz-partnership-in-pacific-in-focus-in-hawaii)

⁷⁵ <https://www.beehive.govt.nz/release/additional-funding-attract-72000-more-visitors-new-zealand>

⁷⁶ Rt Hon Winston Peters, 'Joint US and NZ declaration' (Speech, 12 April 2024), available at: <https://www.beehive.govt.nz/release/joint-us-and-nz-declaration>.

⁷⁷ See 'Balance of payments and international investment position: Year ended 31 March 2024', *Stats NZ* (operated by the New Zealand Government), available at: <https://www.stats.govt.nz/information-releases/balance-of-payments-and-international-investment-position-year-ended-31-march-2024/#:~:text=Of%20the%20%24572.3%20billion%20total,51.6%20percent%20was%20portfolio%20investment>.

⁷⁸ Tourism Industry Aotearoa 2020 Submission
<https://www.transport.govt.nz/assets/Uploads/Submission/TourismAotearoaSubmission.pdf>

⁷⁹ <https://www.tourismnewzealand.com/assets/insights/market-overview/TNZ-Insights-Infographic-Market-Snapshots-2024-USA.pdf>

*last summer, to having Air New Zealand, American Airlines, Delta and United Airlines, together flying up to four times a day”.*⁸⁰

- 4.8 Travel between New Zealand, Australia and the US (and other countries, such as Canada or Mexico) generally involves non-stop flight segments of over 10,000 kilometres (over 12 hours travelling time) utilising specialised, capital-intensive, long haul aircraft. High volumes of connecting passengers travelling on the Trans-Pacific Routes make streamlined connectivity and the ability to sell competitively to ‘behind and beyond’ destinations crucial. As noted above, cooperation between airlines is essential on such ‘long and thin’ routes because there is insufficient demand specific to the route (i.e. ‘local, non-stop demand’) to economically fill the large planes needed to service these long haul flights. In other words, these Trans-Pacific flights are generally economically sustainable only if and when the airline can also serve connecting passengers to ‘behind and beyond’ destinations. This is critically the case for American with the QAJB.
- 4.9 The Ministry has acknowledged the need for airlines on the Trans-Pacific to have competitive access to destinations beyond the major gateways. For example, in authorising the Restated JBA in 2020, the Ministry observed that:
- “Without the full support of the other partner, the two airlines [Qantas and American] could be expected to channel passengers through their existing services between Australia and North America, rather than incur the significant costs associated with direct services to New Zealand. The US market is heavily reliant on connecting traffic, and access to connecting services on each end of the route is vital to enable the airlines to compete effectively with Air New Zealand and United Airlines,”*⁸¹ and considered that: *‘The full implementation of the agreement will allow further benefits to consumers from coordinated booking and reward schemes, and much larger regional networks in North America, Australia and New Zealand’.*⁸²
- 4.10 This is consistent with the approach taken by the ACCC, which held the view that, in re-authorising the Restated JBA in 2021: *“Historically, the majority of travellers between Australia and the US connect from and/or to destinations behind and beyond key gateways in each country (e.g. Adelaide-Sydney-Dallas/Fort Worth-Miami), rather than simply travel between the key gateways (e.g. Sydney-Dallas/Fort Worth).”*⁸³
- 4.11 The need for New Zealand and Australian airlines to have a strong network and sales relationship with a US based airline is reflected by the fact that each of Qantas, Virgin Australia and Air New Zealand have historically engaged in long term joint business relationships with American, Delta and United Airlines respectively.

⁸¹ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [51]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

⁸¹ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [51]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

⁸² New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [72]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

⁸³ See para [2.7], ACCC Determination: Application for revocation of A91502 and A91503 and the substitution of authorisation AA1000532 lodged by Qantas Airways Limited and American Airlines Inc. in respect of a Restated Joint Business Agreement (25 March 2021). Authorisation number AA1000532. Available: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/qantas-american-airlines>. Prior to this the ACCC also observed that: *‘The ACCC considers that, in the future without the Proposed Conduct, Qantas would be unable to offer services to non-gateway destinations in the US. This would make its offering less attractive to customers that wish to travel to/from these destinations, resulting in lower passenger numbers on trans-Pacific services. In turn, this is likely to result in some rationalisation of Qantas’ current trans-Pacific service offering and/or delay the introduction of new frequencies and services.’* – see pg 1 ACCC Determination: Application for Revocation of A91265 and A91266 and the Substitution of authorisation A91502 and A91503 lodged by Qantas Airways and American Airlines in respect of their restated joint business agreement and associated agreements, 25 February 2016. Authorisation numbers A91502 and A91503. Available: <https://www.accc.gov.au/system/files/public-registers/documents/D16%2B22969.pdf>.

Overview of Trans-Pacific Operations in 2025

- 4.12 There are seven direct city-pairs offered between New Zealand cities and the mainland US/Canada by various airlines:
- (a) Auckland-Los Angeles (American, Delta, Air New Zealand);
 - (b) Auckland-San Francisco (Air New Zealand, United);
 - (c) Auckland-Dallas-Fort Worth (offered seasonally) (American);
 - (d) Auckland-Houston (Air New Zealand);
 - (e) Auckland-New York (Qantas);
 - (f) Christchurch-San Francisco (offered seasonally) (United); and
 - (g) Auckland-Vancouver (Air New Zealand).
- 4.13 In addition, there are various indirect one-stop routes from New Zealand to mainland US via Australia, including via Melbourne, Brisbane and Sydney. There are also a range of indirect one-stop routes from New Zealand to mainland US/Canada via other hubs in the Pacific, Asia and South America. These services include:
- (a) Auckland-Sydney -Los Angeles, San Francisco, Dallas-Fort Worth, Houston, Vancouver;
 - (b) Auckland-Melbourne -Los Angeles, San Francisco, Dallas-Fort Worth;
 - (c) Auckland-Brisbane -Los Angeles, San Francisco, Dallas-Fort Worth, Vancouver;
 - (d) Auckland-Nadi-Los Angeles/San Francisco/Dallas-Fort Worth/Vancouver;
 - (e) Auckland-Papeete-Los Angeles/San Francisco;
 - (f) Auckland-Honolulu-US/Canada;
 - (g) Auckland-Santiago-US; and
 - (h) Auckland-Vancouver-US.

5. Nature of Proposed Conduct and Cooperative Activities

- 5.1 To assist the Ministry's assessment, this section sets out details of the Restated JBA and associated agreements for which authorisation is sought. This includes details of the nature and scope of the commercial arrangements, being a metal neutral revenue sharing joint business arrangement, and its objectives.

The nature and scope of the Proposed Conduct

- 5.2 The Restated JBA and associated agreements provide for broad coordination and cooperation between the Applicants. They include provisions for cooperation between the Applicants in respect of:
[REDACTED]
- 5.3 Further details of the cooperative activities and provisions of the Restated JBA and associated agreements for which re-authorisation is sought is set out in paragraphs [6.1] to [6.6] below.
- 5.4 The geographic scope of the Proposed Conduct comprises coordination of the Applicants' operations between, and within, Australia and New Zealand and the US, Canada and Mexico. This includes co-ordination of Qantas-operated Trans-Tasman services (American has never operated, and does not, operate any Trans-Tasman services).
- 5.5 Re-authorisation of the provisions of the Restated JBA and associated arrangements will enable the Applicants, through the QAJB, to continue their commercial coordination under the Restated JBA to support capacity reinstatement and longer term growth across the Trans-Pacific.

- 5.6 The current Restated JBA is enclosed in Confidential Annexure O. The associated agreements are also enclosed in Confidential Annexure P.
- 5.7 The Applicants recently agreed to extend the term of the Restated JBA. [REDACTED]

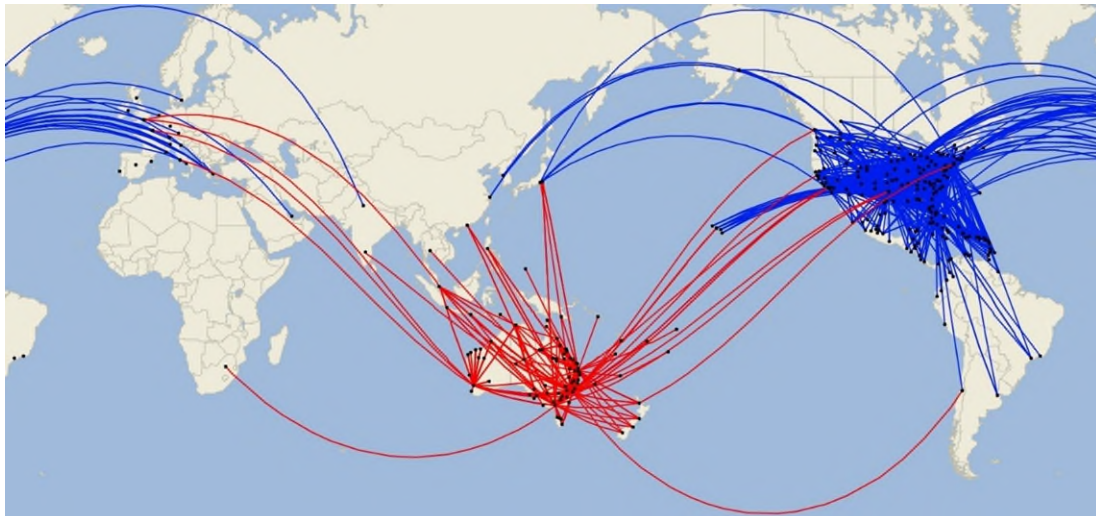
Objectives of the agreements and commercial rationale

- 5.8 The Restated JBA is a metal neutral revenue sharing joint business agreement which facilitates deep commercial cooperation between the Applicants. As outlined further below and in this Application, the QAJB has enabled the delivery of significant public benefits in New Zealand, Australia and the US for well over a decade. This is due to the revenue sharing model which aligns the Applicants' incentives in jointly selling their services, investing in capacity growth and improving product and service offerings to New Zealand, Australian and US consumers.
- 5.9 Metal neutral joint businesses are the hallmark of pro-competitive cooperation in the airline industry globally. They are deeply integrated arrangements where airlines agree to coordinate on all aspects of their joint operations between two regions, including pricing, scheduling, and joint investments in customer service. To financially incentivise this level of cooperation, the partners share revenue attributable to the international segment, regardless of which airline operates that flight. The partners have common economic incentives to promote the success of their joint business over their individual corporate interests and thereby allow them to achieve merger-like efficiencies and deliver benefits that would not otherwise be possible. These include, among other things:
- (a) expanded codesharing creating a superior network offering;
 - (b) greater access to fares generated through more routing options and lower fares;
 - (c) more direct flights and new international gateways;
 - (d) better schedules and broader patterns of service;
 - (e) improved frequent flyer benefits;
 - (f) airport co-location improving connections and the airport experience; and
 - (g) other significant customer experience enhancements.
- 5.10 Furthermore, domestic and foreign ownership regulations restrict airlines from establishing truly global flight networks that are independent of their home country. As a result, joint businesses between airlines are crucial for delivering connectivity and services to customers across different regions of the world.
- 5.11 The objectives of the Restated JBA and associated agreements are to:⁸⁴
- (a) allow the Applicants to effectively and efficiently serve the Trans-Pacific Routes through a metal-neutral revenue-sharing arrangement;
 - (b) facilitate deeper commercial cooperation between the Applicants in relation to the QAJB;
 - (c) improve the Applicants' ability to offer seamless, competitive, high-quality and cost-effective passenger air transport services through the QAJB;
 - (d) enable the Applicants to compete more effectively with other airlines and airline alliances through the QAJB; and
 - (e) offer customers a wider choice of travel and shipping options at competitive prices and facilitate efficiency-enhancing integration and co-ordination of the Applicants' services through the QAJB.
- 5.12 The QAJB is an integral part of the Applicants' international strategies as it has enabled and continues to enable the Applicants to offer customers significant diversity of destinations, routes, connectivity and combinability (among other benefits) on the Trans-Pacific. [REDACTED]. There is no route of overlap between the Applicants on direct routes from the US to New Zealand. As shown in **Figure 6** below, the complementarity of the Applicants' networks is imperative to both the commercial value and consumer

⁸⁴ Alliance Agreement at 1.

benefits (including enhanced connectivity), to passengers in New Zealand and across the Trans-Pacific that the QAJB has provided, and will continue, to provide.

Figure 6: Global Complementarity of Qantas and American as at June 2025



American-operated network (June 2025)

Qantas-operated network (June 2025)

Source: *DiioMi*

- 5.13 The Restated JBA and associated arrangements incentivise the Applicants to open their complementary networks and maximise access to their respective inventory of available seats whether the customer is seeking to book a long haul Trans-Pacific journey through either airline. This “metal neutrality” assures greater connectivity with more itineraries for New Zealand, Australian and US consumers that would not be economically feasible through simple code sharing. With aligned incentives that flow from metal neutral revenue sharing, the Applicants provide their mutual customers the widest available choice of flights for their journey, using both airline’s brands, services and products which, in turn, means that the QAJB is better able to respond to and meet consumer demand.
- 5.14 Revenue sharing in the Restated JBA also provides the Applicants with the incentive to invest in the joint proposition to make it superior to what either airline could offer on its own, which in turn further stimulates demand and supports capacity growth on the Trans-Pacific.
- 5.15 The Trans-Pacific Routes are expected to continue to feature high volumes of passengers connecting beyond the gateway hubs, particularly in New Zealand and Australia, as well as some passengers opting for mixed-metal itineraries (i.e. flying one way with a particular airline and return with another). As noted above, coordination is essential on such ‘long and thin’ routes on the Trans-Pacific because there is insufficient demand specific to the individual route (i.e. ‘local, non-stop demand’) to economically fill the large planes needed, and to justify such significant investment. In addition, airlines need demand from connecting passengers for ‘behind and beyond’ destinations. This broader ‘behind and beyond’ network created through the QAJB provides important ‘enablement’ or support for the Applicants’ services, in particular American’s services to / from New Zealand. This is discussed further in the ‘Counterfactual’ section below.
- 5.16 The QAJB also supports the [REDACTED] future growth of both Applicants’ services on the Trans-Pacific that rely on an expanded network, expansive codeshare selling opportunities, sales support, streamlined schedule connectivity and coordinated inventory management to help stimulate demand and compete effectively. The combined effects of which only will be made possible through re-authorisation of the Proposed Conduct. For example, Qantas is incentivised to deliver crucial New Zealand and Australia sales support for American’s Auckland (AKL)-Los Angeles (LAX), Auckland (AKL)-Dallas-Fort Worth (DFW), Sydney (SYD)-Los Angeles (LAX) and Brisbane (BNE)-Dallas-Fort Worth (DFW) services. The sales support that Qantas offers in Australia and New Zealand to American is important for the sustainability of flights that are particularly costly and complex to operate given the distance they cover.

The same is true for American, who similarly provides support for Qantas' Trans-Pacific services, including the Auckland (AKL)-New York (JFK) route, and Trans-Tasman routes.

- 5.17 The benefits of joint businesses in which the Applicants' economic incentives are aligned like those of the QAJB have been consistently recognised by the Ministry and other regulators, including the ACCC. For example, the Ministry previously observed in re-authorising the QAJB in 2020 that: *"Airline alliances can provide benefits to consumers, such as better access to connecting flights, and the ability to earn and redeem frequent flyer points across the networks of both airlines... [and] an alliance might be able to enter and provide competition in a market that would not be commercially viable for either airline on its own".*⁸⁵
- 5.18 This is consistent with the view of the ACCC, which similarly noted in relation to the alignment between Qantas and American in Australia that:

*"In alliances where the parties' incentives are fully aligned – to a point where each carrier is not concerned with making sure that a passenger flies on their airline (i.e. metal neutrality) – they tend to be very focused on synchronising their operations and activities and sharing the financial rewards and risks so as to make their products and services as appealing as possible to passengers."*⁸⁶

- 5.19 Similarly, in assessing the Restated JBA in 2019, the US DOT found that:

*"The record shows that the carriers' ability to stimulate traffic and fill the additional capacity requires a properly structured joint venture, with adequate technological investment, to allow American and Qantas to make availability decisions and participate in the portions of the revenue they allocate to customers on their respective flights connecting at gateway cities. The nature of this market – in which ultra-long-haul gateway-to-gateway flights potentially connect passengers to comparatively short domestic flights within the U.S. or Australia – makes the need for this investment particularly acute. Standard industry distance-based 'prorate' settlement agreements would provide that the short-haul carrier receives a relatively small percentage of the fare in itineraries between the U.S. and Australasia involving interline connectivity, thereby rendering the short-haul carrier less likely to make inventory available to passengers traveling on these itineraries. Absent this vital connecting traffic, viability of the ultra-long-haul gateway-to-gateway traffic would be threatened. This pricing dynamic also affects the ability of the ultra-long-haul carrier to stimulate traffic in behind/beyond gateway markets where cooperation with a local carrier is necessary. Through its detailed filings with the Department, American has demonstrated that it will align its economic incentives with Qantas to increase flow traffic from domestic U.S. points to the Qantas gateways and grow this market."*⁸⁷

6. Sections 27 or 30 of the Commerce Act 1986

- 6.1 The Ministry has jurisdiction to grant authorisation if the Applicants consider the Proposed Conduct would or might breach section 27 or section 30 of the Commerce Act and section 31 of the Commerce Act is unlikely to apply.
- 6.2 The Restated JBA and associated agreements contain provisions related to the activities described below.

⁸⁵ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [17]. Available:

<https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

⁸⁶ See para [98] of ACCC Determination: Application for Revocation of A91265 and A91266 and the Substitution of authorisation A91502 and A91503 lodged by Qantas Airways and American Airlines in respect of their restated joint business agreement and associated agreements, 25 February 2016. Authorisation numbers A91502 and A91503. Available:

<https://www.accc.gov.au/system/files/public-registers/documents/D16%2B22969.pdf>

⁸⁷ See page 12 US DOT Order to Show Cause 2019-05-23 dated 3 June 2019, Docket DOT-OFT-2018-0030, Application of American Airlines Inc and Qantas Airways Limited under 49 USC 41308 and 41309 for approval of and antitrust immunity for Alliance Agreements. Available: <https://www.regulations.gov/document?D=DOT-OST-2015-0129-0031>.

[REDACTED]

- 6.3 The provisions of the Restated JBA and associated agreements relate to 'specified activities' as defined in section 199(4) of the Commerce Act or activities that are ancillary to a specified activity that are reasonably necessary for the purpose of the collaboration between the Applicants.⁸⁸
- 6.4 While the Applicants do not compete on direct Trans-Pacific Routes between New Zealand and the US, and their respective flight networks are complementary, the Applicants recognise it is possible that they might be considered to be actual, or potential competitors, for the supply or acquisition of goods and/or services for the purposes of the Commerce Act.
- 6.5 If that is the case, some or all of the provisions outlined in paragraph [6.2] above may be considered to contravene section 30 of the Commerce Act because they might have the purpose, effect or likely effect of directly or indirectly:
- (a) Price-fixing – fixing, controlling, or maintaining, or providing for the fixing, controlling, or maintaining of the price for goods or services the Applicants supply or acquire in competition with each other;
 - (b) Restricting output – preventing, restricting or limiting, or providing for the prevention, restriction, or limitation of the Applicants' supply or acquisition of goods or services the Applicants supply or acquire in competition with each other; and/or
 - (c) Allocating markets – allocating, or providing for such an allocation of, either or both of the persons to or geographic areas within which the Applicants supply or acquire goods or services in competition with each other.
- 6.6 Given the uncertainty regarding the scope and application of the collaborative activity exception in section 31 of the Commerce Act (noting that this exception has not yet been tested in the New Zealand courts), that exception might not sufficiently extend to exempt entirely every provision in the Restated JBA and associated agreements which might be found to constitute a cartel provision. Therefore, for the avoidance of doubt, the Applicants are seeking re-authorisation of the provisions of the Restated JBA and associated agreements under the Act.

7. Counterfactual (future with and without the Proposed Conduct)

- 7.1 The Ministry's Assessment Framework Guidelines state that applicants should indicate if they expect the counterfactual (without the agreement) to differ from the status quo and the factual (with the agreement) in any of the relevant markets.
- 7.2 If the Proposed Conduct is not re-authorised, the status quo (the QAJB) will plainly not continue. This section outlines each Applicant's respective likely counterfactual if the Proposed Conduct is not re-authorised.

American's counterfactual

- 7.3 [REDACTED].
- 7.4 [REDACTED].
- 7.5 As noted in the Applicants' 2020 application for re-authorisation, American's Auckland (AKL)-Los Angeles (LAX)(then American's only route between New Zealand and the US) service would quickly become economically unsustainable absent the QAJB. Noting that demand for American's flight to Auckland drops significantly during the Southern Hemisphere winter, Qantas' close cooperation is critical

⁸⁸ Section 199(1)(b), Civil Aviation Act 2023.

to support American's service from a New Zealand point of sale perspective even in the Northern Winter high season.⁸⁹ More specifically:

*"Qantas' sales support is critical to achieving a more sustainable and diversified balance to regional selling of the service, which in turn reduces risk. Qantas has a strong sales presence in New Zealand, given that it offers many New Zealand passengers and businesses valuable and frequent Trans-Tasman services, as well as the benefit of Jetstar's domestic New Zealand network. ... The absence of a local sales partner would leave American scrambling to attract passengers. Indeed, the ability of American to even begin to contemplate more than seasonal operation on its Auckland-LAX route is dependent on a strong point of sale support at both ends of that route."*⁹⁰

- 7.6 American has since launched additional seasonal services to New Zealand from a second US gateway, Dallas-Fort Worth (DFW). Like Auckland (AKL)-Los Angeles (LAX), this route critically depends on the connectivity Qantas provides 'behind and beyond' Auckland, along with Qantas' point of sale presence in New Zealand.
- 7.7 The Applicants in the ordinary course track how much of the revenue on American's services to New Zealand are 'enabled' by Qantas as part of the QAJB. Specifically, American tracks how much of the revenue from ticket sales on its flights to New Zealand come from tickets marketed by Qantas, being tickets that depend on Qantas' network offering, and tickets bought by Qantas frequent flyer members. Taken together, these ticket sales comprise approximately [REDACTED] of American's revenue on each of its Auckland (AKL)-Dallas-Fort Worth (DFW) and Auckland (AKL)-Los Angeles (LAX) services. This is a [REDACTED] percentage that confirms that support from Qantas, which would only exist with the QAJB, [REDACTED]. This is particularly true because New Zealand-US operations incur tremendously high costs, which puts significant pressure on margins. [REDACTED].
- 7.8 [REDACTED].
[REDACTED]
- 7.9 [REDACTED].
- 7.10 [REDACTED] would be detrimental to the New Zealand economy as well as to the security of New Zealand's aviation system and contrary to New Zealand's national interests.

Qantas' counterfactual

- 7.11 In the case of Qantas, absent the Proposed Conduct. [REDACTED].

Impacts of the counterfactual

- 7.12 The loss of benefits go beyond just loss in connectivity [REDACTED]. The QAJB facilitates seamless connections, allowing passengers to travel across the world with fewer changes, with benefits such as lounges and ability to accrue and redeem miles across the Applicants' frequent flyer programs, and enhanced experience in navigating customer service across the airlines on codeshare flights. Unravelling this close coordination will result in more transfers and longer journey times with poorer service, making travel less seamless and convenient. This would lead to increased costs, and could lead to passengers paying more for flights, as they might be forced to book multiple flights or travel through less convenient routes. Additionally, customers would enjoy fewer benefits, including reduced frequent flyer earn/redemption opportunities and baggage benefits and reduced customer services and product

⁸⁹ Qantas/American Airlines Application to the Minister of Transport pursuant to Part 9 of the Civil Aviation Act 1990 Restated Joint Business Agreement and associated agreements (22 July 2020), at pg. 21. Available: [Qantas and American Airlines Application](#)

⁹⁰ Qantas/American Airlines Application to the Minister of Transport pursuant to Part 9 of the Civil Aviation Act 1990 Restated Joint Business Agreement and associated agreements (22 July 2020), at 22. Available: [Qantas and American Airlines Application](#)

initiatives. Finally, the lack of scheduling coordination would lead to less convenient connections or longer layovers.

- 7.13 In summary, the public benefits which will be achieved with the Proposed Conduct would be materially eroded without the Proposed Conduct and there would be significant detriment to consumers if the Proposed Conduct is not re-authorised.

Ministry's previous recognition of the counterfactual

- 7.14 Finally, the Ministry has previously acknowledged the counterfactual position, as outlined in this section. In 2020, the Ministry recognised, for example, that:

"But the applicants are clear that if your approval is declined, American Airlines would be unlikely to reinstate its Auckland-Los Angeles service or launch the planned Christchurch-Los Angeles and Auckland-Dallas/Fort Worth services.

This makes sense. Without the full support of the other partner, the two airlines could be expected to channel passengers through their existing services between Australia and North America, rather than incur the significant costs associated with direct services to New Zealand. The US market is heavily reliant on connecting traffic, and access to connecting services on each end of the route is vital to enable the airlines to compete effectively with Air New Zealand and United Airlines".⁹¹

- 7.15 This is consistent with the view of the ACCC which, in re-authorising the QAJB in Australia in 2016 and 2021, acknowledged that there would be low likelihood of American operating Trans-Pacific services on its own, and that even if American operated Trans-Pacific services, it would be unlikely to materially expand its capacity or frequency in the absence of the QAJB. The ability to combine with Qantas' substantial existing services and the revenue-sharing arrangement under the Restated JBA is likely to significantly mitigate the risks that American would face as a standalone operator of Trans-Pacific services.⁹²
- 7.16 The conclusions reached by the Ministry and the ACCC previously remain true today, and the Ministry should adopt the same counterfactual in its assessment of this Application.

8. The Proposed Conduct's contribution to the Purposes of the Act

- 8.1 Section 199(2)(a) of the Act requires that the Minister be satisfied that granting authorisation will contribute to the main purpose or any of the additional purposes of the Act.
- 8.2 As explained below (and elsewhere in this Application), the QAJB has contributed and (if re-authorised) will continue to contribute, to the purposes of the Act by:
- (a) contributing to a safe and secure civil aviation system;
 - (b) maintaining or enhancing a transport system that contributes to economic prosperity;
 - (c) preserving New Zealand's national security and national interests; and
 - (d) promoting innovation, effectiveness and efficiency in civil aviation.

⁹¹ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [51]. Available:

<https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

⁹² See para [4.22] of ACCC Determination: Application for revocation of A91502 and A91503 and the substitution of authorisation AA1000532 lodged by Qantas Airways Limited and American Airlines Inc. in respect of a Restated Joint Business Agreement, 25 March 2021. Authorisation number AA1000532. Available: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/qantas-american-airlines>

The QAJB contributes to a safe and secure civil aviation system

- 8.3 The main purpose of the Act is a safe and secure civil aviation system.⁹³
- 8.4 The Applicants are reputable operators that invest in safety and security. They have rigorous safety protocols, crew training requirements and aircraft maintenance regimes. Both Applicants are also IATA Operational Safety Audit (IOSA) compliant.⁹⁴ This demonstrates the Applicants' commitment to global safety standards, reducing the risk of accidents and operational failures. According to the 2024 IATA Safety Report, airlines on the IOSA registry had an accident rate of 0.92 per million flights. This is significantly lower than the 1.70 accident rate recorded by non-IOSA airlines.
- 8.5 By incentivising the Applicants to maintain and/or grow services between New Zealand and the US, and contributing to the success of the Applicants' overall operations and performance, the Proposed Conduct therefore contributes to the safety and reliability of New Zealand's civil aviation system, including use of infrastructure and adoption of practices designed to ensure the safety and security of air travel.
- 8.6 The Proposed Conduct will also contribute to a safe and secure civil aviation system by encouraging the Applicants to continue to collaborate and coordinate on safety matters, including training and emergency response planning. The QAJB enables a level of collaboration that enhances both airlines ability to improve the safety and security of their operations and by extension both countries civil aviation system. For example, in October 2024, both Qantas and American were able to partner and collaborate in the triennial full-scale emergency response exercise at American's key North American hub, Dallas-Fort Worth. A copy of the internal communication about the training exercise is in Annexure C. By engaging in these joint simulation exercises, the Applicants can ensure staff have consistent responses to in-flight and ground emergencies.
- 8.7 Due to the close partnership afforded through the QAJB, Qantas and American can continuously communicate, coordinate and cooperate on safety practices and trainings. In addition, the Applicants' business resilience and emergency response planning teams are in near constant contact to further mature the Applicants' safety and security measures.

The QAJB preserves New Zealand's national security and national interests

- 8.8 One of the additional purposes of the Act is to preserve New Zealand's national security and national interests. The Applicants understand (as noted in paragraph [4.1] earlier) that national security includes economic security.
- 8.9 As outlined in Section 4 above, the QAJB has preserved, and will continue to preserve, New Zealand's national security and national interests by supporting connectivity and economic ties between New Zealand and the US (one of New Zealand's major trading partners). The strategic partnership between New Zealand and the US has been specifically recognised by the New Zealand government as a deep and long-standing relationship which involves close cooperation across areas including "defence and intelligence"⁹⁵. The New Zealand – US connectivity enabled by the QAJB assists to preserve that relationship and, in turn, New Zealand's national security and national interests.
- 8.10 In addition, as detailed at [11.72] to [11.96] of this Application, the QAJB stimulates tourism and trade as the supply of air services between New Zealand and the US enables US tourists to visit New Zealand. The QAJB enables and incentivises the Applicants to invest in marketing and work together on joint marketing campaigns and other initiatives to encourage demand from passengers in New Zealand, Australia and the US. These tourism and trade benefits enabled by the QAJB contribute to New

⁹³ Act, s 3.

⁹⁴ IOSA is a globally recognised and standardised evaluation system designed to assess the operational management and control systems of airlines. Established by the International Air Transport Association (IATA), IOSA ensures that airlines adhere to internationally accepted safety and operational standards.

⁹⁵ See [4.3] of the Application.

Zealand's economic viability and security. In 2024 alone, 128,000 passengers travelled on American and Qantas flights between New Zealand and the US.

- 8.11 Pre-Pandemic, tourism was New Zealand's largest export earner, with NZD17.7 billion in export revenue.⁹⁶ The New Zealand government believes that getting New Zealand visitor numbers back to pre-Pandemic levels is critical to achieving economic growth.⁹⁷ The recently announced Tourism Growth Roadmap aims to double the value of 2023 tourism exports by 2034 and identifies the US, Australia and China as New Zealand's core markets.⁹⁸ The Ministry has previously recognised the contribution of the QAJB to tourism and trade in New Zealand. For example, in 2020, the Ministry recognised that the QAJB *"increased the marketing of New Zealand to tourists from North America"*.⁹⁹ The Ministry also recognised that the introduction of American's direct service between New Zealand and the US, through the QAJB, increased the capacity available in the market and allowed more New Zealanders to travel and brought more tourists to the country.¹⁰⁰
- 8.12 The contribution of the QAJB to New Zealand tourism and trade has also been recognised by others. In 2015, Tourism New Zealand stated: *"Tourism New Zealand believes there is significant growth potential out of the USA that will be realised through enhanced aviation links. ... In summary, the continuation of a JBA between Qantas and American Airlines will provide greater choice for travellers who wish to travel with the One World network which will undoubtedly result in further growth from this important inbound tourism market."*¹⁰¹
- 8.13 The Applicants' investment in marketing (through the QAJB) has assisted to stimulate inbound tourism to New Zealand which supports the recovery of New Zealand's tourism industry and New Zealand's economic security. These marketing efforts have involved significant investment in promoting New Zealand to North American tourists and travel agents. For example:
- (a) Qantas supported Tourism New Zealand's IMA Roadshow in New York and Vancouver in September 2023, Auckland/Queenstown roadshows in New York and Boston in March 2024 and New York and Vancouver in March 2025 via 2 x economy tickets for each event; and
 - (b) American has undertaken various media campaigns to promote flights to New Zealand for US tourists. Confidential Annexure Q summarises American's New-Zealand related marketing plans from 2022 – 2025.
- 8.14 Further details of the Applicants' QAJB marketing efforts, including those which encourage travel to New Zealand and otherwise promote New Zealand as a tourism destination, are contained in the various marketing documents enclosed with this Application (see, for example, documents prepared for joint QAJB marketing meetings¹⁰² and QAJB New Zealand marketing plans and briefs¹⁰³).
- 8.15 In addition, the QAJB supports trade links between New Zealand and the US through its direct routes and increased connectivity which makes it easier for US businesses to access business opportunities in New Zealand and for New Zealand businesses to access the US. Re-authorisation of the Proposed

⁹⁶ <https://www.stats.govt.nz/information-releases/tourism-satellite-account-year-ended-march-2022/>

⁹⁷ Minister of Tourism "Fresh stats reinforce tourism's contribution to the economy" (4 March 2025) <https://www.beehive.govt.nz/release/fresh-stats-reinforce-tourism%E2%80%99s-contribution-economy>.

⁹⁸ <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-growth-roadmap>

⁹⁹ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [72]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

¹⁰⁰ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [73]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

¹⁰¹ Tourism New Zealand submission to Ministry of Transport in relation to application by Qantas and American Airlines for reauthorisation of an expanded Joint Business Agreement (28 July 2015). Available: <https://www.transport.govt.nz/assets/Uploads/Submission/Tourism-New-Zealand-Submission-Qantas-American-Airlines-expanded-Joint-Business-Agreement.pdf>

¹⁰² Applicants' internal documents numbered 6-8 and 37 in the associated index .

¹⁰³ Applicants' internal documents numbered 47-61 in the associated index.

Conduct will give the Applicants a continued incentive to promote New Zealand as a trade and tourism destination.

The QAJB maintains or enhances a transport system that contributes to economic prosperity and resilience

- 8.16 A further additional purpose of the Act is “to maintain, enhance, and promote a transport system that contributes to environmental sustainability, economic prosperity, inclusive access, healthy and safe people, and resilience and security”.
- 8.17 The QAJB maintains or enhances a transport system that contributes to New Zealand’s economic prosperity and resilience as it will continue to enhance capacity and connectivity between New Zealand and the US relative to a future without the Proposed Conduct (as set out in detail in this Application, and as recognised by the Ministry in both 2015 and 2020¹⁰⁴), and encourages tourism and trade (as noted above).
- 8.18 The QAJB has directly enhanced the maintenance and growth of the tourism links between New Zealand, Australia and the US and is likely to continue to result in increased demand for flights to New Zealand (compared to a future without the Proposed Conduct) through its marketing of New Zealand to North American tourists and by increasing capacity for Trans-Pacific flights. This is addressed in further detail at [11.72] to [11.96] of this Application.
- 8.19 The maintenance and growth of Trans-Pacific tourism links through the QAJB also supports employment in the aviation and related sectors, as the Applicants (and New Zealand airports) employ crew, ground staff and operational personnel to manage the demand created by the QAJB. In addition, any increased demand for the Trans-Pacific Routes to New Zealand supports the New Zealand tourism industry which plays a crucial role in the New Zealand economy, employing around 8.4% of the total workforce.¹⁰⁵
- 8.20 The introduction and continuation of routes between New Zealand and the US therefore contributes significantly to New Zealand’s economic prosperity as additional international services into New Zealand, like the services commenced by the Applicants, deliver significant value to the New Zealand economy. It was recently reported that every international aircraft arrival into Auckland generates NZD1.4 million in value for New Zealand, with the US recognised as a “key market”.¹⁰⁶ In November 2024, Auckland Airport quantified the economic value to New Zealand through increased connectivity between the US and New Zealand, through services like those offered by the Applicants:¹⁰⁷

“We only need to look to last summer when our connectivity through to North America was at an all-time high. That increase in flights and routes generated more than 20% higher visitation from North Americans than pre-COVID, who spent \$1.2 billion across the five-month summer flying season

Additional connectivity to North America also created 9% more cargo capacity resulting in a 26% increase in exports, with the value of those exports up by nearly 80%.

A daily widebody flying between Auckland and North America will enable more than \$150 million of international visitor spend and \$500 million of bilateral air cargo trade across the course of a year.”

¹⁰⁴ See for example New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [51]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

¹⁰⁵ Study commissioned by MBIE “Hospitality and Tourism Employment: Rebound and Roads Forward” (2024) <<https://www.mbie.govt.nz/assets/hospitality-and-tourism-employment-report-rebounds-and-roads-forward-2024.pdf>>.

¹⁰⁶ [The network effect: EY report reveals Auckland Airport’s critical role in global supply chain | Auckland Airport](https://www.aucklandairport.co.nz/news/latest-media/news-articles/the-network-effect-ey-report-reveals-auckland-airports-critical-role-in-global-supply-chain)

¹⁰⁷ See <https://corporate.aucklandairport.co.nz/news/latest-media/news-articles/the-network-effect-ey-report-reveals-auckland-airports-critical-role-in-global-supply-chain>.

- 8.21 This reflects the value identified when American launched its Auckland to LAX service when Auckland Airport estimated, in 2015, that the introduction of a new daily service by American between Auckland and Los Angeles would contribute NZD199 million annually to the New Zealand economy.¹⁰⁸

The QAJB promotes innovation, effectiveness, and efficiency

- 8.22 Another of the additional purposes of the Act is to promote innovation, effectiveness, and efficiency in civil aviation.
- 8.23 The QAJB contributes to innovation, effectiveness and efficiency in civil aviation in several respects.
- 8.24 First, by contributing to the success of the Applicants' overall operations and performance, it contributes to and supports the Applicants to invest in innovation and efficiency improvements across their networks, including on routes to and from New Zealand, and the overall customer experience (including, for example, innovations and improvements relating to booking/rebooking and baggage).
- 8.25 Second, the QAJB has introduced greater competition on New Zealand – US routes. The purpose of the QAJB is to allow the Applicants to *“compete more effectively with air transportation services of other airlines and airline alliances and offer customers a wider choice of travel and shipping options at competitive prices”*.¹⁰⁹ The Ministry has previously acknowledged that one of the benefits of the QAJB was that it introduced competition in the New Zealand – US market where there was previously a monopoly.¹¹⁰ As detailed in this Application at [11.97] to [11.101], by introducing competition in the New Zealand – US market, the QAJB has encouraged competitive responses from rival airlines, noting that since American and Qantas re-launched and launched three non-stop services between New Zealand and the US post-Pandemic, Delta has commenced direct services between the two countries and United Airlines has launched a range of new flights between New Zealand, Australia and the US including direct services between San Francisco and Christchurch.
- 8.26 Third, as set out in detail in this Application, the QAJB has promoted effectiveness and efficiency in civil aviation through supporting the introduction of new New Zealand–US routes. In particular:
- (a) the Applicants have introduced three direct routes, namely Auckland (AKL)-New York (JFK), Auckland (AKL)-Dallas-Fort Worth (DFW) and Auckland (AKL)-Los Angeles (LAX) routes, each of which has reduced journey length and duration, and minimised connections, relative to non-stop options. For example, by way of comparison the duration of a non-stop QAJB Qantas flight between Auckland (AKL)-New York (JFK) is 15h 55m while a Delta Auckland (AKL)-Los Angeles (LAX)-New York (JFK) flight is 19h 35m (12h 5m flight + 2h connection + 5h 30m flight);¹¹¹
 - (b) the QAJB has led to enhanced capacity through additional frequencies and / or up gauging aircraft (which allows more passengers to be carried on the same flight). Post-Pandemic, the Applicants have worked together to restore Trans-Pacific trunk routes and have launched new Trans-Pacific services and increased the frequency of existing services. These services and specific changes to the Applicants' network and frequency and increase in capacity are outlined in section 11 of this Application; and
 - (c) by pooling demand across the complementary networks of Qantas and American, the QAJB has provided greater connectivity, greater schedule and itinerary choice and ease of connections for New Zealand passengers. The QAJB currently provides roundtrip connectivity to 98.5% of U.S. demand from the Australian mainland and New Zealand. See section 11 of this Application for the benefits of improved scheduling options for passengers.
- 8.27 The QAJB also enhances the effectiveness and efficiency of civil aviation by enabling the Applicants to coordinate their schedules to minimise connection times and reduce layovers, and engage in other

¹⁰⁸ [American Airlines to boost NZ economy by NZD199m every year | Auckland Airport](#)

¹⁰⁹ American and Qantas Amended and Restated Alliance Agreement at pg. 1.

¹¹⁰ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [57]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>

¹¹¹ See Table 15 at [11.61] of this Application.

efficiency enhancing endeavours, for example the sharing of lounge infrastructure. Through the QAJB, the Applicants can work together to reduce connection times and layover times between the Applicants' services including those to / from New Zealand (examples of which are set out in section 11 of this Application). Further, by sharing lounge infrastructure, in addition to offering passengers access to a greater number of lounges including American lounges in airports in the US and Qantas lounges in airports in New Zealand and Australia, the Applicants reduce duplication and costs which would otherwise arise if each had to offer a world class lounge in each gateway port.

- 8.28 Finally, and more generally, the QAJB contributes to an efficient and effective civil aviation system as it allows the Applicants to realise significant operational and logistical efficiencies by cooperating on operational matters (such as scheduling and services), marketing and sales, loyalty/frequent flyer programs and joint procurement. The Restated JBA also [REDACTED].¹¹²

9. Competitive effects: Relevant markets

- 9.1 For the purposes of assessing the competitive effects relating to the QAJB under this Application, the Applicants submit that it is not necessary to precisely define the relevant markets, as no concerns could arise irrespective of market definition, relative to a future without the Proposed Conduct (as explained in the Counterfactual section above).
- 9.2 In circumstances where no conceivable competitive harm would arise in any scenario from the Proposed Conduct, the Applicants do not consider it necessary or additive to undertake economic analysis with respect to market definition. In fact, given the lack of any adverse competitive impact of the Proposed Conduct, the Applicants submit that it is not necessary or beneficial for the Ministry to reach any concluded view on market definition in the current Application.
- 9.3 However, to assist the Ministry, the Applicants have commented below on the following potential markets:
- (a) Trans-Pacific air passenger transport services, including services between New Zealand or Australia and each of the US, Canada and Mexico;
 - (b) New Zealand domestic air passenger transport services;
 - (c) Trans-Pacific air cargo transport services;
 - (d) international travel services; and
 - (e) the supply and acquisition of ancillary goods and services.
- 9.4 The Assessment Framework Guidelines also require that the Applicants provide a list of the air transport segments affected by the Proposed Conduct, including segments on all routes with an origin or destination airport in New Zealand that are operated or marketed by the Applicants.¹¹³ A map showing QAJB's current routes is at **Figure 5** in section 3 above. For this purpose, the Applicants consider that the Proposed Conduct, with respect to New Zealand, relates to or affects direct routes between New Zealand and the US, and the relevant direct routes currently operated by the Applicants with an origin or destination airport in New Zealand are set out below:
- (a) Auckland (AKL)–Los Angeles (LAX);
 - (b) Auckland (AKL)–New York (JFK); and
 - (c) Auckland (AKL)–Dallas-Fort Worth (DFW).

Trans-Pacific air passenger transport services

- 9.5 The Applicants submit that the main area of relevance for assessment of the competitive effects of the Proposed Conduct is Trans-Pacific air passenger transport services, which includes:

¹¹² Clause 3.7 Restated JBA.

¹¹³ Assessment Framework Guidelines, at [127].

- (a) Direct (non-stop) ('city-pair' or 'O&D') flights between international gateways on both sides of the Pacific (for example, Sydney to Dallas-Fort Worth, or Auckland to Los Angeles); and
 - (b) indirect services that originate from cities behind one of these gateways and connect through a gateway on the opposite side of the Pacific (such as Adelaide–Sydney–Dallas-Fort Worth, or Wellington–Auckland–Dallas-Fort Worth).
- 9.6 The primary area of focus for the Ministry will be air passenger transport services between New Zealand and the US, and so the Applicants' analysis of competitive effects in this application focuses on New Zealand-US services, namely, the Auckland-Los Angeles, Auckland-Dallas-Fort Worth and Auckland-New York routes. Importantly, however, as noted above there is **no direct route overlap** between the Applicants to / from New Zealand, and the QAJB alone has facilitated American commencing routes to / from New Zealand when this would not have otherwise occurred.
- 9.7 The Applicants acknowledge that Trans-Pacific air passenger transport services include routes between New Zealand and/or Australia and Canada and Mexico. However, the Applicants submit that it is most relevant to focus on services between New Zealand and the US because, as noted earlier:
- (a) most Trans-Pacific travellers fly between New Zealand (or Australia) and the US;
 - (b) neither of the Applicants operate services between New Zealand and Canada or Mexico, meaning their share of city pair routes operated between New Zealand and Canada or Mexico is zero;
 - (c) American does not offer services between New Zealand (or Australia) and Canada or Mexico;
 - (d) Qantas only operates a single route between Australia and Canada (Sydney (SYD)–Vancouver (VCY)); and
 - (e) both Air New Zealand and Air Canada offer direct routes between New Zealand and Canada.
- 9.8 For these reasons, the Applicants submit the Proposed Conduct will not adversely affect competition in any market for New Zealand – Canada/Mexico air passenger services, and this market is therefore not discussed further in this Application.

New Zealand domestic air passenger transport services

- 9.9 American does not provide any domestic services within New Zealand, and Qantas only provides these through its subsidiary, Jetstar. The Proposed Conduct therefore does not reduce competition for domestic services in New Zealand.
- 9.10 The Proposed Conduct does not restrict competition on domestic routes, and will not foreclose access to the New Zealand domestic markets. While passengers flying with American on Trans-Pacific Routes may have an incentive to travel with Jetstar for the domestic leg of their connecting journey between New Zealand and the US, Air New Zealand receives feeder traffic from United Airlines and Delta. Air New Zealand and Jetstar will continue to compete for the domestic journey for passengers who are not connecting onto a QAJB route, including those travelling on direct Trans-Pacific Routes with Delta or on indirect routes with other airlines.
- 9.11 Qantas currently has a broad range of codeshare and interline relationships with other airlines that fly between New Zealand and Australia and between Australia and North America and provides those airlines with access to the New Zealand domestic market. These include relationships with United, Delta, Air Canada, Hawaiian/Alaska Airlines, WestJet, Fiji Airways, and Air Tahiti Nui. Qantas also has a limited codeshare arrangement with Air New Zealand for selected Australian domestic flights and New Zealand domestic flights.
- 9.12 Therefore, the Applicants submit that the Proposed Conduct will not adversely affect competition in the New Zealand domestic air passenger market, and this market is not discussed further in this Application.

Trans-Pacific air cargo transport services

- 9.13 The Applicants consider that the market for Trans-Pacific air cargo (freight and mail) is likely broader than air passenger transport markets (both in terms of product and geographic dimensions) because:

- (a) services can be provided by various parties:
 - (i) airlines (such as the Applicants) in either the 'belly' holds of passenger planes as well as on dedicated cargo only freighters. Airlines may also provide short-haul ground transport by trucks between airports (road feeder service);
 - (ii) cargo providers who fly cargo only freighters pursuant to transport agreements with freight forwarders;
 - (iii) integrators who act as both freight forwarders and airlines in a single integrated service. Integrators offer consignors and consignees the advantage of door-to-door air cargo services. Integrators can also offer air transportation services to freight forwarders, and provide business to other airlines as freight forwarders. Examples of integrators are DHL, FedEx and UPS. The Applicants are not integrators; and
 - (b) customers of air cargo services do not differentiate between direct and indirect routes, making various service options closer or direct substitutes (including road and rail). In terms of demand substitutability, international air cargo transport is less time-sensitive compared to air passenger services and has the flexibility in transferring cargo between cities. Routes between different cities can satisfy the same or similar demands for cargo transportation. This is due to the fact that international air cargo transport is often a part of multi-modal transport. In terms of supply substitutability, the combination of routes between two countries of a supplier usually includes routes with different departure cities and destination cities.
- 9.14 The Applicants send interline cargo through various routings via Honolulu, San Francisco and Tokyo (HND and NRT) to connect cargo between Australia, New Zealand and the US. While these interline arrangements are predominantly for 'belly' space on passenger aircraft, this has extended (from time to time) to Qantas' 747 freighter service (for example, to assist American with its introductions of passenger operations out of Brisbane). American does not otherwise currently interline with Qantas on freighter services.
- 9.15 In any event, the Proposed Conduct could only have a negligible at best (if any) effect on competition in the market for air cargo services between New Zealand and the US, given the Applicants' respective market shares. Based on publicly available data, Qantas' share of total freight and mail (based on US DOT data) from the US to New Zealand in 2024 was ~7.2% while American's share was 0.6%, a modest combined share of 7.8%. Market share data for each of the 2021 – 2024 calendar years for air freight (based on US DOT data) is set out in Annexure D. Data from New Zealand to the US is not provided as this data is not collected by the US DOT.
- 9.16 Further, the Applicants note that:
- (a) a wide range of air cargo operators, both direct and indirect (include integrators), operate between New Zealand and the US;¹¹⁴
 - (b) buyers including forwarders who are generally very large and sophisticated logistics companies that can negotiate and exert downwards pressure on prices, can and do exert significant buyer power as end users are indifferent to the mode, method and provider of services; and
 - (c) barriers to entry and expansion on the Trans-Pacific Routes are also relatively low.¹¹⁵
- 9.17 Consequently, the Applicants submit the Proposed Conduct will not adversely affect competition in the market for Trans-Pacific air cargo, and this market is not discussed further in this Application.

¹¹⁴ Other competitors operating direct freight services between New Zealand and the US include United, Delta, FedEx, UPS and Polar, Air New Zealand, Hawaiian Airlines, Kalitta Air and Singapore Airlines. There are also other freight operators operating one/multi stop connections between Australia and the US via New Zealand, Pacific Islands, Asia and the Middle East.

¹¹⁵ The Australia-US Air Transport Agreement provides for unlimited dedicated freighter capacity for both Australian and US airlines, with the ability for Australian airlines to operate cargo services between the territory of the US and a third country without needing to serve a point in Australia and vice versa for US airlines (depending on such services being permitted under the arrangements with third countries). Given that most dedicated freight services operate at non-peak time slots, obtaining landing rights is generally not an issue for new or returning operators. The Applicants will therefore remain competitively constrained by the prospect of new entrants and the expansion of existing Australian, US and New Zealand airlines providing passenger and/or freight services and integrators.

The sale of international travel services

- 9.18 The Applicants submit that the Proposed Conduct will not disrupt the market for the sale of international travel services, given the diverse and extensive range of ticket purchasing channels. Alongside direct airline sales, there is substantial competitive constraint from travel agencies (both online and physical, including in New Zealand) including those that target business travellers and global online travel providers like Expedia and Booking.com among many others. As a result, the Applicants submit that the Proposed Conduct will not adversely affect competition in respect of the supply of international travel services and this market is not discussed further in this Application.

The supply of ancillary goods and services

- 9.19 American currently does not provide ancillary services (such as ground handling, aircraft maintenance, catering, and cleaning) in New Zealand. American relies on third parties such as Gate Gourmet to provide these services in New Zealand. As a result, the Applicants submit that the Proposed Conduct will not adversely affect competition in the supply of ancillary goods and services, and this market is not discussed further in this Application.

The procurement of ancillary goods and services

- 9.20 The Proposed Conduct under the Restated JBA includes joint procurement by the Applicants for ancillary services like fuel, ground handling, aircraft maintenance, catering, and cleaning. The Applicants submit that no competition concerns arise in this respect with respect to New Zealand or Australia. The Applicants consider that:
- (a) without the Proposed Conduct and the QAJB, as noted above, it is unlikely that American would operate significant Trans-Pacific services;
 - (b) there is a wide variety of alternative buyers for these services;
 - (c) many suppliers of these services have considerable bargaining power; and
 - (d) most of these services are procured on an international scale.
- 9.21 Based on the above, the Applicants submit that the Proposed Conduct will not adversely impact competition in the procurement of ancillary goods or services and is likely to be pro-competitive reducing costs for the Applicants, and thus, this market is not discussed further in this Application.

10. Competitive effects: No Competitive Detriment and Pro Competitive

Executive summary

The Proposed Conduct is inherently pro-competitive because it enables services to / from New Zealand [REDACTED] an important competitive constraint to the market-leading home airline Air New Zealand and its alliance with United Airlines.

If the Proposed Conduct is re-authorised, it will not result in any competitive detriment to New Zealand customers, as it will not give rise to horizontal or vertical unilateral effects or coordinated effects, or other social, environmental or economic detriments.

The Proposed Conduct will not result in any horizontal unilateral effects as:

- the Applicants do not overlap on any direct passenger routes to / from New Zealand;
- the New Zealand–US air passenger market is and will remain highly competitive and the Applicants will continue to be competitively constrained by other substantial operators on direct routes between New Zealand and the US, particularly the leading Air New Zealand – United Airlines alliance;
- the Applicants' share of New Zealand–US routes is low, and Air New Zealand remains the leading operator (and the Applicants' closest competitor) on these routes. Air New Zealand's share the New Zealand–US market both individually and combined with United Airlines is substantially higher than the share of the Applicants;
- the Applicants are not (and would not be in the counterfactual) each other's closest competitor on the New Zealand–US market;
- the Applicants will also continue to be constrained by operators who offer indirect routes between New Zealand and the US, such as Air Canada. Indirect routes provide customers with compelling alternatives to direct services between New Zealand and the US; and
- the Applicants will also continue to be constrained by potential entry and expansion. There are no significant barriers to entry or expansion into the New Zealand-US market. This is evidenced by the reduction in concentration in this market over the last five years due to new entry and expansion, including new services from Delta and the Applicants.

The Proposed Conduct will not result in any vertical unilateral effects (such as feeder traffic foreclosure), coordinated effects or other social, environmental or economic detriments as:

- the Applicants are required to provide interline or codeshare access to entrants under the US DOT ATI order; and
- in circumstances where market shares are low and there are no overlap routes, the likelihood of any coordinated effects is low.

Introduction

- 10.1 In its 2015 and 2020 determination, the Ministry concluded that the QAJB was unlikely to result in any competitive detriment because the Applicants did not compete on any routes – specifically, the Ministry concluded in 2020 that:

“Qantas and American Airlines are unlikely to compete with each other in markets relevant to New Zealand as their focus is on regional networks which have almost no competitive overlap. Their cooperation on trans-Pacific routes does not reduce competition”.¹¹⁶

¹¹⁶ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [75]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

- 10.2 The Applicants submit that this same conclusion applies with respect to the requested re-authorisation of the Proposed Conduct. Recognising that there is no route overlap between the Applicants with respect to New Zealand (and indeed only a single year-round overlap across the entire Trans-Pacific), the Proposed Conduct will not give rise to any competitive detriment with respect to New Zealand. This is particularly so relative to the future without the Proposed Conduct, consistent with the Ministry's previous conclusions that American is unlikely to offer services between New Zealand and the US absent the QAJB.
- 10.3 The absence of unilateral horizontal effects resulting from the QAJB was also recognised by the ACCC, in its re-authorisation of the Proposed Conduct in 2021. The ACCC concluded that the Proposed Conduct would not give rise to unilateral effects by reason that:
- "absent the QAJB, American would not be likely to operate Trans-Pacific services (or materially expand its frequency or capacity of Trans-Pacific services). American would not compete in the Australian domestic air passenger services market and Qantas would not compete with American in the domestic air passenger transport services markets of the US/Canada/Mexico. Accordingly, the Proposed Conduct is unlikely to materially enhance the ability and incentive of the Applicants to unilaterally raise prices, restrict capacity or reduce services"*¹¹⁷
- 10.4 The conclusions drawn by the ACCC in 2021 are equally applicable to this Application.
- 10.5 Indeed, rather than giving rise to any competitive detriment, the Proposed Conduct is inherently pro-competitive, by providing the Applicants with the ability to offer a compelling customer proposition for direct and indirect services between New Zealand and the US and offering alternatives to New Zealand consumers to the market leading Air New Zealand – United Airlines alliance.

The Proposed Conduct is inherently pro-competitive

- 10.6 The Proposed Conduct is inherently pro-competitive because it will continue to inject competition into the New Zealand – US air passenger services market. Specifically, it will:
- (a) [REDACTED], in competition with the leading Air New Zealand – United Airlines alliance (which was authorised by the Minister indefinitely) as well as services provided by Delta; and
 - (b) allow the Applicants to offer a better product compared to the counterfactual.
- 10.7 By continuing to inject competition into the New Zealand – US market, the Proposed Conduct will stimulate further product innovation and price competition on the Trans-Pacific, particularly from United Airlines and Delta, who each offer services between New Zealand and the US, with Delta launching services in 2023, soon after American launched its Auckland-Dallas-Fort Worth direct service.
- 10.8 The metal-neutral nature of the Restated JBA and associated agreements incentivise the Applicants to expand rather than restrict capacity on the Trans-Pacific. In any event, the Applicants will not have any ability or incentive to artificially restrict capacity or increase prices because of the extensive competitive constraints which will continue to be imposed by other operators such as Air New Zealand and United Airlines on the Trans-Pacific, including routes to / from New Zealand, and the real threat of lost sales and revenue. The Applicants will also continue to be competitively constrained by operators of indirect routes between New Zealand and the US.
- 10.9 Further, as noted above, the Proposed Conduct will not foreclose access to the New Zealand or Australian domestic markets. [REDACTED], Qantas is free to enter codeshare and frequent flyer relationships with other airlines in relation to flights within or between Australia and New Zealand, or on the Trans-Pacific. Further, the US DOT ATI order requires the Applicants to 'offer a new entrant inventory access and/or interline code-share on terms that are comparable to those offered to the Joint Applicants' non-immunized partners, including non-immunized codeshare partners, and the financial terms must be

¹¹⁷ See paras [4.71] and [4.72] of ACCC Determination: Application for revocation of A91502 and A91503 and the substitution of authorisation AA1000532 lodged by Qantas Airways Limited and American Airlines Inc. in respect of a Restated Joint Business Agreement (25 March 2021). Authorisation number AA1000532. Available: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/qantas-american-airlines>

no less favorable than IATA prorate agreement(s) in effect for non-immunized partners at the time'.¹¹⁸ As noted above, Qantas currently has a broad range of codeshare and interline relationships with other airlines that fly between New Zealand and Australia and between Australia and North America, providing them access to the New Zealand domestic network. These include relationships with United, Delta, Air Canada, Hawaiian/Alaska Airlines, and WestJet.

No horizontal unilateral effects – Trans-Pacific Routes to / from New Zealand are, and will remain, highly competitive

10.10 The Trans-Pacific Routes are, and will remain, highly competitive.

10.11 When evaluating the potential for any competitive detriment posed by the Applicants' request for re-authorisation of the JBA in 2015, the Ministry primarily considered "*a long-term risk that the alliance could result in an effective duopoly on services between New Zealand and North America*", where "*any other airline considering service to New Zealand may be deterred by the prospect of competing against two alliances involving airlines with a strong presence on both ends of the route*".¹¹⁹ However, this risk has not eventuated. In the 10 years following the Ministry's comments, the Applicants have been, and will continue to be, competitively constrained by a growing number of strong operators who offer direct services between New Zealand and the US, including:

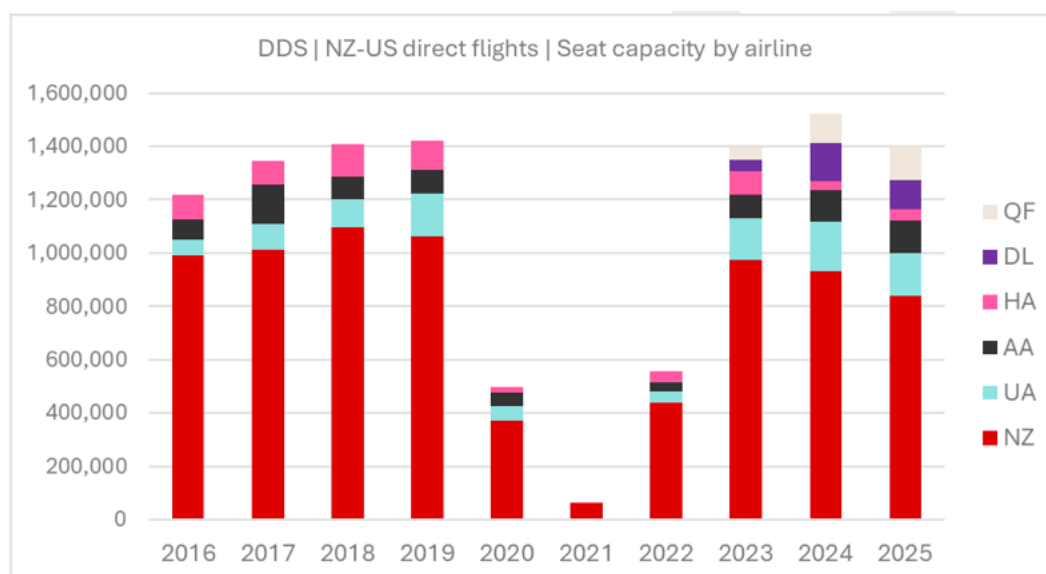
- (a) **Air New Zealand**, the flag carrier airline of New Zealand and leading provider of air transport services to / from New Zealand, including on Trans-Pacific Routes. Air New Zealand is a member of the Star Alliance, the largest global airline alliance. It has a strong commitment to Trans-Pacific travel, including between New Zealand and the US. It has a revenue-sharing joint venture with United Airlines that covers flights between the mainland US and New Zealand, including feeder flights within the US and New Zealand.
- (b) **United Airlines**, a US airline which operates a large domestic and international route network and is the leading US airline across the Atlantic and Pacific. United Airlines is a founding member of the Star Alliance and has strategic partnerships with Air New Zealand and Virgin Australia that enable more travel options between New Zealand, Australia and the Americas. United Airlines is a significant and substantial competitor on Trans-Pacific Routes and has maintained and grown its Trans-Pacific presence over recent years by launching new flights between New Zealand, Australia and the US to increase its Trans-Pacific footprint, including the first non-stop flight between San Francisco (SFO) and Christchurch (CHC).
- (c) **Delta**, a US airline which offers flights up to 275 destinations in 50 countries and up to 4,000 daily departures including on Trans-Pacific Routes. Delta is a founding member of the SkyTeam global alliance which allows it to offer extensive network coverage and travel experiences through its partner airlines. Delta has significantly expanded its Trans-Pacific presence in recent years following the Pandemic by entering the New Zealand – US market in 2023 with its non-stop Auckland (AKL)-Los Angeles (LAX) service and launching new or increased services from Australia – US, including a seasonal Brisbane-LAX service in 2024 and a new Melbourne (MEL)-Los Angeles (LAX) service which is set to commence in December 2025.
- (d) **Hawaiian / Alaska Airlines**, Hawaii's largest and longest-serving airline which offers non-stop services to Hawaii from various destinations including New Zealand, Australia and the South Pacific. Hawaiian was recently acquired by Alaska Airlines. Hawaiian is set to join the **oneworld®** alliance in 2026. Hawaiian's resumption of Trans-Pacific services to New Zealand and Australia in 2022 was a key priority for the airline and allows New Zealand and Australian travellers to access Hawaiian's extensive US domestic network of 16 gateways including destinations in Austin, Orlando, and Ontario.

10.12 The competitive constraint provided by these operators is evidenced by the below graph, which summarises the seat capacity across all direct New Zealand – US routes over time operated by Qantas, Delta, Hawaiian, American, United Airlines and Air New Zealand.

¹¹⁸ Decision of US DOT <https://www.transportation.gov/sites/dot.gov/files/docs/briefing-room/344826/2019-7-7-finalorder.pdf> condition 6 on page 6.

¹¹⁹ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance' (Briefing, 6 November 2015), at [32]. Accessible at: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

Figure 7: NZ-US direct flights – Seat capacity over time



- 10.13 Across the Trans-Pacific there are numerous routes from New Zealand and Australia to the US. **Table 2** below summarises current direct routes ex New Zealand and Australia to the US operated by Qantas, American, Delta, United Airlines, Air New Zealand, and Hawaiian. This includes both seasonal and year-round routes.

Table 2: Direct routes ex New Zealand and Australia to the US

Airline Name	Direct Trans-Pacific Routes served									
Qantas	AKLJFK	BNELAX	MELDFW	MELLAX	SYDDFW	SYDHNH	SYDLAX	SYDSFO		HNL MEL
American	AKLDFW	AKLLAX	BNEDFW	SYDLAX						
Delta	AKLLAX	BNELAX	PPTLAX	SYDLAX	MELLAX					
Air New Zealand	AKLHNL	AKLIAH	AKLLAX	AKLSFO						
United Airlines	AKLSFO	BNESFO	CHCSFO	MELLAX	MELSFO		SYDIAH	SYDLAX	SYDSFO	ADLSFO
Hawaiian	AKLHNL	SYDHNH								

- 10.14 Further information relating to various competitors who offer direct services in the New Zealand-US air passenger market, is set out in Annexure E.

No horizontal unilateral effects: The Applicants' share of the New Zealand – US air passenger market is low and Air New Zealand is the leading operator

- 10.15 Market share and Herfindahl-Hirschman Index (**HHI**) data in respect of air passenger services for the New Zealand–US air passenger market is set out below.

- 10.16 The New Zealand– US market share and HHI data shows that:

- in Northern Winter 2024/25, the Applicants' combined New Zealand–US market share was a modest 18.1% by passengers, 23% by seats, and 26% by departures;
- HHIs have decreased over the last five years due to new entry by Delta and expansion by United Airlines in the New Zealand–US market, along with expansion by the Applicants, demonstrating a reduction in concentration and increased competition in this market;
- Air New Zealand is the largest operator in the New Zealand–US market by a significant margin, with a share of 47.1% by passengers for Northern Winter 2024/25, 49% by seats and 45% by

departures. This increased to 69.6% by passengers, 76% by seats and 72% by departures for Northern Summer 2024. Air New Zealand and United Airline's combined shares are even more significant, with a share of 79.5% by passengers for Northern Summer 2024 and 60.1% for Northern Winter 2024/25; and

- (d) the QAJB provides important competition to the leading Air New Zealand – United Airlines alliance.

Passenger share data

10.17 **Table 3** below shows the Applicants' and other airlines' share of passengers on New Zealand-US routes for the previous five years by IATA season.

Table 3: Share of passengers on New Zealand–US routes

Airline	Summer 2020	Winter 2020/21	Summer 2021	Winter 2021/22	Summer 2022	Winter 2022/23	Summer 2023	Winter 2023/24	Summer 2024	Winter 2024/25
Average Monthly Pax	2,597	2,300	2,457	4,752	32,668	74,436	59,453	96,269	57,454	100,465
Shares:										
AA	0.1%	0.1%	0.1%	0.1%	0.5%	13.1%	1.5%	11.9%	1.9%	10.8%
QF	0.0%	0.1%	0.1%	1.0%	6.7%	5.4%	5.5%	6.3%	7.7%	7.3%
AA+QF	0.1%	0.2%	0.2%	1.0%	7.2%	18.6%	7.0%	18.2%	9.6%	18.1%
UA	6.3%	14.1%	13.4%	18.1%	9.1%	13.6%	12.5%	15.5%	9.9%	13.0%
NZ	91.8%	75.7%	78.9%	73.2%	66.4%	52.6%	66.4%	42.5%	69.6%	47.1%
UA+NZ	98.1%	89.8%	92.2%	91.2%	75.6%	66.2%	78.8%	58.0%	79.5%	60.1%
AS	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.2%	0.0%	4.6%
HA	0.2%	0.0%	0.0%	0.1%	9.0%	6.9%	8.4%	5.4%	0.4%	0.0%
AS+HA	0.2%	0.0%	0.0%	0.1%	9.1%	6.9%	8.5%	5.6%	0.4%	4.6%
AC	0.8%	0.0%	0.0%	0.0%	0.2%	1.3%	0.1%	1.6%	0.3%	1.4%
CX	0.0%	2.0%	0.4%	0.0%	0.1%	0.1%	0.2%	0.0%	0.1%	0.1%
EK	0.1%	0.7%	2.4%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DL	0.0%	0.0%	0.0%	0.0%	0.3%	0.2%	0.4%	12.6%	5.8%	11.9%
FJ	0.0%	0.0%	0.0%	2.9%	5.1%	3.9%	2.8%	2.3%	3.2%	2.6%
LA	0.0%	0.0%	0.0%	2.0%	0.2%	0.0%	0.2%	0.1%	0.1%	0.1%
QR	0.1%	1.6%	1.5%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SQ	0.0%	1.1%	1.3%	0.3%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
TN	0.3%	0.0%	0.0%	0.0%	1.9%	2.2%	1.5%	0.8%	0.7%	0.7%
X9	0.0%	1.3%	0.9%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.2%	3.2%	1.1%	0.5%	0.3%	0.4%	0.4%	0.8%	0.4%	0.5%
HHI	8,802	6,161	6,765	6,157	4,821	3,279	4,805	2,520	5,247	2,805
HHI AA+QF Combined	8,802	6,161	6,765	6,031	4,777	3,424	4,822	2,677	5,278	2,967

Source: MIDT.

Notes:

[1] Summer season is defined as April – October, Winter season is defined as November-March.

[2] Airlines with <1% share in each season are displayed under "Other" category.

[3] Shares for HHIs are recalculated after dropping airlines with <1% share.

10.18 This data is based on the dominant marketing carrier¹²⁰ on the itinerary in MIDT.¹²¹ Shares of passengers for premium (defined as First, Business and Premium Economy Class) and non-premium (defined as Economy Class) seats are set out in Annexure F.

Seat (capacity) share data

10.19 **Table 4** and **Table 5** below set out the Applicants' and other airlines' share of seats on New Zealand–US routes (excluding Hawaii) for the previous five years, by IATA season. This data only includes direct services, as these are the relevant services as explained in section 9 above.¹²²

Table 4: Total seats for airlines operating between NZ and the US (excluding Hawaii)

Airline	Total Seats W20/21	Total Seats S21	Total Seats W21/22	Total Seats S22	Total Seats W22/23	Total Seats S23	Total Seats W23/24	Total Seats S24	Total Seats W24/25	Total Seats S25
AA					81,510		123,120		118,602	
DL							104,412	33,492	101,178	13,464
NZ	30,002	28,983	56,731	188,550	369,544	444,006	482,776	394,188	383,498	363,804
QF						22,184	47,672	49,560	66,552	61,360
UA					89,605	43,045	157,650	40,368	115,028	43,237

Table 5: Seat shares for airlines operating between NZ and the US (excluding Hawaii)

Airline	Seat Share W20/21	Seat Share S21	Seat Share W21/22	Seat Share S22	Seat Share W22/23	Seat Share S23	Seat Share W23/24	Seat Share S24	Seat Share W24/25	Seat Share S25
AA					15%		13%		15%	
DL							11%	6%	13%	3%
NZ	100%	100%	100%	100%	68%	87%	53%	76%	49%	75%
QF						4%	5%	10%	8%	13%
UA					17%	8%	17%	8%	15%	9%
HHI	10000	10000	10000	10000	5174	7693	3414	5994	3069	5951

Source: OAG.

Notes:

- [1] Northern Winter season includes fourth quarter of the earlier year and first quarter of the later year. Northern Summer season includes second and third quarter of the year.
- [2] Analysis includes non-stop segments between U.S. (excluding territories and Hawaii) and New Zealand.
- [3] Carriers represent the operating carriers adjusted for mergers and acquisitions.
- [4] A carrier is included in the table if they operated non-stop on at least one route between New Zealand and the US.
- [5] A carrier is considered operating non-stop on a route if it markets at least 52 non-directional flights (or about one round-trip flight per week) in either the Northern summer or the Northern Winter season of the year, adjusted for mergers and acquisitions.

10.20 The above seat shares illustrate that the Applicants had a modest combined share of 23% in Northern Winter 2024/25, well below Air New Zealand at 49% and a combined Air New Zealand/United Airlines' share of 64%.

¹²⁰ The **Dominant Marketing Carrier** is the airline that sells the ticket and is responsible for the longest segment of a multi-airline trip. This means it's the airline that the passenger likely booked with, even if the actual flights are operated by different airlines.

¹²¹ MIDT (Marketing Information Data Transfer) refers to a dataset containing airline booking information sourced from Global Distribution Systems (GDS).

¹²² Further, the Applicants note that they are not able to compile seat / capacity data for indirect routes.

- 10.21 For completeness, seat (capacity) share data has been provided for each of the Auckland (AKL)-Los Angeles (LAX), Auckland (AKL)-New York (JFK) and Auckland (AKL)-Dallas-Fort Worth (DFW) routes in Annexure G. However, as previously explained, there is no overlap between the Applicants on these routes and therefore the Proposed Conduct will not increase concentration or reduce competition. In fact, as previously explained, compared to the counterfactual, the Proposed Conduct will lead to increased competition on these routes.

Frequency (departures) share data

- 10.22 **Table 6** and **Table 7** below set out the Applicants' and other airlines' share of departures on New Zealand – US (excluding Hawaii) routes for the previous five years, by IATA season. This data only includes direct services as explained above.

Table 6: Total departures of airlines operating between the US and NZ (excluding Hawaii)¹²³

Airlines	Total Departures W20/21	Total Departures S21	Total Departures W21/22	Total Departures S22	Total Departures W22/23	Total Departures S23	Total Departures W23/24	Total Departures S24	Total Departures W24/25	Total Departures S25
AA					286		432		448	
DL							308	106	330	44
NZ	109	105	206	644	1,194	1,372	1,488	1,200	1,234	1,174
QF						94	202	210	282	260
UA					325	158	594	157	430	157

Table 7: Share by departures of airlines operating between the US and NZ (excluding Hawaii)¹²⁴

Airlines	Departure Share W20/21	Departure Share S21	Departure Share W21/22	Departure Share S22	Departure Share W22/23	Departure Share S23	Departure Share W23/24	Departure Share S24	Departure Share W24/25	Departure Share S25
AA					16%		14%		16%	
DL							10%	6%	12%	3%
NZ	100%	100%	100%	100%	66%	84%	49%	72%	45%	72%
QF						6%	7%	13%	10%	16%
UA					18%	10%	20%	9%	16%	10%
HHI	10000	10000	10000	10000	4951	7265	3160	5431	2826	5508

Source: OAG.

Notes:

- [1] Winter season includes fourth quarter of the earlier year and first quarter of the later year. Summer season includes second and third quarter of the year.
- [2] Analysis includes non-stop segments between U.S. (excluding territories and HI) and New Zealand.
- [3] Carriers represent the operating carriers adjusted for mergers and acquisitions.
- [4] A carrier is included in the table if they operated non-stop on at least one route between New Zealand and the United States.
- [5] A carrier is considered operating non-stop on a route if it markets at least 52 non-directional flights (or about one round-trip flight per week) in either the summer or the winter season of the year, adjusted for mergers and acquisitions.

- 10.23 The above departures data illustrates that the Applicants had a modest combined share of 26% in Northern Winter 2024/25, well below Air New Zealand at 45% and a combined Air New Zealand/United Airlines' share of 61%. The Applicants' combined share of departures for Northern Summer 2025 is 16%

¹²³ "W" means Northern Winter, "S" means Northern Summer.

¹²⁴ "W" means Northern Winter, "S" means Northern Summer.

(with American's share at 0%), while Air New Zealand's share is 72% and combined, Air New Zealand/United Airlines have a share of 82%.

- 10.24 For completeness, the Applicants have provided departures data for each of the Auckland (AKL)-Dallas-Fort Worth (DFW), Auckland (AKL)-New York (JFK) and Auckland (AKL)-Los Angeles (LAX) routes in Annexure G.

No horizontal unilateral effects: The Applicants are not close competitors

- 10.25 The Proposed Conduct will not result in the elimination of competition between close competitors. As explained at paragraph [3.32] and shown in **Figure 5** above, the Applicants' networks are highly complementary and there is no overlap between the Applicants with respect to New Zealand.
- 10.26 The Assessment Framework Guidelines discuss using diversion ratios to assess the closeness of competition.¹²⁵ However, because the Applicants currently operate a metal neutral revenue sharing joint business, diversion ratios do not accurately capture the status quo competitive landscape currently between the airlines today. Indeed, the Applicants are incentivised to provide the best service, stimulate demand, and expand capacity for their mutual customers in the QAJB. Share-based diversion ratios also do not accurately capture the competitive landscape in the counterfactual. As set out in section 7 (counterfactual), it is likely that the loss of close coordination among the Applicants [REDACTED] (and accordingly, loss of shares) for the Applicants.
- 10.27 The Applicants have, nevertheless, provided share-based diversion ratios for the New Zealand-US air passenger services market, based on seat (capacity) shares and departures (frequency) shares, for the last five years, based on IATA season, below. As this shows, Air New Zealand is the market leader and is the Applicants' closest competitor in this market. Noting the Air New Zealand–United Airlines alliance, the Applicants are significantly competitively constrained in New Zealand.

Figure 8: AA>OA Share based diversion ratios (by seats) ¹²⁶

OA:	W20/21	S21	W21/22	S22	W22/23	S23	W23/24	S24	W24/25	S25
DL							13%		15%	
NZ					80%		61%		58%	
QF							6%		10%	
UA					20%		20%		17%	

Figure 9: QF>OA Share based diversion ratios (by seats) ¹²⁷

OA:	W20/21	S21	W21/22	S22	W22/23	S23	W23/24	S24	W24/25	S25
AA							14%		17%	
DL							12%	7%	14%	3%
NZ						91%	56%	84%	53%	87%
UA						9%	18%	9%	16%	10%

Figure 10: AA->OA Share-based diversion ratios (by departures) ¹²⁸

OA:	W20/21	S21	W21/22	S22	W22/23	S23	W23/24	S24	W24/25	S25
DL							12%		14%	
NZ					79%		57%		54%	
QF							8%		12%	
UA					21%		23%		19%	

¹²⁵ Assessment Framework Guidelines, at [92].

¹²⁶ "W" means Northern Winter, "S" means Northern Summer.

¹²⁷ "W" means Northern Winter, "S" means Northern Summer.

¹²⁸ "W" means Northern Winter, "S" means Northern Summer.

Figure 11: QF->OA Share-based diversion ratios (by departures) ¹²⁹

OA:	W20/21	S21	W21/22	S22	W22/23	S23	W23/24	S24	W24/25	S25
AA							15%		18%	
DL							11%	7%	14%	3%
NZ						90%	53%	82%	51%	85%
UA						10%	21%	11%	18%	11%

Source: OAG.

Notes:

- [1] Winter season includes fourth quarter of the earlier year and first quarter of the later year. Summer season includes second and third quarter of the year.
- [2] Analysis includes non-stop segments between the US (excluding territories and Hawaii) and New Zealand.
- [3] Carriers represent the operating carriers adjusted for mergers and acquisitions.
- [4] A carrier is included in the table if they operated non-stop on at least one route between New Zealand and the US.
- [5] A carrier is considered operating non-stop on a route if it markets at least 52 non-directional flights (or about one round-trip flight per week) in either the summer or the winter season of the year, adjusted for mergers and acquisitions.
- [6] Diversion ratio based on the assumption that diversion is proportional to competitor market shares, e.g. diversion from American to Qantas is calculated as: $(\text{Qantas share}) / (1 - \text{American share})$

No horizontal unilateral effects: the Applicants will continue to be constrained by indirect operators

10.28 In addition to competition from operators of direct routes between New Zealand and the US, the Applicants will also continue to be constrained by operators of indirect routes. For example:

- (a) **Fiji Airways** is the national Fijian airline which offers flights to over 26 destinations and provides a host of indirect connections for New Zealand and Australian consumers to travel to and from the US. Fiji Airways has expanded its indirect services between New Zealand and Australia to the US since the Pandemic. In 2024, Fiji Airways introduced its first non-stop flight between Nadi and DFW. This service joins Fiji Airways' existing Trans-Pacific services including flights from Fiji to: Sydney, Melbourne and Brisbane; Los Angeles, San Francisco and Honolulu; and Auckland and Christchurch.
- (b) **Air Canada**, a Canadian airline which provides network coverage over six continents and includes services between New Zealand and Canada. Air Canada is a founding member of the Star Alliance and participates in joint venture partnerships with United Airlines for flights between Canada and the US and Air New Zealand with respect to flights to / from New Zealand (including those to Australia with onwards connections to Canada). Air Canada offers flights to Auckland and major Australian cities including Sydney and Brisbane, with its Vancouver hub serving as a key gateway for passengers from Australia and New Zealand.
- (c) **LATAM Airlines** is a major Chilean airline group. LATAM operates direct services between Auckland and Santiago, with onward connections to major US cities such as Los Angeles, Miami, and New York.
- (d) **Air Tahiti Nui** is the international airline of French Polynesia. Air Tahiti Nui has established codeshare arrangements with several airlines, including American, Air France, Japan Airlines and Qantas. Air Tahiti Nui offers indirect options on the Trans-Pacific for New Zealand and Australian consumers, through its direct flights from Papeete to Los Angeles and Seattle. Air Tahiti Nui connects Papeete to New Zealand, with direct flights to Auckland and onwards to Australia via Auckland.

10.29 Further information about these operators is provided in Annexure H.

10.30 The indirect services offered by these operators provide additional choice for passengers who wish to fly between New Zealand and the US.

¹²⁹ "W" means Northern Winter, "S" means Northern Summer.

No horizontal unilateral effects: No Barriers to Entry or Expansion

- 10.31 The Applicants will also continue to be constrained by the threat of new entry or expansion by existing operators in the New Zealand – US market. There are no material regulatory, commercial or operational barriers to entry or expansion on Trans-Pacific Routes.
- 10.32 The Multilateral Agreement on the Liberalization of Air Transport (**MALIAT**), to which New Zealand and the US are parties, permits designated airlines of New Zealand and the US to provide unlimited direct services between the two countries. Air New Zealand is able to provide unlimited direct services between Australia and the US via New Zealand by combining rights established under the open aviation arrangements between Australia and New Zealand and the MALIAT. The air services arrangements New Zealand has in place with Canada also provide opportunities for growth.¹³⁰ Similarly, the 'open skies' Air Transport Agreement between Australia and the US permits designated airlines of both countries to provide unlimited direct services between the two countries.
- 10.33 The lack of barriers to entry and expansion is demonstrated, for example, by recent entry from Delta in 2023 into direct New Zealand–US services, by American's commencement of services into direct New Zealand–US services following authorisation of the QAJB and subsequent commencement of a second route in 2023 (Auckland (AKL)-Dallas-Fort Worth (DFW)) and by Qantas' commencement of Auckland (AKL)-New York (JFK) services in 2023.¹³¹
- 10.34 Further, authorising the Proposed Conduct will not increase or introduce barriers to entry into the New Zealand–US market.
- 10.35 The Assessment Framework Guidelines require analysis of the shares of slot holdings at each relevant airport.¹³² The following paragraphs analyse slot holdings at Auckland Airport. The Applicants do not consider that the QAJB has had or will have any material bearing on entry due to slot holdings at Auckland Airport, relative to the future without the Proposed Conduct.
- 10.36 Annexure I includes tables showing the percentage of all Auckland Airport departures broken down by airline for January 2025 and the percentage of all allocated international slots at Auckland Airport broken down by airline for the Northern Winter 2024 and Northern Summer 2025 IATA seasons. These tables show that:
- (a) American had a share of 1%, and Qantas Group (including Jetstar) had a share of 17.4% of departures from Auckland Airport in January 2025, leading to a combined QAJB total of 18.4%, with a negligible increment from American's share of slots;
 - (b) American held only 2.07% of allocated international slots at Auckland Airport in Northern Winter 2024, and Qantas held 17.19% of allocated international slots, leading to a combined total of 19.26% of allocated slots in this period; and
 - (c) American held a negligible 0.01% of allocated international slots at Auckland Airport in Northern Summer 2025 (noting American does not operate services between New Zealand and the US in the Northern Summer), and Qantas held 18.15% of allocated slots, leading to a combined total of 18.16% of allocated slots in this period.
- 10.37 The negligible increment from the combination of the Applicants' share of total departures and international slots at Auckland Airport could not give rise to any concerns including on a competition basis.
- 10.38 The Applicants note that the slot shares provided above and in the Annexure are each airline's share of the allocated international slots at Auckland Airport during the relevant period, not each airline's share of total available slots. The Applicants do not have any information on the total available slots at Auckland Airport, but consider there is sufficient slot capacity available to accommodate airlines' scheduling needs

¹³⁰ See further: <https://otc-cta.gc.ca/eng/transport-agreement/new-zealand>.

¹³¹ Qantas press release dated 25 August 2022 - <https://www.qantasnewsroom.com.au/media-releases/qantas-announces-direct-auckland-new-york-flights-and-upgrade-to-lounges/>

¹³² Assessment Framework Guidelines, Table 4.

throughout the day. Auckland Airport has never refused a request by either of the Applicants for slots, although Auckland Airport may offer alternative times if a requested time is not available (generally near the requested time). Accordingly, the Proposed Conduct will have no bearing on slot availability or capacity at Auckland Airport.

- 10.39 Finally, the Assessment Framework Guidelines request that applicants provide shares of slot holdings for each IATA season included in the market shares and for all opening hours and “peak” hours.¹³³ The slot shares provided above and in Annexure I are in respect of all opening hours. The Applicants do not consider that there are “peak” hours at Auckland Airport – while there may be certain periods where demand for slots is higher, this will vary depending on the routes being flown.

No horizontal unilateral effects: Pricing analysis

- 10.40 The highly competitive nature of the New Zealand – US market is also demonstrated by pricing trends, with average fares generally falling recently as multiple airlines compete to attract, retain and stimulate passenger demand, as set out in Annexure J which contains pricing data for CY2023 and CY2024, showing average (mean) pricing for (i) New Zealand-US, (ii) Auckland (AKL)-Los Angeles (LAX), (iii) Auckland (AKL)-Dallas-Fort Worth (DFW) and (iv) Auckland (AKL)-New York (JFK).¹³⁴
- 10.41 While the Ministry's Assessment Framework Guidelines contemplate that more advanced pricing analyses be provided where applicants are seeking authorisation of direct coordination/revenue sharing/metal neutral arrangements,¹³⁵ the Applicants do not consider that such advanced pricing analysis is relevant or necessary in the context of the current Application which is for re-authorisation.
- 10.42 For example, whilst Gross Upward Pricing Pressure Index (**GUPPI**) analysis is given as an example of such an advanced pricing analysis, and may be useful in certain scenarios, GUPPI analysis has no utility where, such as in the case of this Application, there are no routes of potential concern as there are no non-stop overlap routes.
- 10.43 For the same reasons, price-concentration analysis and difference-in-difference analysis (which the Assessment Framework Guidelines also provide as examples of advanced pricing analyses), are also not relevant, necessary or useful to undertake in the context of the current Application for re-authorisation, given there are no routes of concern. In particular, the literature on airline joint businesses focuses on *non-stop overlap routes* as the most likely candidates for potential anti-competitive effects from the formation of the joint business.¹³⁶ The literature examines these ‘gateway-to-gateway’ routes (i.e., routes between the respective hubs of the airlines) as the routes where airlines might otherwise compete head-to-head in the absence of antitrust immunity and revenue sharing. Whilst ‘gateway-to-gateway’ routes are identified in the literature as the most likely candidates for competitive harm where there is overlap between the coordinating airlines, the literature has also recognised that ‘gateway-to-gateway’ routes often serve as the arteries of the joint-business network, creating incentives for the coordinating airlines to increase capacity on the routes as more feeder traffic is directed to these gateways. The resulting increase in feeder traffic to the gateway hubs can also attract new entry. Both

¹³³ Assessment Framework Guidelines, at [127].

¹³⁴ The Applicants note that data for CY2022 has not been provided as the Applicants consider that such data is not representative or reliable as a base for analysing pricing trends given that the New Zealand international border was closed until well into 2022 due to the Pandemic and airlines globally were in challenging and evolving circumstances in their attempt to restore capacity post borders opening. Data for 2020 and 2021 has also not been provided given that New Zealand's international borders were closed for the majority of these calendar years and so travel to / from New Zealand effectively ceased or was severely curtailed. The data in **Annexure J** incorporates both direct and indirect routes between the relevant origin & destination pairs and relates to the date the passenger travelled, rather than the date a passenger's fare was purchased. The reference to ‘POS’ refers to the point of commencement of the passenger's journey (i.e. NZ or US). A reference to a ‘bidirectional’ route aims to show the average price for a return route from that location.

¹³⁵ Assessment Framework Guidelines, at Table 4.

¹³⁶ See, e.g., Calzaretta, R.J., Eilat, Y., Israel, M.A., 2017. Competitive Effects of International Airline Cooperation. *Journal of Competition Law & Economics* 13(3), at 22.

increased capacity and entry then create downward pressure on fares.¹³⁷ These are pro-competitive effects.

- 10.44 Ultimately the competitive effect of antitrust immunity and revenue sharing on fares is an empirical question. In the literature, some studies use (difference-in-differences) regression analysis to estimate whether the presence of two or more joint venture-airlines on 'gateway-to-gateway' routes is associated with competitive harm and higher fares.¹³⁸ Since the QAJB has no non-stop overlap routes between New Zealand and the US, there are no routes of concern and therefore no reason to perform a difference-in-differences analysis to examine fare effects and potential harms.
- 10.45 The Applicants submit therefore that, in the current specific circumstances of this Application and having regard to the counterfactual, the Ministry's assessment is most meaningfully assisted and informed by the detailed market share data, HHIs, diversion ratios and pricing analysis provided earlier. These analyses serve to assist the Ministry as they illustrate the lack of potential competitive harm arising from the Proposed Conduct, alongside a lack of any evidence of competitive harm arising from the QAJB over its long history to date, and previous authorisations by the Ministry and the ACCC appreciating an absence of any competitive harm. Indeed, the Applicants consider that the QAJB has been, and will remain, pro-competitive and encourage competitive responses from other airlines, as set out in further detail in section 11 below (Public Benefits).

No Feeder Traffic Foreclosure

- 10.46 In addition to horizontal unilateral effects, the Ministry's Assessment Framework Guidelines involve a consideration of the potential for feeder traffic foreclosure, using an "ability-incentive-harm" framework.¹³⁹
- 10.47 The Applicants have no ability to foreclose feeder traffic, because the US DOT ATI requires the Applicants to *"must offer a new entrant inventory access and/or interline code-share on terms that are comparable to those offered to the Joint Applicants' non-immunized partners, including non-immunized codeshare partners, and the financial terms must be no less favorable than IATA prorate agreement(s) in effect for non-immunized partners at the time"*¹⁴⁰. The Applicants' modest market shares (discussed earlier) also demonstrate that they no ability to foreclose competitor access to any other key inputs.

No coordinated effects

- 10.48 The Applicants submit the Proposed Conduct could not give rise to any coordinated effects, and no such effects have occurred since the QAJB was first authorised in 2011. In circumstances where market shares are low and there is no overlap of direct routes, the likelihood of any coordinated effects is low.
- 10.49 The Applicants note that the ACCC, in its re-authorisation of the QAJB in 2021, concluded that the QAJB would not increase the likelihood of coordinated conduct between competing airlines on the Trans-Pacific.¹⁴¹ This is because, as stated above, American would be unlikely to operate Trans-Pacific services in its own right or materially expand its Trans-Pacific capacity and frequency absent the QAJB.

¹³⁷ *Ibid.*

¹³⁸ See, e.g., Brueckner, J.K., Singer, E., 2019. Pricing by international airline alliances: A retrospective study. *Economics of Transportation* 20, at 19-33; Calzaretta, R.J., Eilat, Y., Israel, M.A., 2017. Competitive Effects of International Airline Cooperation. *Journal of Competition Law & Economics* 13(3) 22-26; Gillespie W., Richard, O.M., 2012. Antitrust immunity and international airline alliances. *Antitrust Law Journal* 78, at 4-7; Wan, X., Zou, L., Dresner, M., 2009. Assessing the price effects of airline alliances on parallel routes. *Transportation Research Part E* 45, 627-641; Brueckner, J.K., Whalen, W.T., 2000. The price effects of international airline alliances. *Journal of Law and Economics* 43, 532-538.

¹³⁹ Assessment Framework Guidelines, at [112].

¹⁴⁰ Decision of US DOT <https://www.transportation.gov/sites/dot.gov/files/docs/briefing-room/344826/2019-7-7-finalorder.pdf> condition 6 on page 6.

¹⁴¹ See para [4.74] of ACCC Determination: Application for revocation of A91502 and A91503 and the substitution of authorisation AA1000532 lodged by Qantas Airways Limited and American Airlines Inc. in respect of a Restated Joint Business Agreement, 25 March 2021. Authorisation number AA1000532. Available: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/qantas-american-airlines>

10.50 Given the counterfactual as set out above, the conclusions drawn by the ACCC in 2021 are equally applicable to the Application.

No other social, environmental or economic detriments

10.51 The Applicants submit that the Proposed Conduct will not give rise to any other social, environmental or economic detriments. To the contrary, as explained elsewhere in this application, including in section 8 above, the Proposed Conduct will give rise to significant economic and social benefits.

11. Public Benefits

Executive summary

The QAJB has delivered and will continue to deliver substantial benefits to New Zealand consumers and the New Zealand economy if the Proposed Conduct is re-authorised. These benefits include:

- **Enabled American to compete in New Zealand:** The QAJB has enabled [REDACTED] of American's revenue on its New Zealand routes. This enablement is [REDACTED] American's participation in New Zealand and [REDACTED].
- **Increased routes and capacity on Trans-Pacific Routes:** The QAJB has enabled a material increase in routes and capacity on Trans-Pacific Routes through the launch of new services / increased frequency of existing services over time. Re-authorisation of the Proposed Conduct will incentivise the Applicants to continue to increase capacity on the Trans-Pacific Routes (including with respect to New Zealand) compared to the likely future without the Proposed Conduct.
- **Increased connectivity and enhanced schedule choice:** The QAJB increases connectivity between the Applicants' complementary networks which gives customers greater schedule choice, and reduces travel time through the direct services offered by the Applicants and their ability to align on connection times and scheduling.
- **Reduced travel times:** The QAJB has reduced travel times for passengers through the introduction of the new direct routes, and as a result of the Applicants working together to reduce journey times (including layover times) between Qantas and American services, including those to / from New Zealand.
- **Increased tourism and trade:** The QAJB has increased US tourism and business travel to New Zealand as a result of, amongst other things, new direct services, increased connectivity and the Applicants' joint sales and marketing campaigns. Re-authorisation of the Proposed Conduct will continue to incentivise the Applicants to market and promote New Zealand to US tourists and businesses.
- **Promotion of competition on Trans-Pacific Routes:** The QAJB has elicited competitive responses from other airlines on the Trans-Pacific Routes including through the introduction of new services. These new services create greater choice and options for passengers travelling on Trans-Pacific Routes. Re-authorisation of the Proposed Conduct will continue to promote competition on these routes.
- **Greater access to a variety of fare products and price points:** The QAJB provides consumers with greater access to a variety of fares and price points and reduces connecting fares through the elimination of double marginalisation. Re-authorisation of the Proposed Conduct will continue to incentivise the Applicants to work together to stimulate demand by providing access to a variety of fare products and price points for passengers travelling on Trans-Pacific Routes.
- **Improved passenger experiences:** The revenue-sharing nature of the QAJB incentivises the Applicants to provide customers with the best in-flight and on-ground experience across both airlines. The Applicants have regularly collaborated to innovate and enhance the customer experience and convenience on QAJB flights by refining baggage handling processes, co-locating their airport facilities where possible, implementing passenger rebooking enhancements, and working together on projects to achieve greater seamlessness on QAJB flights. Re-authorisation of the Proposed Conduct will incentivise the Applicants to continue to evaluate and improve their customer offerings.
- **Coordination of frequent flyer benefits and lounge access:** The QAJB enables and incentivises the Applicants to provide cross-metal frequent flyer point accruals across QAJB flights, alongside other benefits and amenities for each other's frequent flyer members, including reciprocal lounge access for qualifying QAJB customers which is particularly valuable for customers on long-haul Trans-Pacific Routes. Re-authorisation of the Proposed Conduct will continue to incentivise the Applicants to align and enhance their respective frequent flyer benefits and integrate lounge access for passengers.

- **Operational efficiencies:** The QAJB has facilitated and will continue to facilitate cost savings and other efficiencies through the integration of the Applicants' operations over time. In addition, the Restated JBA and associated agreements. [REDACTED].

Many of these benefits have previously been recognised by the Ministry and it is clear that these benefits will contribute to New Zealand's national interests and economic prosperity.

Overview

- 11.1 In authorising the Restated JBA in 2011, and re-authorising the Restated JBA in 2015 and 2020, the Ministry concluded that the QAJB had resulted, and would be likely to continue to result in various benefits.¹⁴² More specifically, the Ministry concluded in 2020 that:

"...the benefits of the existing alliance are apparent. In particular: one additional direct route between New Zealand and the United States; two further routes planned; competition in the New Zealand-United States market, where there was previously a monopoly; and access to one-stop services to additional US destinations through Australia. Other than perhaps the one-stop services, these would likely not have happened otherwise [absent the QAJB]".¹⁴³

- 11.2 The Applicants submit that this same conclusion can and should be reached with respect to this Application as the QAJB has a proven history of delivering significant public benefits since it first commenced in 2011, including:

- increased routes and capacity on Trans-Pacific Routes (including two new routes between New Zealand and the US and the re-launch of a third route post-Pandemic);
- increased connectivity, enhanced schedule choice, through the combined network offering of the Applicants on the Trans-Pacific;
- reduced travel times;
- increased tourism and trade to New Zealand (as well as Australia and the US);
- promotion of competition on Trans-Pacific Routes;
- greater access to a variety of fare products and price points;
- improved passenger experiences;
- frequent flyer benefits and lounge access; and
- operational efficiencies.

- 11.3 The Applicants note that the realisation of benefits from the QAJB since it was last re-authorised in 2020 was impacted by the Pandemic (including impacting American's proposed Christchurch (CHC)-Los Angeles (LAX) service) and its lingering effects.¹⁴⁴ However, the QAJB has also enabled the Applicants to restore and grow US, Australia and New Zealand trunk routes on the Trans-Pacific post-Pandemic, and to restore overall Trans-Pacific capacity close to pre-Pandemic levels. Notably, the QAJB's capacity on New Zealand – US routes has increased beyond pre-Pandemic levels due to the introduction of new routes.

- 11.4 While the Ministry's Assessment Framework Guidelines provide some general guidance on assessing benefits in a re-authorisation context, the Applicants consider that it may be helpful to consider the factors emphasised by the Ministry, in considering re-authorisation of the QAJB in 2015. Specifically, the Ministry

¹⁴² See paragraph 1.21 above.

¹⁴³ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [57]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

¹⁴⁴ For example, difficulties in returning aircraft to service and navigating various ongoing border and travel restrictions.

provided the following guidance for the Minister in assessing re-authorisation of an alliance – specifically within a five-year period:¹⁴⁵

If you decide to authorise the alliance, and the applicants choose to seek reauthorisation of the alliance in 5 years time, the following factors are likely to be taken into account in our analysis:

- (a) *Whether the alliance has contributed to enhanced competition for air services between New Zealand and North America. This could be demonstrated through lower fares and increased capacity (taking into account of market conditions and historical trends), or the development of new non-stop services (either by the applicants or by competing airlines including Air New Zealand and United Airlines).*
- (b) *Whether the alliance has delivered connectivity benefits to New Zealand. This could be demonstrated by an increase in number of passengers travelling between New Zealand and North America, and in particular, passengers travelling on services involving a connecting flight in either New Zealand or North America.*
- (c) *Whether the alliance has had a detrimental impact on other airlines operating services to New Zealand, or airlines that may have otherwise considered operating services to New Zealand (particularly airlines that are not party to an alliance agreement).*
- (d) *The extent to which the other benefits referred to in this briefing have materialised (such as premium passenger handling, joint lounge access and reciprocal frequent flyer schemes).*

11.5 As set out in more detail in this section, the Applicants consider the QAJB has, throughout its duration, but also between 2020 and 2025 specifically, demonstrably delivered on the factors set out in (a), (b) and (d) above and has not given rise to any detrimental impact referenced at (c). The Applicants consider that, going forward, the benefits arising from the QAJB will continue to be delivered if the Proposed Conduct is re-authorised.

Increased capacity on the Trans-Pacific

11.6 In its 2020 determination, the Ministry concluded that the QAJB had increased Trans-Pacific passenger capacity.¹⁴⁶ This continues to be the case. The QAJB has enabled, and will continue to enable, the Applicants to sustain and grow their Trans-Pacific capacity post-Pandemic, compared to a future without the Proposed Conduct. [REDACTED]. Re-authorisation of the Proposed Conduct will provide the benefits of increased capacity and additional frequencies on the Trans-Pacific, including in relation to the three direct routes offered between the Applicants between New Zealand and the US, compared to the counterfactual, and avoids the significant detriment to New Zealand consumers that would otherwise arise without the QAJB.

The QAJB has facilitated the introduction of new routes / enhancements to capacity post-Pandemic

11.7 Post-Pandemic, the American and Qantas network planning teams worked together to restore and grow US, Australia and New Zealand trunk routes. As a result, in addition to working together to bring back Trans-Pacific flights that had operated pre-Pandemic, American and Qantas have launched several new services between the US, New Zealand and Australia, and increased the frequency of some services, delivering significant benefits to US, New Zealand and Australian travellers in terms of enhanced choice and connectivity.

¹⁴⁵ New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance' (Briefing, 6 November 2015), at [41]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>.

¹⁴⁶ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [73]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

- 11.8 More specifically, since re-authorisation by the Minister in 2020, the Applicants have made significant enhancements to their Trans-Pacific offering, including direct services between New Zealand and the US:
- (a) American launched a new direct seasonal route between Auckland (AKL) and Dallas Fort Worth (DFW) in October 2022. This was initially launched as a seasonal flight daily on a Boeing 787-900 aircraft [REDACTED].
 - (b) In June 2023, Qantas launched a new route from Sydney (SYD)-Auckland (AKL)-New York (JFK), operating three times weekly, and providing an additional direct connection between New Zealand and the US. Qantas engaged in a substantial, large scale marketing campaign for this new route in New Zealand, with examples set out in Annexure K. By October 2023, following the success of that new route, Qantas then increased service on the route from three to four flights per week, increasing further to six per week in October 2024. Although since adjusted to five per week from February 2025, this route has provided, and continues to provide, more options for New Zealand, Australian and US travellers; and
 - (c) American resumed its seasonal Auckland (AKL)-Los Angeles (LAX) route in December 2023, which it first launched in 2015 as a result of the Minister re-authorising the QAJB that year. When first re-launched in December 2023, American's Auckland (AKL)-Los Angeles (LAX) service was only offered during a limited seasonal window at three flights per week. In 2024, American expanded this service substantially – increasing the seasonal window from early December to early March – and increased to a daily service for the entire season. [REDACTED].
- 11.9 In addition, Qantas has also increased its capacity on Trans-Tasman routes by increasing frequencies and using larger aircraft to service these routes (specifically, it has introduced Airbus A330-200s on certain Trans-Tasman routes, increasing average seats per flight). It has also announced two new Trans-Tasman routes between Perth and Auckland and between Adelaide and Auckland, providing greater connectivity. These enhancements to Trans-Tasman routes enable greater connectivity and choice for US, New Zealand and Australian consumers – for example, enabling a US visitor to travel to New Zealand, onwards to Australia and return to the US from an Australian port, or enabling a New Zealand consumer to choose indirect routes to the US via Australia on one or both legs of a US trip.
- 11.10 More broadly, on the Trans-Pacific, the Applicants have also introduced other enhancements to their services post-Pandemic, including:
- (a) Qantas launched a new direct service between Melbourne (MEL) and Dallas-Fort Worth (DFW) in December 2022, the first ever direct service between those destinations.¹⁴⁷
 - (b) Qantas increased capacity by approximately 20% on Melbourne (MEL)-Los Angeles (LAX) from July 2024, with the addition of A380s (the largest passenger aircraft in the world and Qantas' largest aircraft by far) on the route.
 - (c) American increased its frequencies on its Sydney (SYD)-Los Angeles (LAX) service in 2024.
 - (d) American launched the first-ever direct seasonal service between Brisbane (BNE) and Dallas-Fort Worth (DFW) in October 2024.
 - (e) American launched a seasonal service between Brisbane (BNE) and Los Angeles (LAX) which will commence in December 2025.
- 11.11 The route and capacity enhancements made possible by the QAJB are demonstrated through the following diagrams which show the overall increase in the Trans-Pacific Routes between New Zealand and the US in the Northern Winter period in 2023 through to 2025.

¹⁴⁷ See [Bigger than Texas: new routes announced](#); read with [Qantas announces non-stop DFW to Melbourne service - The Points Guy](#). See also [Flying Kangaroo Takes Off From Dallas/Fort Worth to Melbourne](#) which reported that 'Qantas has operated the first ever direct flight between Dallas/Fort Worth and Melbourne, creating more travel options for Americans travelling to Australia. The Qantas flights are the first non-stop flights by any airline between the two cities'.

Figure 12: QAJB Trans-Pacific Routes as at January 2023

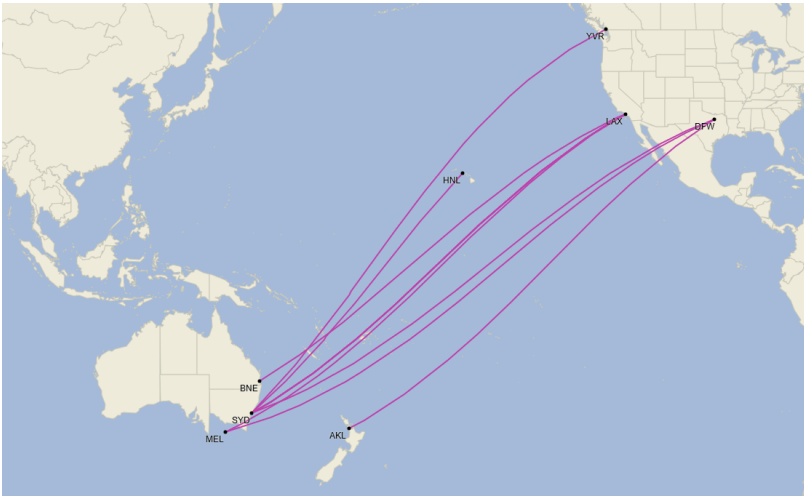


Figure 13: QAJB Trans-Pacific Routes as at January 2024

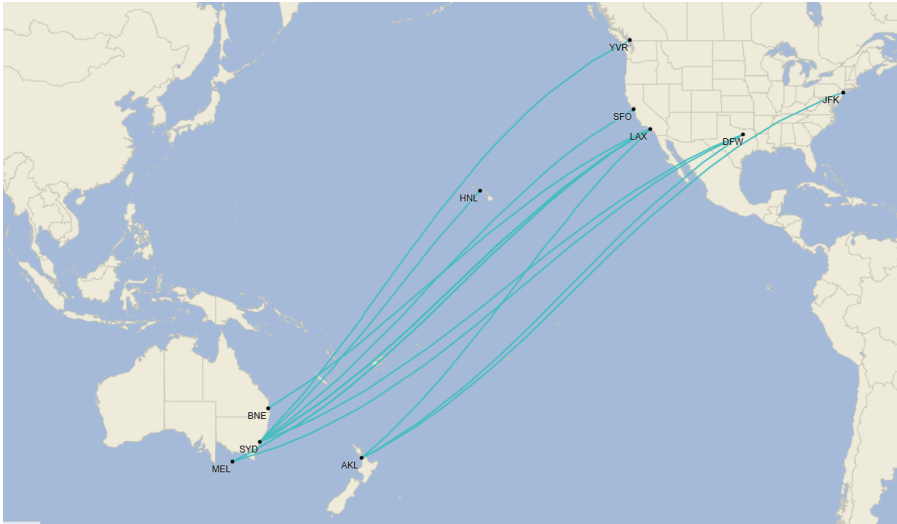
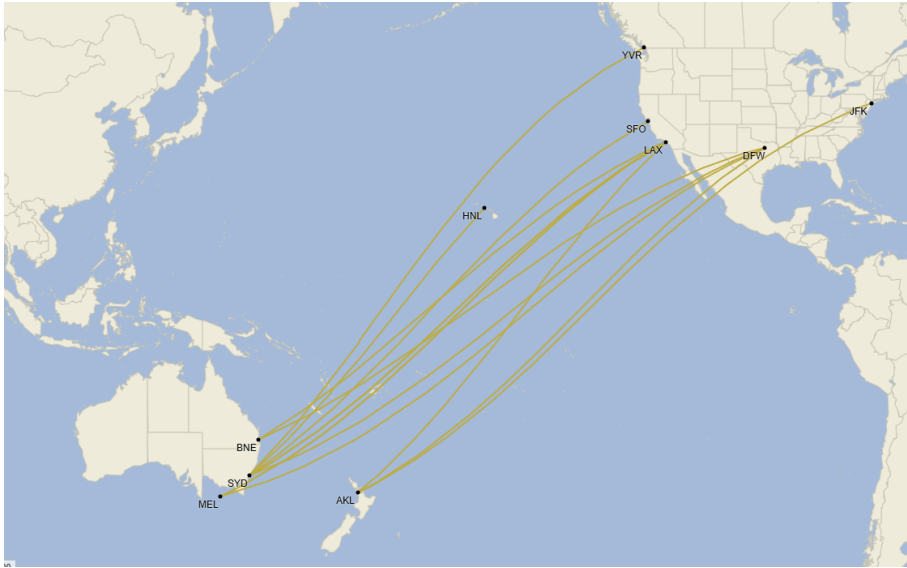


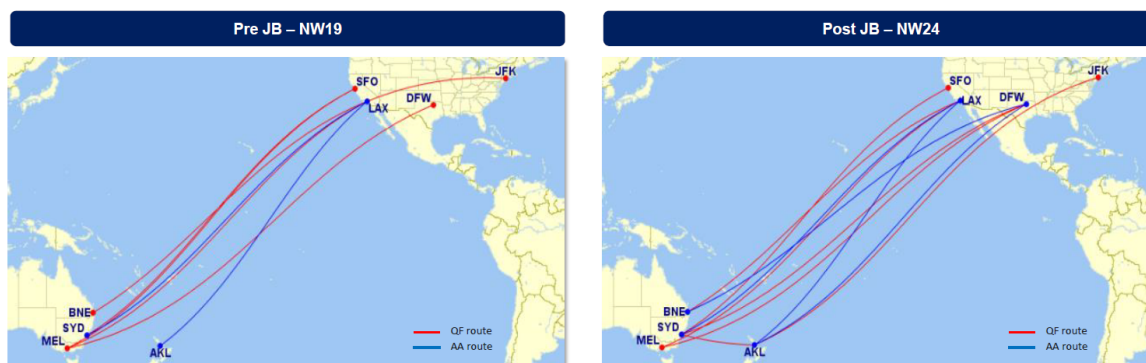
Figure 14: QAJB Trans-Pacific Routes as at January 2025



- 11.12 The overall enhanced footprint enabled by the QAJB is illustrated through the following diagrams, comparing the Applicants' Trans-Pacific offering in Northern Winter 2019 relative to Northern Winter 2024. This demonstrates the significant change in footprint enabled by the QAJB, including new or relaunched routes between New Zealand, Australia and the US.

Figure 15: Combined AA/QF network in Northern Winter 19 and Northern Winter 24

The combined AA/QF network in NW24 consists of 10 routes and up to 54 weekly peak frequencies



- 11.13 The changes to the Applicants' scheduled services and frequency on Trans-Pacific Routes since 2020, is shown in **Table 8** below, illustrating the range of new and re-launched routes offered by the Applicants post-Pandemic, including with respect to services between New Zealand and the US.

Table 8: Summary of Network and Frequency Changes on Trans-Pacific Routes (2020 to 2025)

Route	Jan-Mar 2020	Mar-Dec 2020	2021	2022	2023	2024	2025
AA: SYD-LAX	7pw	4pw	7pw	7pw ¹⁴⁸	7pw	7pw	7pw
AA: BNE-DFW	Nil	Nil	Nil	Nil	Nil	7pw ¹⁴⁹	7pw ¹⁵⁰
QF: BNE-LAX	7pw	Nil	Nil	7pw ¹⁵¹	7pw	7pw	7pw
QF: MEL-DFW	Nil	Nil	Nil	3pw ¹⁵²	3pw	3pw	4pw
QF: MEL-LAX	7pw	Nil	Nil	7pw	7pw	7-9pw	7pw
QF: MEL-SFO	4pw	Nil	Nil	Nil	Nil	Nil	Nil
QF: SYD-DFW	7pw	Nil	Nil	7pw ¹⁵³	7pw	7pw	7pw
QF: SYD-LAX	8-9pw	Nil	Nil	7-8pw	8pw	7-8pw	7pw
QF: SYD-SFO	7pw	Nil	Nil	3pw ¹⁵⁴	3pw	3pw	3pw
AA: AKL-DFW	Nil	Nil	Nil	7pw ¹⁵⁵	7pw ¹⁵⁶	7pw ¹⁵⁷	7pw ¹⁵⁸
AA: AKL-LAX	7pw	Nil	Nil	Nil	7pw ¹⁵⁹	7pw ¹⁶⁰	7pw ¹⁶¹
QF: AKL-JFK	Nil	Nil	Nil	Nil	3pw ¹⁶²	4pw	5pw

¹⁴⁸ January to March and November to December only.

¹⁴⁹ November to March only.

¹⁵⁰ November to March only

¹⁵¹ From April.

¹⁵² December only.

¹⁵³ From April.

¹⁵⁴ From June.

¹⁵⁵ From November.

¹⁵⁶ November to March only.

¹⁵⁷ November to March only.

¹⁵⁸ November to March only.

¹⁵⁹ From December.

¹⁶⁰ December to February.

¹⁶¹ December to February.

¹⁶² From July.

- 11.14 These recent enhancements to capacity on the Trans-Pacific are significant.
- 11.15 In particular, there has been a significant increase in overall capacity on the QAJB's New Zealand – US routes post-Pandemic. This can be attributed to the launch of the seasonal Auckland (AKL)-Dallas-Fort Worth (DFW) route and Auckland (AKL)-New York (JFK) route, and the re-launch of the seasonal Auckland-LAX route (itself enabled by the QAJB). This is demonstrated in the following **Table 9** which shows the Applicants' available seat kilometres (**ASKs**) between New Zealand and the US from FY2019 through to FY2025, as well as a forecast for FY2026. The Applicants did not operate routes from New Zealand to the US in 2020, 2021 and into 2022 because of the Pandemic.

Table 9: ASKs NZ-US FY2019 – FY2026

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 ¹⁶³
QF (AKL-JFK)	-	-	-	-	53,555,570	1,285,333,670	[REDACTED]	[REDACTED]
AA (AKL-LAX)	906,875,904	-	-	-	-	381,842,486	[REDACTED]	[REDACTED]
AA (AKL-DFW)	-	-	-	-	975,830,389	1,037,246,287	[REDACTED]	[REDACTED]
Total	906,875,904	-	-	-	975,830,389	2,704,422,443	[REDACTED]	[REDACTED]

- 11.16 The above **Table 9** demonstrates the significant increase in capacity which the QAJB has delivered beyond that which existed in FY2019, in which the only route offered by the QAJB was American's seasonal Auckland (AKL)-Los Angeles (LAX) route. As a result, the QAJB's overall capacity on routes between New Zealand and the US now well exceeds pre-Pandemic levels.
- 11.17 These New Zealand – US routes, in addition to the new Australia – US routes, have contributed to the restoration of the QAJB's overall capacity on routes between New Zealand, Australia and the US post-Pandemic.
- 11.18 The Applicants' efforts to restore and grow capacity on Trans-Pacific Routes between New Zealand, Australia and the US post-Pandemic are shown in **Table 10** below, which shows how historical ASKs have steadily recovered from 2021 onwards for both Applicants on the Trans-Pacific for routes between Australia / New Zealand and North America.

Table 10: Trans-Pacific ASKs – AU/NZ to North America FY2019, FY2021–FY2026¹⁶⁴

	FY2019	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 ¹⁶⁵
Qantas Group	24,837,529,128	34,792,048	5,205,989,387	14,747,621,052	18,623,478,185	[REDACTED]	[REDACTED]
AA	3,413,703,345	1,230,749,253	1,033,637,068	2,721,681,171	4,100,363,932	[REDACTED]	[REDACTED]
Total QAJB	28,251,232,473	1,265,541,301	6,239,626,455	17,469,302,223	22,723,842,116	[REDACTED]	[REDACTED]

¹⁶³ [REDACTED].

¹⁶⁴ This table covers the US (including Hawaii) and Canada.

¹⁶⁵ Similar to table 9 above, the FY2026 figures include a forecast for June 2026 assuming the same ASKs but adjusted for the number days in the month.

11.19 The above **Table 10** demonstrates the significant progress to restore capacity, once New Zealand and Australian borders opened in 2022, while recognising the lingering effects of the Pandemic, including on return of aircraft and overall supply chain constraints mean that overall Trans-Pacific capacity is still slightly below pre-Pandemic levels. Restoration of capacity has been impeded by aircraft delays, in particular delays faced by Qantas in bringing back its A380s, its largest aircraft, which are used for long trunk routes like those on the Trans-Pacific. The original schedule to return all A380s into service by the end of 2024 has been delayed by two years due to supply chain constraints, in particular lack of maintenance and repair services for A380s. [REDACTED].

11.20 The Applicants expect that their continued efforts to grow capacity will result in a return to pre-Pandemic levels in terms of the QAJB's overall Trans-Pacific capacity between New Zealand, Australia and the US in the short term, in the second half of FY2026, [REDACTED]. The Applicants' future QAJB capacity is discussed below.

The QAJB supports capacity growth through enhanced demand and behind / beyond connectivity

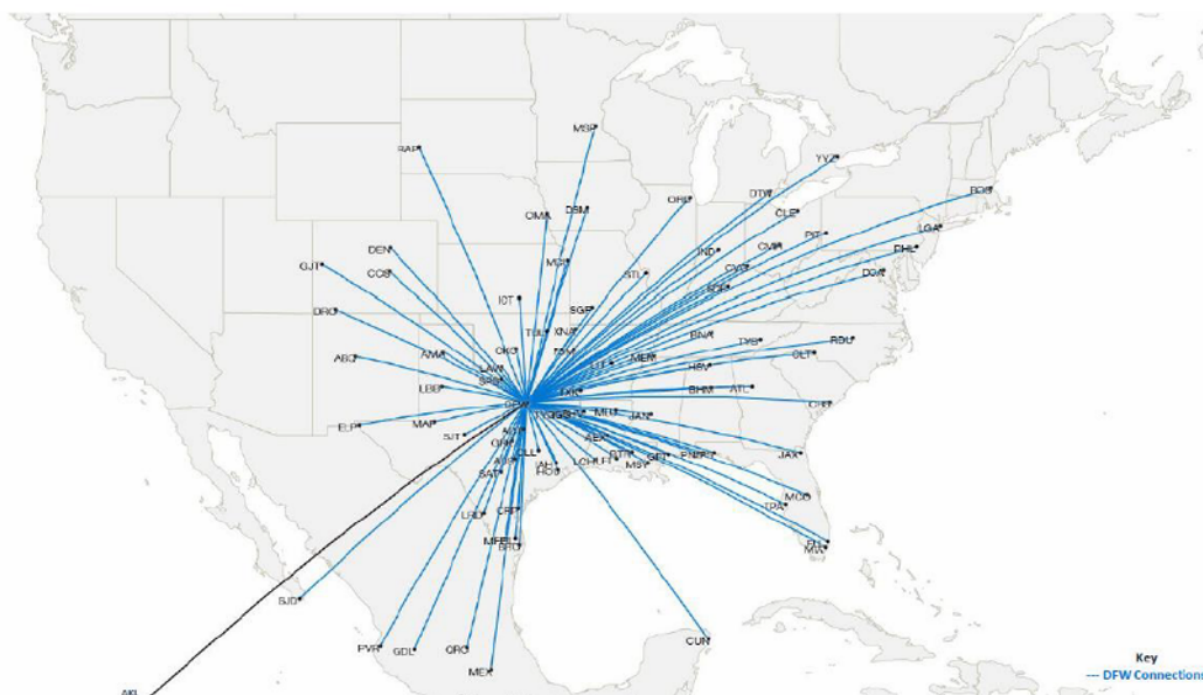
11.21 For American and Qantas, the connectivity unlocked through the integration of their complementary networks via the QAJB has been a key driver of growth in capacity and routes on the Trans-Pacific in addition to delivering more choice to consumers, including New Zealand consumers (discussed further below). The QAJB's ultra-long haul flights between New Zealand, Australia and the US benefit significantly from the connectivity flows for these flights sourced from all parts of the US as well as behind / beyond key gateways like Auckland, Sydney, Brisbane and Melbourne. Accordingly, this pooling of demand and the QAJB's "behind and beyond connectivity" facilitates the maintenance and growth of Trans-Pacific capacity, including the launch and maintenance of new routes (such as the Auckland-LAX and Auckland (AKL)-Dallas-Fort Worth (DFW) seasonal routes operated by American).

11.22 As explained above, as a result of the QAJB, American successfully launched a new Auckland (AKL)-Dallas-Fort Worth (DFW) service in October 2022, before re-launching its Auckland (AKL)-Los Angeles (LAX) route in December 2023, providing additional options to / from New Zealand, including for Australian travellers connecting to / from Australian ports. [REDACTED].

11.23 DFW is a hub providing passenger connections to more than 200 destinations in North America, which is approximately 160 destinations more than through LAX.

11.24 The launch of the Auckland (AKL)-Dallas-Fort Worth (DFW) route reflects the QAJB strategy of offering a more convenient solution for travellers connecting between the US East Coast and New Zealand, and in connecting those travellers to forward or connecting bookings in or from the US via DFW. Prior to launching the route, American determined that its Northern Winter 2022 schedule in DFW would provide 85 one-stop origin-destination journeys for Auckland (AKL)-Dallas-Fort Worth (DFW) customers in the US, as illustrated below.

Figure 16: One-stop connectivity from DFW (2022)



- 11.25 American identified an opportunity to leverage DFW's connectivity to launch this new route, predicting that this service would provide more convenient connections – particularly to the eastern half of the US – for international travellers from New Zealand and Australia. This is exactly what transpired. In the year immediately after the launch, between November 2022 and October 2023, 42% of passengers that connected through Auckland (AKL)-Dallas-Fort Worth (DFW) travelled to or from the east of the Mississippi River (being the centre of the US). Overall, the Auckland (AKL)-Dallas-Fort Worth (DFW) flight served more than 70,000 passengers during this period, connecting them to 880 unique origin and destination pairs, with nearly 30,000 travelling to or from east of the Mississippi River. As shown in the **Confidential Figure 18** below, nearly 80% of these passengers connected 'behind and beyond' DFW on this route.

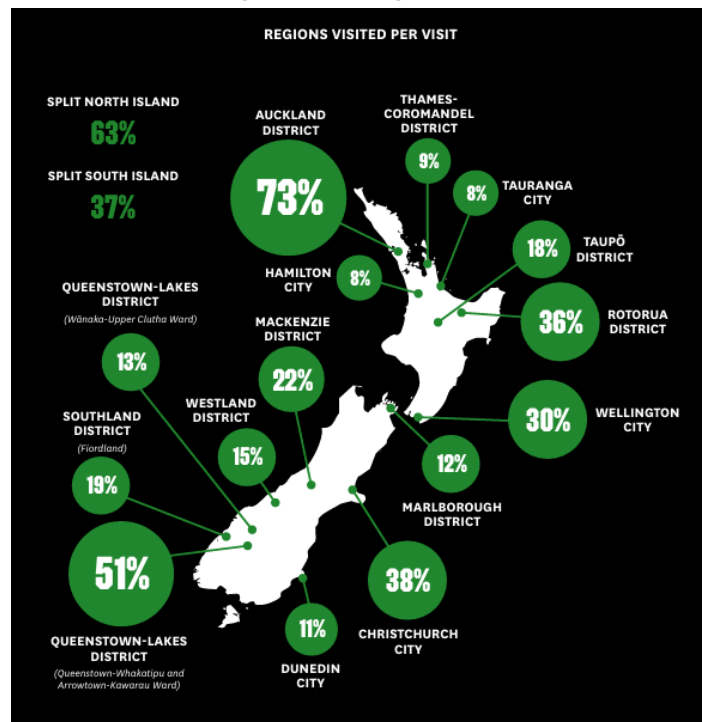
[REDACTED]

- 11.26 This is not unique to the QAJB's routes between New Zealand and the US, but is also the case for the QAJB's Australia – US routes. For example, the QAJB's 'behind and beyond' connectivity is driving the demand for, and supporting, American's Dallas-Fort Worth (DFW)-Brisbane (BNE) service as [REDACTED] of passengers on the service are booked on a local flight starting and ending in Dallas-Fort Worth (DFW)- and Brisbane (BNE), while [REDACTED] are connecting in both Dallas-Fort Worth (DFW) and Brisbane (BNE) (e.g. Austin-Dallas-Fort Worth-Brisbane-Adelaide). This supports the conclusion that customers are utilising the benefits of each Applicant's domestic networks. Accordingly, the ability to offer streamlined connectivity and sell competitively to 'behind and beyond' destinations remains crucial to both Qantas and American, not only for the Auckland (AKL)-Dallas-Fort Worth (DFW) route, but across Trans-Pacific routes more generally.
- 11.27 As a note, the QAJB's 'behind and beyond' connectivity in New Zealand is significantly bolstered for American through its access to Qantas' Jetstar network. Through codeshare and interline arrangements¹⁶⁶ with Jetstar, American is able to provide services within New Zealand beyond Auckland – to Christchurch, Queenstown, Wellington and Dunedin. This both expands the availability of American's Trans-Pacific services to New Zealanders, and also allows US visitors to New Zealand to travel to a greater array of destinations. This latter point is significant, as over 75% of US visitors to New

¹⁶⁶ Interlining agreements allow airlines to handle customer's and baggage on itineraries involving multiple airlines with a single booking and seamless transfers. Codesharing, on the other hand, involves one airline selling tickets on flights operated by another airline, often under the first airline's flight number.

Zealand will visit two or more New Zealand regions per visit.¹⁶⁷ Furthermore, as evidenced by **Figure 19**, connectivity to Auckland, Christchurch, Queenstown, Wellington and Dunedin, represents four of the top five (by a significant margin) most visited regions in New Zealand (and allows effective overland transport to all other regions).

Figure 17: US 2024 traveller region visit insights (source: Tourism New Zealand)¹⁶⁸



11.28 The following confidential figures illustrate the critical importance of this 'behind and beyond' connectivity (much of which includes the Jetstar network) in supporting the Applicants' operations on the Trans-Pacific, which in turn drives the Applicants' ability to maintain and / or grow capacity, as well as the broader support provided to the Applicants through the QAJB (including marketing and sales support):

- (a) [REDACTED] of] American's [REDACTED] on its direct New Zealand-US flights in CY2024 was enabled by the QAJB and the network of Jetstar in particular, representing [REDACTED] for New Zealand domestic flights, with approx. [REDACTED] enabled by QAJB network connectivity;
- (b) [REDACTED] on Auckland (AKL)-New York (JFK) in CY2024 was enabled by the QAJB, with approx. [REDACTED]% enabled by QAJB network connectivity;
- (c) between [REDACTED] on direct US-Australia flights in CY2024 was enabled by the QAJB, with approx. [REDACTED] enabled by QAJB network connectivity;
- (d) between [REDACTED] on direct US-Australia flights in CY2024 was enabled by the QAJB, with approx. [REDACTED] enabled by QAJB network connectivity.

11.29 Further details relating to the above enablement data is provided in Confidential Annexure T.

11.30 As observed above, the QAJB has enabled [REDACTED] on its New Zealand routes. This enablement [REDACTED] and the importance of the QAJB to American continuing in New Zealand cannot be overstated. Represented below is an American Boeing Dreamliner 787-9 depicting the QAJB enablement for American. **Confidential Figure 20** represents the current total QAJB and non-QAJB enabled revenue across the average load for American's Auckland (AKL)-Dallas-Fort Worth (DFW) and Auckland (AKL)-Los Angeles (LAX) routes. The second plane represents the current revenue, relative to

¹⁶⁷ See Tourism New Zealand, 'United States of America Visitors & Market Insights July 2024' (Report, July 2024) <https://www.tourismnewzealand.com/assets/insights/market-overview/TNZ-Insights-Infographic-Market-Snapshots-2024-USA.pdf>, 17.

¹⁶⁸ Ibid.

the average load factor, for American's Auckland (AKL)-Dallas-Fort Worth (DFW) and Auckland (AKL)-Los Angeles (LAX) routes without the QAJB enablement.

[REDACTED]

The Proposed Conduct will support future capacity growth

- 11.31 The table in **Confidential Annexure R** shows Qantas and American's future capacity plans, if the QAJB is re-authorised, which the Applicants currently intend to operate on the Trans-Pacific Routes through to 2030. Some of Qantas' specific growth plans for 2025, as announced publicly by Qantas, include increasing its Melbourne (MEL)-Dallas-Fort Worth (DFW) service, returning its Boeing 787 Dreamliner aircraft to its Los Angeles (LAX)-Brisbane (BNE) route, and returning its A380s to the Sydney (SYD)-Dallas-Fort Worth (DFW) route. Any long-term expansion of existing QAJB services on, or the prospects for commencing new QAJB routes on, the Trans-Pacific will be directly impacted by whether the Proposed Conduct is re-authorised.

Increased connectivity, increased schedule choice and better connections

- 11.32 In addition to delivering additional non-stop routes and thereby delivering additional capacity between New Zealand and the US, which introduces more options for travellers between New Zealand and the US, the QAJB has also delivered and will continue to deliver significant benefits by connecting passengers to a vast number of destinations (well over 300) on the combined Qantas / American network.
- 11.33 This increased connectivity has enabled and will continue to enable (if the Proposed Conduct is re-authorised) New Zealand, Australian and US consumers to benefit from more schedule choice and flexibility of departure, arrival times and transit points for flights, to a greater extent than a future without the Proposed Conduct. Through the QAJB, the Applicants continue to work on maximising schedule connectivity and itinerary choice, which in turn provides New Zealand, Australian and US consumers with more convenience and flexibility. Through adding non-stop services, and coordinating schedules, passengers experience better connections and reduced journey times, and reduced layovers.
- 11.34 These are material public benefits for New Zealand consumers. Passengers have more options and greater convenience when travelling on either Qantas or American (or on a combination of both) to or from a vast range of destinations (including to or from New Zealand) across a combined, complementary Qantas and American network through multiple hubs and extensive connections in New Zealand, Australia and the US than they would, absent the Proposed Conduct.

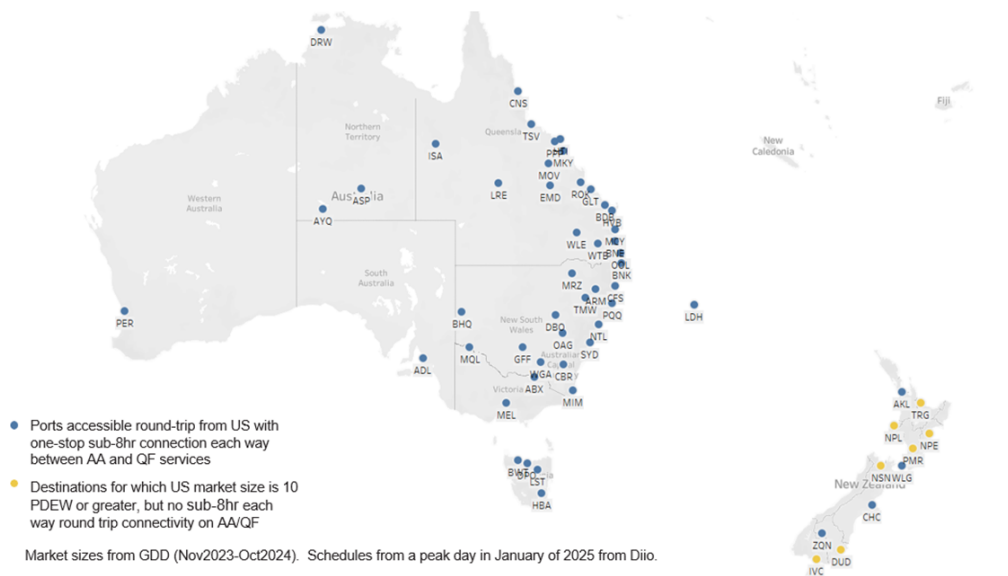
Enhanced connectivity

- 11.35 The expansion of routes between New Zealand, Australia and the US made possible by the QAJB (as detailed above) has been accompanied by a significant increase in connectivity. For example, through the QAJB, passengers wishing to fly to the US from either New Zealand or Australia have direct access to:
- (a) Dallas Fort Worth (DFW), which provides passenger connections to more than 200 destinations in North America;
 - (b) Los Angeles (LAX) and 33 destinations beyond that gateway;
 - (c) San Francisco (SFO) and eight destinations beyond that gateway; and
 - (d) New York (JFK) and seven destinations beyond that gateway.
- 11.36 Similarly, through the QAJB, passengers flying to New Zealand and Australia from the US also enjoy access to nearly 70 destinations across New Zealand, Australia and the South Pacific.
- 11.37 This expansive connectivity is demonstrated in the figures below which show that the QAJB currently provides roundtrip connectivity to 98.5% of Australian and New Zealand demand for travel points to the US and the QAJB remains motivated and incentivised to fill the remaining 1.5%. As noted above, such connectivity is supporting the operation of American's Auckland (AKL)-Dallas-Fort Worth (DFW) service.

Figure 18: QAJB connectivity in US



Figure 19: QAJB connectivity in Australia and New Zealand¹⁶⁹



- 11.38 The 'behind and beyond' connectivity facilitated by the QAJB also provides more optionality for consumers in secondary cities and regional areas of New Zealand and Australia to access US destinations. This additional connectivity is supported by Qantas' Trans-Tasman and New Zealand domestic routes (through Jetstar).
- 11.39 For example, the Applicants' new routes between New Zealand and the US (i.e. Qantas' Auckland-JFK service, and American's Auckland (AKL)-Dallas-Fort Worth (DFW) service) have opened up significant schedule choice for New Zealand, Australian and US passengers, with Qantas' Trans-Tasman services providing further itinerary optionality. This is due to Qantas providing connectivity for QAJB customers to / from Wellington, Christchurch and Queenstown to / from the US via Melbourne, Sydney and Brisbane. The inter-connection between Trans-Pacific and Trans-Tasman travel supports the QAJB's overall

¹⁶⁹ The blue dots indicate cities that have a roundtrip one-stop connection from the US via either SYD, BNE, MEL, or AKL within 8 hours. The yellow dots are airports that do not have one-stop connectivity but have Passengers per Day Each Way (PDEW) of 10 or greater (all in NZ). The blue dots represent p 97% of total US to Australia/NZ demand. The market sizes used were from GDD data source (Nov2023-Oct2024). The schedules were taken from a peak day in January of 2025 from Diio.

proposition to both New Zealand / Australian consumers but also importantly tourists to New Zealand and Australia. For example, the QAJB provides a US consumer with the ability to fly from Dallas-Fort Worth to Melbourne or Brisbane, onwards to Christchurch, and then out of Auckland back to Dallas-Fort Worth (with American connections to / from Dallas-Fort Worth (DFW) providing further optionality and connections).

- 11.40 The options for consumers are further enhanced with 'behind and beyond' connections for New Zealand passengers, and tourists, on the Qantas Group's domestic New Zealand services operated by Jetstar.
- 11.41 The below **Table 11** sets out details of the number of passengers travelling to/from New Zealand on domestic flights with Jetstar, and then to/from the US or Canada via a QAJB service, for CY2023, CY2024 and CY2025 (to March 2025). As noted in the data there has been a significant year on year (YoY) increase in use by passengers of this connectivity between CY2023 and CY2024, and signs of continued growth for CY2025.

Table 11: Jetstar NZ domestic connectivity

Year	2023	2024	2025(YTD)*
Pax number	[REDACTED]	[REDACTED]	[REDACTED]

* As at end of March 2025.

- 11.42 The importance of the QAJB's behind and beyond connectivity to New Zealand, Australian and US passengers is also demonstrated by the traffic mix of passengers flying from New Zealand or Australia to the US (and vice versa). For example, in CY2024, only [REDACTED] of passengers across all QAJB flights are travelling point-to-point, with the majority [REDACTED] connecting 'behind and beyond'. This is reflected in the passengers travelling on QAJB flights between New Zealand and the US, with point to point passengers comprising only [REDACTED] of total passengers on American's Auckland (AKL)-Dallas-Fort Worth (DFW) service, Qantas' Auckland (AKL)-New York (JFK) service and American's Auckland (AKL)-Los Angeles (LAX) service respectively, and the remainder travelling 'behind and beyond'.
- 11.43 Connectivity with the 'behind and beyond' gateways in the US is also important to QAJB passengers, with [REDACTED] of passengers on American's Auckland (AKL)-Dallas-Fort Worth (DFW) service, and [REDACTED] of passengers on American's Auckland (AKL)-Los Angeles (LAX) service, connecting to or from another US flight behind or beyond those gateways in CY2024. Further, some [REDACTED] of passengers on these two services travelled beyond a US gateway to or from a port outside the US (e.g. Canada or Mexico).
- 11.44 In addition, the QAJB facilitates connectivity 'behind and beyond' Auckland within New Zealand, and across the Trans-Tasman. For example, [REDACTED] of total passengers who flew on the Auckland (AKL)-Dallas-Fort Worth (DFW) service ([REDACTED]) and [REDACTED] of passengers who flew on the Auckland (AKL)-Los Angeles (LAX) service ([REDACTED]) connected to those services from domestic New Zealand locations behind Auckland. In CY2024, [REDACTED] of passengers who flew on Qantas' Auckland (AKL)-New York (JFK) service connected to that service in Auckland from Australian or Pacific locations, demonstrating the importance of the Applicants' Trans-Tasman connectivity.
- 11.45 These figures illustrate that the behind and beyond connectivity is important and highly valued by many QAJB passengers, including New Zealand consumers and tourists visiting New Zealand.

Codeshare destinations

- 11.46 The QAJB provides passengers with access to a large number of reciprocal codeshare routes, which contributes to the behind and beyond connectivity of the QAJB's Trans-Pacific Routes. Based on the current combined QAJB network, Qantas and American passengers connecting at either end of an Auckland (AKL)-Los Angeles (LAX), Auckland (AKL)-Dallas-Fort Worth (DFW) or Auckland (AKL)-New York (JFK) flight enjoy convenient transit access to a wide range of destinations.

11.47 As shown in **Table 12** below, this includes (for example) American operated services to 109 codeshare destinations beyond DFW and 38 codeshare/interline destinations beyond LAX available on Qantas code, and Qantas/Jetstar operated services to six codeshare destinations beyond Auckland (including Christchurch, Queenstown and Wellington) available on an American code. This is a substantial improvement for consumers compared to the situation in 2015, when there was no direct Auckland (AKL)-Los Angeles (LAX) service, no Auckland (AKL)-Dallas-Fort Worth (DFW) service and no Auckland (AKL)-New York (JFK) service.

Table 12: Codeshare destinations behind or beyond Auckland and LAX/DFW/JFK

QAJB Route	U.S. Destinations AA Operates Beyond LAX/DFW/JFK Available on QF Code			Non-U.S. Destinations AA Operates Beyond LAX/DFW/JFK Available on QF Code			Oceania Destinations QF Operates Beyond AKL Available on AA Code		
	Active codeshare	Other	Total	Active codeshare	Other	Total	Active codeshare	Other	Total
AKL-LAX	38	4	42	3	2	5	6	3	9
AKL-DFW	109	62	171	9	43	52	6	3	9
AKL-JFK	6	53	59	1	20	21	6	3	9

Source: 2024 OAG

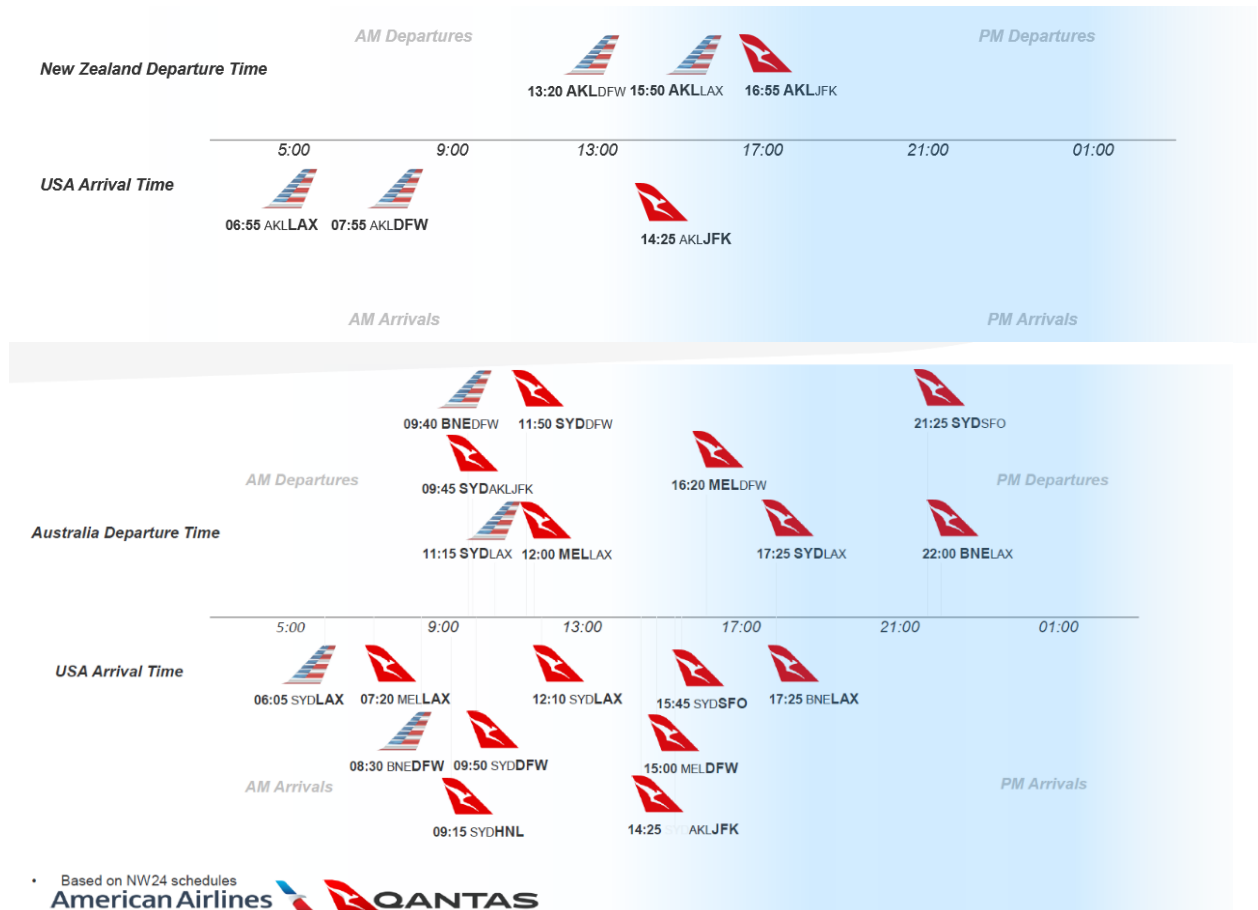
Notes:

1. Active codeshare destinations are those with current codeshare between AA and QF.
2. Other destinations are those which the respective airline serves from the relevant airport but without an existing codeshare with the other airline.

Scheduled options / itinerary optionality

11.48 As a result of the QAJB's connectivity, passengers that travel to / from New Zealand or Australia to their destination in the US (or vice versa) enjoy a significant number of schedule options for their journey (including direct and indirect long-haul routes). Examples of the broad scheduling options facilitated by the QAJB, based on New Zealand and Australia departure times, are shown below.

Figure 20: QAJB scheduling options (as of Northern Winter 2024)



11.49 These provide valuable schedule optionality for New Zealand consumers, and to tourists travelling from the US to New Zealand. For example, a passenger wishing to fly from Auckland to New York (during the Northern Winter) could choose to depart on Qantas' non-stop service from Auckland to JFK (departing at 16:55) or choose to fly American's non-stop service from Auckland (AKL) to Dallas-Fort Worth (DFW) (departing at 13:20) and connect at DFW to a domestic American flight to New York. As another example, a passenger wishing to fly from Christchurch to Las Vegas (during the Northern Winter), could:

- fly on Jetstar's domestic flight from Christchurch to Auckland and connect onto American's Auckland (AKL)-Dallas-Fort Worth (DFW) service and then connect to Las Vegas on an American flight from DFW;
- fly on Jetstar's domestic flight from Christchurch to Auckland and connect onto American's Auckland (AKL)-Los Angeles (LAX) service and then connect to Las Vegas on an American flight from LAX;
- fly from Christchurch to Sydney on Qantas, connect onto either Qantas or American's Sydney (SYD)-Los Angeles (LAX) service and onwards to Las Vegas on American; or
- fly from Christchurch to Brisbane on Qantas, connect onto either Qantas' Brisbane (BNE)-Los Angeles (LAX) service and onwards to Las Vegas on American.

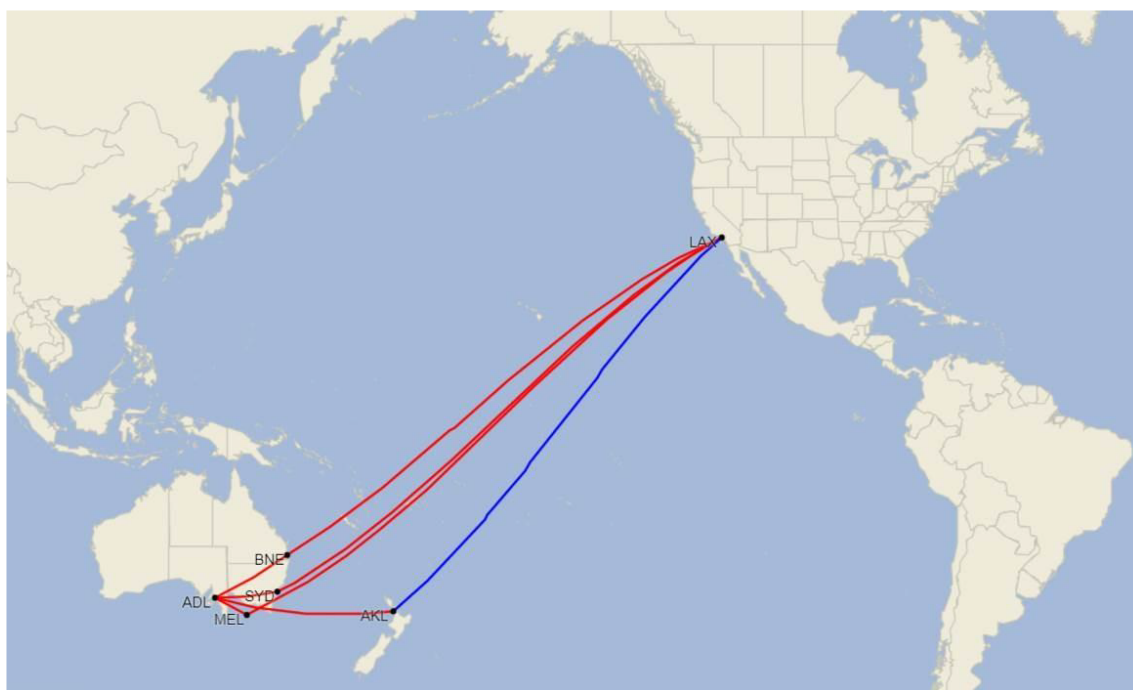
11.50 The optionality afforded through the combined QAJB Trans-Pacific network provides passengers with a variety of more mixed-metal round trip itinerary options (where they could depart on one airline and return on the other), or itineraries which include both a Qantas and an American segment, between New Zealand, Australia and the US. This provides New Zealand, Australian and US consumers, including those visiting New Zealand for tourism purposes, with more schedule choice. This is valuable to passengers, as demonstrated by the uptake of mixed metal itineraries – for example, in CY2024:

- a total of 335,084 passengers flew an American and Qantas mixed metal itinerary on QAJB routes (meaning that they travelled some part of the journey with each of the airlines), representing 21% of all passengers who flew on QAJB routes;

- (b) a total of 14,880 passengers with itineraries originating in New Zealand flew an American and Qantas mixed metal itinerary on QAJB routes; and
- (c) over 128,000 passengers travelled on American and Qantas on QAJB routes between New Zealand and the US and, of those passengers, 13,644 (or roughly 11%) chose to use mixed metal itineraries.

11.51 This network optionality and ease of itinerary building, across the Trans-Pacific and supplemented with Qantas' Trans-Tasman offering, facilitates greater options for stopovers through New Zealand for travellers. For example, a US tourist could travel from Los Angeles to Auckland, onwards to Adelaide and return to the US via services from Brisbane, Melbourne or Sydney, as shown in **Figure 24** below.

Figure 21: Sample Itinerary Choice: Los Angeles – Auckland – Australia



11.52 As illustrated above, the QAJB supports the offering of multiple itinerary choices to passengers across the Trans-Pacific Routes and to behind and beyond destination. This includes time of departure or arrival optionality. For example, **Table 13** below shows optionality for a passenger travelling from Auckland to Miami (in Northern Winter) on itineraries with an option for an early afternoon departure time and arrival time, alongside another option for a late afternoon departure and evening arrival time on a mixed metal itinerary.

Table 13: Example itineraries

Flight 1	Departure / Arrival Time	Flight 2	Departure / Arrival Time
AA AKL-DFW	13:20 - 08:05	AA DFW-MIA	10:25 - 14:29
QF AKL-JFK	16:25 - 16:20	AA JFK-MIA	18:40 - 21:42

11.53 **Table 14** below similarly shows itinerary optionality for a passenger travelling from Christchurch to Dallas-Fort Worth, with options to depart mid-morning via Auckland on Jetstar and onwards on American's non-stop Auckland (AKL)-Dallas-Fort Worth (DFW) service, or alternatively fly to Brisbane and onwards on American's Brisbane (BNE)-Dallas-Fort Worth (DFW) service, with both arriving in the morning.

Table 14: Example itineraries

Flight 1	Departure / Arrival Time	Flight 2	Departure / Arrival Time
JQ CHC-AKL	10:30 - 11:50	AA AKL-DFW	13:20 - 08:05
QF CHC-BNE	06:10 - 08:05	AA BNE-DFW	09:45 - 09:10

- 11.54 There are a number of improved itineraries for New Zealand, Australian and US passengers due to new American / Qantas services across their networks, including AKL-DFW, the relaunched AKL-LAX and AKL-JFK services, as well as BNE-DFW and MEL-DFW services. This includes itineraries for origin and destination (O&Ds) from or through Auckland, such as AKL-BWI (via AKL-DFW), AKL-CLT, Auckland-RDU (via AKL-DFW), AKL-LHR (via AKL-JFK), MEL-JFK (via Auckland-JFK), JFK-SYD (via AKL-JFK), as well as itineraries ex Australia via BNE-DFW such as BNE-ORL, BNE-BOS, BNE-YTO, and via MEL-DFW such as, MEL-MEX, ATL-MEL, MEL-PHL etc. All these O&Ds, including numerous itineraries via Auckland, involve lower elapse time options or fewer connections than alternatives, and provide additional schedule choice. For example:
- (a) A passenger travelling from Auckland to Charlotte (North Carolina) in Northern Winter could travel via the QAJB on American's Auckland (AKL)-Dallas-Fort Worth (DFW) service and onto Charlotte on a one-stop itinerary with a total journey time of 18h 18 minutes, compared to an itinerary involving Air New Zealand/United's Auckland-Chicago (IAH) service and onwards to Charlotte on United Airlines with a journey time of 20h 7 minutes.
 - (b) Similarly, a passenger travelling from Auckland to Baltimore in Northern Winter could travel via the QAJB on American's Auckland (AKL)-Dallas-Fort Worth (DFW) service and onto Baltimore on American on a one-stop itinerary with a total journey time of 18h 46 minutes, compared to an itinerary involving Air New Zealand/United's Auckland (AKL)-Chicago (IAH) service and onwards to Baltimore on United Airlines with a journey time of 20h 49 minutes.
- 11.55 Through the close coordination required under the QAJB, the Applicants have also been able to facilitate new and enhanced direct and indirect connections for passengers travelling to / from New Zealand, Australia and the US, including timing services to provide better onwards connections and / or reduced layover times. Examples include:
- (a) complementing American's direct seasonal Auckland (AKL)-Dallas-Fort Worth (DFW) and Auckland (AKL)-Los Angeles (LAX) services which have a mid and late afternoon departure respectively, indirect options via Australia involve Trans-Tasman services timed to enable connections to QAJB services through to the US;
 - (b) Qantas' Auckland (AKL)-Sydney (SYD) 7:30 morning flight arrives at 9:10, enabling connections onto American's Sydney (SYD)-Los Angeles (LAX) (AA72) morning service, while later Qantas' Auckland (AKL)-Sydney (SYD) services are timed to align with Qantas' Sydney (SYD)-Los Angeles (LAX) (QF11) evening service; and
 - (c) Qantas' Auckland (AKL)-Sydney (SYD) 13:25 flight arrives at 15:10, ahead of Qantas' Sydney (SYD)-Los Angeles (LAX) evening service. In the other direction, in Northern Winter, Qantas' Trans-Tasman Sydney (SYD)-Auckland (AKL) service arrives at 12:15 and its Brisbane (BNE)-Auckland (AKL) arrives at 14:40, both connecting to American's seasonal Auckland (AKL)-Los Angeles (LAX) service which departs at 15:50.
- 11.56 Similarly, Qantas has a range of Trans-Tasman services from destinations in New Zealand that connect to QAJB services from Australia, with Qantas' Christchurch and Wellington to Sydney/Brisbane/Melbourne services providing connections onto QAJB services to LAX or DFW. For example, a Christchurch-based passenger can fly Qantas' Christchurch (CHC)-Sydney (SYD) service at 6:00 and connect to American's Sydney (SYD)-Los Angeles (LAX) service with a layover of just over 3.5 hours. Qantas' Christchurch (CHC)-Sydney (SYD) service (arrives at 19:05), Wellington (WLG)-Sydney (SYD) service (arriving 17:35) and Queenstown (ZQN)-Sydney (SYD) service (arriving 16:40), all arrive in time to connect to American's evening Sydney (SYD)-Los Angeles (LAX) service. Similarly, a Wellington passenger could take Qantas' morning flight from Wellington (WLG)-Sydney (SYD) or Wellington (WLG) to Brisbane (BNE), and connect to American's Sydney (SYD)-Los Angeles (LAX) flight or Qantas' Brisbane (BNE)-Los Angeles (LAX) flight.

- 11.57 In addition, American's seasonal Dallas-Fort Worth (DFW)-Auckland (AKL) service arrives at 9:25, and its seasonal Los Angeles (LAX)-Auckland (AKL) arrives at 10:05. These morning arrivals provide access to a range of domestic New Zealand connections on Jetstar including Auckland (AKL)-Christchurch (CHC) (dep 11:40) and Auckland (AKL)-Queenstown (ZQN)(dep 14:25).
- 11.58 Due to American's domestic network in the US, services from Auckland into Los Angeles, Dallas Fort Worth or New York are well connected into domestic onwards routes. For example, Qantas' Auckland (AKL)-New York (JFK) service arrives at 16:20 (in Northern Summer), an arrival time which provides connections to a range of American services from JFK, including New York (JFK)-Toronto (YYZ) (dep 20:01), New York (JFK)-Miami (MIA) (dep 20:30), New York (JFK)-Boston (BOS)(dep 21:30) and New York (JFK)-Washington DC (DCA) (dep 21:00). Similarly, American's Auckland (AKL)-Dallas Fort Worth (DFW) service in Northern Winter arrives at 8.05, providing ready connections onto flights throughout the day across the US and beyond.
- 11.59 This substantial connectivity, increased schedule options and enhanced convenience (including connection times and reduced layovers) are valuable to New Zealand, Australian and US consumers, relative to what would exist without the Proposed Conduct, and enable the Applicants to offer competitive alternatives to Delta, the United/Air New Zealand alliance and other airlines operating on the Trans-Pacific. The Applicants submit that New Zealand consumers have welcomed this greater optionality, including with respect to services to / from New Zealand, with passengers on QAJB services between New Zealand and the US increasing up to some 128,000 passengers in CY2024.

Reduced travel times on Trans-Pacific Routes

- 11.60 As noted above, the QAJB has reduced journey times on Trans-Pacific Routes through the introduction of the new direct routes and enabled the Applicants to work together to reduce journey times (including layover times) between Qantas and American services, including those to / from New Zealand.
- 11.61 For example, American's direct routes between New Zealand and the US truncate journey times and minimise connections, relative to routings that would be available with the Applicants in the absence of the QAJB. Such time savings deliver benefits to consumers on both sides of the Trans-Pacific. Without these new non-stop routes, passengers would have to connect in Australia and again at Los Angeles (LAX) to reach their US destination from New Zealand (and vice versa). This is demonstrated by the following table which shows the shorter comparative journey time between American's direct Auckland (AKL)-Dallas-Fort Worth (DFW) and Los Angeles (LAX)- Dallas-Fort Worth (DFW) routes, relative to the fastest options on the Applicants but for the new routes enabled by the QAJB:

Table 15: Example comparison journey durations: direct vs shortest routing but for the QAJB¹⁷⁰

Route	Time (New Zealand to US)		Non-stop Time Savings
AA: AKL-DFW	13h 45m	13h 20m	9h 21m
AA/QF But for QAJB: AKL-BNE-LAX-DFW	2h 40m + 1h layover + 13h 5m + 2h layover + 2h 51m	22h 41m	N/A
AA: AKL-LAX	12h 5m	12h 5m	5h 45m
AA/QF But for QAJB: AKL-BNE-LAX	2h 40m + 1h layover + 13h 5m	17h 50m	N/A

¹⁷⁰ Based on Northern Winter 2024/2025 schedules and directional travel times in OAG. Layover times at LAX and BNE based on the QAJB carriers' minimum directional connection times at these airports. See Annexure N for additional information on the calculation of the shortest hypothetical routing but-for the QAJB..

- 11.62 As recognised by the Ministry's Assessment Framework Guidelines, reduction in journey duration (the difference between the direct flight duration and the previous shortest indirect flight duration), and the corresponding monetary value to passengers of increased convenience of direct flights are examples of quantitative evidence of benefits of economies of traffic density.¹⁷¹ Below, we provide several alternative quantifications of the benefits from new non-stop routes. For detailed information on the methodology and calculations used to estimate the benefits, see **Annexure N**.
- 11.63 The most direct method of calculating the benefits associated with launching new non-stop routes is to measure the stimulation of traffic associated with the new routes and convert the increase in traffic to dollar value benefits using well-accepted economic methodology.
- 11.64 **Figure 25** below provides the estimated benefits from new non-stop routes using this approach. Specifically, an event-study approach enables one to estimate the demand stimulation effect of a new non-stop route.¹⁷² The estimated demand stimulation effect is provided in the second column of **Figure 25** below, titled 'Estimated Demand Stimulation.' This stimulation effect is then converted to annual dollar benefits and five-year forward looking dollar value benefits, presented in the 'Predicted New Non-stop Benefits' columns below.¹⁷³ As seen in the **Figure 25** below, the forward-looking five-year benefits from three new non-stops between New Zealand and the US are estimated at just over NZD60 million for five years. [REDACTED]

Figure 22: Benefits from QAJB New Non-stop Introduction Based on Estimated Demand Stimulation (in NZD)

City Pair	Estimated Demand Stimulation	Predicted New Nonstop Benefits	
		Annual	Five-Year
Dallas/Fort Worth, TX -- Auckland, New Zealand	33%	NZD 1,855,484	NZD 9,277,421
New York City, NY -- Auckland, New Zealand	151%	NZD 4,607,454	NZD 23,037,269
Los Angeles, CA -- Auckland, New Zealand	86%	NZD 5,565,579	NZD 27,827,897
New Zealand Total New Nonstop Benefits		NZD 12,028,517	NZD 60,142,587

Sources: MIDT through 2024 Q4, DOT T100 International Segment Data, DOT International O&D Survey, <https://www.exchange-rates.org/exchange-rate-history/usd-nzd-2024>.

- 11.65 Alternatively, the Ministry's Assessment Framework Guidelines recognises that benefits from new non-stop routes can be estimated by quantifying the monetary value of reduction in journey duration.¹⁷⁴ This alternate approach focuses solely on the time saved by new non-stop routes and converting the time savings in hours to dollar values using the US DOT's value of travel time savings (**VTTS**) for air travel.¹⁷⁵ Although this is less comprehensive than the demand stimulation methodology discussed above, the Applicants provide this calculation because it is recognised in the Assessment Framework Guidelines.
- 11.66 **Figure 26** below provides estimated benefits based on this methodology. The time savings associated with each new non-stop route are calculated in comparison to the shortest alternate route that would be available on the Applicants but for the new routes. Routes are included in the table if they were introduced after the authorisation of the QAJB in 2015 and are still in operation today. The dollar savings per roundtrip for each city pair and season are multiplied by the number of seasonal passengers in 2024 to calculate annual benefits.¹⁷⁶ As shown in **Figure 26**, the introduction of the new non-stop services has led to substantial time savings on roundtrips between the respective city pairs. The total 5-year forward looking benefits based on the US DOT's VTTS for air travel is approximately NZD 239 million for the new non-stop routes between New Zealand and the US.¹⁷⁷ [REDACTED].

¹⁷¹ Assessment Framework Guidelines, at [121].

¹⁷² See **Annexure N** for information on the event-study regression and the benefit calculation.

¹⁷³ See **Annexure N** for information on the five-year forward looking benefit calculation.

¹⁷⁴ Assessment Framework Guidelines, at [121].

¹⁷⁵ The DOT VTTS for air travel are NZD79.02/h for personal travel and NZD138.33/h for business. See **Annexure N**.

¹⁷⁶ See **Annexure N** for information on the calculation of number of seasonal passengers for each route.

¹⁷⁷ See **Annexure N** for information on the five-year forward looking benefit calculation.

Figure 23 Estimated Benefits from Travel Time Savings on New QAJB Non-stop Routes (in NZD)

City Pair	Season	Estimated Roundtrip Savings (h)	Estimated Time Savings Benefits					
			Economy		Business		Total	
			Annual	Five-Year	Annual	Five-Year	Annual	Five-Year
Dallas/Fort Worth, TX -- Auckland, New Zealand	W	17.7	NZD 6,682,997	NZD 33,414,985	NZD 2,153,441	NZD 10,767,204	NZD 8,836,438	NZD 44,182,189
New York City, NY -- Auckland, New Zealand	S	17.6	NZD 10,550,707	NZD 52,753,534	NZD 2,062,608	NZD 10,313,040	NZD 12,613,315	NZD 63,066,574
New York City, NY -- Auckland, New Zealand	W	18.3	NZD 11,719,932	NZD 58,599,659	NZD 3,340,492	NZD 16,702,458	NZD 15,060,423	NZD 75,302,117
Los Angeles, CA -- Auckland, New Zealand	W	11.3	NZD 9,415,432	NZD 47,077,159	NZD 1,957,730	NZD 9,788,650	NZD 11,373,162	NZD 56,865,809
New Zealand Total New Nonstop Benefits			NZD 38,369,068	NZD 191,845,338	NZD 9,514,270	NZD 47,571,351	NZD 47,883,338	NZD 239,416,689

Sources: MIDT, OAG, <https://www.exchange-rates.org/exchange-rate-history/usd-nzd-2024>

11.67 Academic literature also recognises that connections are associated with additional inconvenience (beyond the added travel time), including from disembarking and reboarding, traveling from arrival gate to departure gate for the connecting flight, going through immigration, rechecking bags, or going through security. Several academic papers provide estimates of the (negative) value of additional connections in addition to and separate from the value of travel time savings. For example, **Figure 27** below, provides the estimated value obtained from the new non-stop services based on Adler et al. (2005)¹⁷⁸ and using 2024 seasonal passengers. Travel time savings are calculated as before and converted to dollar value using the VTTS estimated by the authors. The benefits from elimination of connections are calculated based on the number of roundtrip connections for the shortest routing offered by the QAJB airlines but for the QAJB. This shows that the estimated five-year forward looking benefits based on 2024 data from both time savings and the elimination of connections are almost NZD 327 million for the three new non-stop routes between New Zealand and the US.¹⁷⁹ [REDACTED].

Figure 24: Estimated Benefits from Travel Time Savings and Elimination of Connection on QAJB New Non-stop Routes (in NZD)

City Pair	Season	Estimated Roundtrip Savings		Estimated Total Benefit					
		Travel time		Economy		Business		Total	
		(h)	# Connections	Annual	Five-Year	Annual	Five-Year	Annual	Five-Year
Dallas/Fort Worth, TX -- Auckland, New Zealand	W	17.7	4	NZD 8,650,060	NZD 43,250,300	NZD 3,675,777	NZD 18,378,886	NZD 12,325,837	NZD 61,629,186
New York City, NY -- Auckland, New Zealand	S	17.6	4	NZD 13,662,407	NZD 68,312,033	NZD 3,522,716	NZD 17,613,580	NZD 17,185,123	NZD 85,925,613
New York City, NY -- Auckland, New Zealand	W	18.3	4	NZD 15,108,028	NZD 75,540,139	NZD 5,673,378	NZD 28,366,891	NZD 20,781,406	NZD 103,907,030
Los Angeles, CA -- Auckland, New Zealand	W	11.3	2	NZD 11,871,129	NZD 59,355,643	NZD 3,234,636	NZD 16,173,180	NZD 15,105,764	NZD 75,528,822
New Zealand Total New Nonstop Benefits				NZD 49,291,623	NZD 246,458,115	NZD 16,106,507	NZD 80,532,537	NZD 65,398,130	NZD 326,990,651

Sources: MIDT, OAG, <https://www.exchange-rates.org/exchange-rate-history/usd-nzd-2024>

11.68 Each of the above methodologies clearly demonstrate that the introduction of the new Trans-Pacific non-stop routes has led to and will continue to lead to substantial benefits to passengers travelling on these routes. Re-authorisation will ensure that these benefits will continue to be enjoyed by customers.

Benefits from Optimised Flight Schedules

11.69 The Ministry's Assessment Framework Guidelines recognise that consumers may benefit from optimised flight schedules, such as reductions in schedule delay (the difference between a passenger's preferred and actual flight time) and reductions in waiting times between connections.¹⁸⁰

11.70 In paragraphs [11.48] to [11.59] above, the Applicants provide evidence of how they coordinate to optimise and improve connecting times, including examples of reduced waiting times between connections, as well as the Applicants re-launching or launching new non-stop routes which provide shorter journey times than indirect routes. The above '*Benefits of Economies of Density*' section includes data on the benefits of these non-stop routes, demonstrating the significant benefits of the reduced travel times enjoyed by passengers as a result of the introduction of the new direct routes between New Zealand and the US supported by the QAJB. Re-authorisation of the Proposed Conduct will allow these benefits to continue to be generated.

¹⁷⁸ Thomas Adler, C. Stacey Falzarano, and Gregory Spitz, "Modeling Service Trade-Offs in Air Itinerary Choice," Transportation Research Record, No. 1915 (2005), 20-26; The estimated VTTS is NZD89.98/h for personal travel and NZD201.02/h for business travel. The estimated willingness to pay to avoid an additional connection is NZD54.22 for personal and NZD154.88 for business. See **Annexure N** for more information on the calculation.

¹⁷⁹ See **Annexure N** for information on the five-year forward looking benefit calculation.

¹⁸⁰ Assessment Framework Guidelines, at Table 1.

- 11.71 The Applicants have not specifically calculated benefits from a reduction in schedule delay as contemplated by the Assessment Framework Guidelines. This is because such a calculation is intended to quantify the potential benefits to passengers who fly non-stop on segments where both airlines overlap. When airlines who serve the same city-pair market non-stop are not part of a revenue-sharing joint venture, they have incentives to focus their flights on the busiest times of day ('wingtip-to-wingtip' flying). In contrast, airlines who are part of a revenue-sharing joint venture can instead spread their flight schedules to cover the day more fully, and meet the demand of more passengers. As a result, passengers flying non-stop on overlap routes benefit directly from the expanded scheduling options which may offer flight options that are closer to their preferred departure times. Since the Applicants have no overlapping non-stop or direct routes between New Zealand and the US, it is not necessary or indeed possible to perform this type of benefit calculation.

Increased tourism and trade

- 11.72 The QAJB has a track record of boosting tourism, with the QAJB assisting to increase inbound tourism to New Zealand through the offering of enhanced connectivity and capacity (including new direct services between New Zealand and the US such as Auckland (AKL)-Dallas-Fort Worth (DFW)), and the Applicants' marketing campaigns, numerous examples of which are set out in the section below. The material increase in Trans-Pacific connectivity and capacity facilitated by the QAJB between New Zealand and the US has also made it easier for foreign businesses to access business opportunities in New Zealand, thereby resulting in trade-related public benefits.
- 11.73 Re-authorisation of the Proposed Conduct represents the most effective way to restore, maintain and ultimately grow the Applicants' operations on the Trans-Pacific, and thereby continue to deliver and seek to grow tourism, commercial and trade benefits in New Zealand.
- 11.74 These tourism impacts for New Zealand are real, as recognised by the Ministry in past re-authorisations of the QAJB:

*"Cooperation between Qantas and American Airlines has increased choice for consumers on the Auckland-Los Angeles route, and increased the marketing of New Zealand to tourists from North America. ... Although this market grew by more than the capacity added by Qantas and American Airlines, we conclude that their cooperation has increased trans-Pacific passenger capacity. It will therefore have allowed more New Zealanders to travel and brought more tourists to New Zealand."*¹⁸¹

*"The new service is likely to deliver significant economic benefits to New Zealand. Direct competition between American Airlines and Air New Zealand on the Auckland-Los Angeles route is likely to result in more capacity and lower fares, which is likely to stimulate additional demand and increase the number of United States visitors travelling to New Zealand."*¹⁸²

- 11.75 The Applicants submit that re-authorising the Proposed Conduct for a further five years will enable these tourism benefits to continue, through the increased connectivity and combined complementary networks of the Applicants. The support from the QAJB to New Zealand tourism is important to New Zealand's national interests and economic prosperity, with the New Zealand tourism industry being an important contributor to the New Zealand economy and driver of growth. Between March 2023 and March 2024, New Zealand's tourism industry directly contributed NZD17 billion to the national GDP and supported approximately 303,420 jobs, representing one in nine New Zealanders.¹⁸³ The New Zealand government recently released its strategic plan to boost tourism.¹⁸⁴ The MBIE Tourism Growth Roadmap sets out the government's objectives to restore international visitor numbers to at least 2019 levels (3.89 million) by 2026, double the value of tourism exports from NZD9.9 billion in 2023 to NZD19.8 billion by 2034, and

¹⁸¹ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [72]-[73]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

¹⁸² New Zealand Ministry of Transport, 'Authorisation of the Qantas/American Airlines Alliance' (Briefing, 6 November 2015), at [23]. Available: <https://www.transport.govt.nz/assets/Uploads/Briefing/QFAA-for-website.pdf>

¹⁸³ Tourism New Zealand, 'Themes and opportunities to how visitors contribute to New Zealand'. Accessible at: <https://www.tourismnewzealand.com/insights/tourism-impact/>

¹⁸⁴ <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-growth-roadmap>

increase the number of New Zealanders in tourism and hospitality jobs. The focus on the New Zealand tourism industry and investment that the New Zealand government is looking to make in its growth (e.g. its planned NZD35 million investment package for 2025/2026) underscores the sector's critical role in the New Zealand economy.

The QAJB supports increased tourism between New Zealand and the US

- 11.76 The expansion of the capacity on the Trans-Pacific facilitated by the QAJB, alongside the Applicants' joint marketing efforts (discussed further below) have supported increasing visitor numbers from the US to New Zealand. As noted above, in 2024 alone, over 128,000 passengers travelled on American and Qantas between New Zealand and the US.
- 11.77 These passenger numbers are material in the context of overall US visitors and total visitors to New Zealand and illustrate the significant support provided by the QAJB for the tourism industry in terms of inbound tourism from the US. Data collected by the New Zealand government estimates that there were a large, and growing, number of visitors from US to New Zealand¹⁸⁵ rising from 110,275 visitors in 2022, to 337,306 visitors in 2023 and 369,635 visitors in 2024. Given the Applicants have re-launched or launched three direct routes to / from New Zealand to the US, the QAJB has invariably contributed to the growth in arrivals from the US.
- 11.78 The US remains an important tourist market for New Zealand and has been identified as one of three core markets, along with Australia and China, by the Ministry of Business, Innovation and Employment in the recently announced Tourism Growth Roadmap.¹⁸⁶ In CY2024, as noted above, a total of almost 370,000 travellers arrived in New Zealand from the US – an increase of 10.3% on the previous year. These arrivals accounted for over 11% of total arrivals in New Zealand during this period, making the US the country with the second highest number of arrivals after Australia.¹⁸⁷ Further, US arrivals to New Zealand have recovered much more quickly post-Pandemic than visitors from other key sources of arrivals, namely China and the UK, whose numbers remain well below pre-Pandemic levels, as illustrated in the following chart:¹⁸⁸

Overseas visitor arrivals, by top 5 countries of residence, year ended December 2019–2024

Country of residence	2019	2020	2021	2022	2023	2024
Australia	1,537,988	359,781	160,248	829,168	1,257,933	1,385,323
United States	367,958	124,818	5,153	110,275	337,306	369,635
China	407,141	58,508	1,644	16,997	151,294	248,478
United Kingdom	231,712	94,255	6,034	87,959	167,002	179,856
India	66,775	18,179	1,622	20,282	84,399	82,878

- 11.79 The following **Table 16** shows the growth in the number of passengers carried on Qantas and American Trans-Pacific Routes since 2020, including total number of passengers travelling between New Zealand and the US. This shows a clear upwards trend since the Pandemic. Of those travelling between New Zealand and the US, Qantas estimates that 32% of passengers originate in North / Central / South America, and 68% originate in New Zealand, Australia and the Pacific Islands.

¹⁸⁵ 'Visitor arrivals up in 2024', Statistics New Zealand (Web Page). Available: [https://www.stats.govt.nz/news/visitor-arrivals-up-in-2024/#:~:text=These%20countries%20were%20the%20three.visitor%20arrivals%20to%20New%20Zealand.%E2%80%9D&text=Th ere%20were%201.4%20million%20visitor.%2C%20and%20India%20\(83%2C000\)](https://www.stats.govt.nz/news/visitor-arrivals-up-in-2024/#:~:text=These%20countries%20were%20the%20three.visitor%20arrivals%20to%20New%20Zealand.%E2%80%9D&text=Th ere%20were%201.4%20million%20visitor.%2C%20and%20India%20(83%2C000))

¹⁸⁶ <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-growth-roadmap>

¹⁸⁷ Source: Tourism New Zealand, Tourism Data: International Visitor Arrivals, 8 April 2025. Accessible: <https://www.tourismnewzealand.com/insights/tourism-data/>

¹⁸⁸ Stats NZ, Visitor Arrivals Up in 2024, 17 February 2025. Accessible: <https://www.stats.govt.nz/news/visitor-arrivals-up-in-2024/>

Table 16: Passengers carried on Qantas Trans-Pacific Routes (2020-2024)

Year	Total QAJB Passengers	NZ QAJB Passengers
2020	600,767	48,818
2021	46,611	690
2022	968,032	41,976
2023	1,438,145	99,150
2024	1,643,509	128,443

Source: IATA DDS

- 11.80 US arrivals made a significant contribution to the New Zealand economy, with Tourism New Zealand estimating that US arrivals spent a total of almost NZD1.7 billion – an increase of over 20% on the previous year – with an average estimated spend of NZD5,158 per trip.¹⁸⁹ Significantly, in CY2024 an estimated NZD800 million of this total was spent in regions outside of Auckland.¹⁹⁰
- 11.81 The importance of international arrivals to the New Zealand tourism industry and broader economy was recently underscored by the Auckland Airport Chief Customer Officer, Mr Scott Tasker, who in November 2024 stated that, *"Right now, every international flight is bringing in \$1.4 million worth of value to New Zealand. Annually, we're talking about \$26.9 billion in international tourism value – now back to being our second biggest export earner – but also \$26.6 billion in air cargo value"*.
- 11.82 He went on to acknowledge the particularly valuable role played by international arrivals from North America (including the US) to New Zealand's economy, stating (as noted above in the Purpose section):
- "We're a long way from many of our key markets, but the fast, efficient, reliable connectivity provided by aviation, including the network of regional airports, brings those markets much closer for businesses big and small, right out into New Zealand's heartland..."*
- ...
- We only need to look to last summer when our connectivity through to North America was at an all-time high. That increase in flights and routes generated more than 20% higher visitation from North Americans than pre-COVID, who spent \$1.2 billion across the five-month summer flying season.*
- ...
- A daily widebody flying between Auckland and North America will enable more than \$150 million of international visitor spend and \$500 million of bilateral air cargo trade across the course of a year."¹⁹¹*
- 11.83 This illustrates that the QAJB, by driving connectivity between New Zealand and the US, plays a valuable and important role in supporting the New Zealand aviation system, tourism industry and broader economy, which is a clear public benefit and aligned with many of the purposes of the Act.
- 11.84 Qantas' connections via its Trans-Tasman routes and New Zealand domestic operations (on Jetstar), combined with QAJB services to / from Auckland to the US, means the QAJB sees significant numbers of passengers have transit stopovers in Auckland. In CY2024, there were approximately 40,754

¹⁸⁹ Source: Tourism New Zealand, Tourism Data: International Visitor Arrivals, 8 April 2025. Accessible: <https://www.tourismnewzealand.com/insights/tourism-data/>

¹⁹⁰ Source: Tourism New Zealand, Tourism Data: International Visitor Arrivals, 8 April 2025. Accessible: <https://www.tourismnewzealand.com/insights/tourism-data/>.

¹⁹¹ Auckland Airport, 'The Network effect: EY report reveals Auckland Airport's critical role in global supply chain', 19 November 2024. Accessible: <https://corporate.aucklandairport.co.nz/news/latest-media/news-articles/the-network-effect-ey-report-reveals-auckland-airports-critical-role-in-global-supply-chain>

passengers on QAJB flights with an Auckland stopover, originating from a wide range of New Zealand, Australian and Pacific destinations, an increase on 16,989 such passengers in CY2023.

- 11.85 Importantly, Tourism New Zealand supported the re-authorisation of the JBA in 2015, noting that the US tourist market is “a key target market for Tourism New Zealand’s marketing activity” and that the US comprises a large tourist market with an above average spend per visitor.¹⁹² In consulting with the Ministry in relation to the 2020 re-authorisation of the JBA, Tourism Industry Aotearoa (TIA) similarly outlined its support for the QAJB, as it did previously in 2015. It acknowledged the value of New Zealand being part of a broader network between Australia and New Zealand, noting the tendency of North American tourists to visit both countries on the same trip.¹⁹³ Specifically, TIA highlighted contemporary data from Tourism New Zealand indicating that 47% of US holiday visitors who came to New Zealand also visited Australia on the same trip.¹⁹⁴

The QAJB supports increased trade between New Zealand and the US

- 11.86 In addition, the Applicants submit that the QAJB (through its direct routes between New Zealand and the US and increased connectivity) results in trade-related public benefits by making it easier for US businesses to access business opportunities in New Zealand (including through conference and similar events which involve business travel) and for New Zealand businesses (including exporters/importers) to access the US, including a large range of locations within the US to which the QAJB provides connectivity. The trade-related benefits of the QAJB are likely to continue and increase over time as capacity on Trans-Pacific Routes is restored and continues to grow post-Pandemic. For example, many of American’s top corporate customers to/from New Zealand are large multinational corporations who have significantly increased their spend with American on flights to / from New Zealand in 2024 compared to 2023.

- 11.87 [REDACTED]

[REDACTED]

The QAJB incentivises the Applicants to invest in marketing which encourages tourism and trade

- 11.88 The QAJB enables and incentivises the Applicants to invest in marketing and to work together on joint marketing campaigns or other initiatives to encourage demand from passengers in New Zealand, Australia and the US, and thereby support tourism and trade industries. In turn, this supports New Zealand’s economic prosperity and national interests.
- 11.89 The Applicants have adopted five principles for joint marketing in support of the QAJB and realisation of the benefits generated by the joint business:
- (a) prioritise building QAJB awareness;
 - (b) always include QAJB co-brand and/or messaging;
 - (c) keep to collaboration approach among the two airlines;
 - (d) leverage each airline’s own/paid channels to consistently deliver QAJB messaging; and
 - (e) create/lead any marketing opportunity that supplements QAJB brand building and awareness efforts.

¹⁹² Tourism New Zealand, ‘Tourism New Zealand responds to the application by Qantas and American Airlines, seeking reauthorisation of an expanded Joint Business Agreement’, (28 July 2015), [5]. Accessible at: <https://www.transport.govt.nz/assets/Uploads/Submission/Tourism-New-Zealand-Submission-Qantas-American-Airlines-expanded-Joint-Business-Agreement.pdf>.

¹⁹³ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [70]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

¹⁹⁴ Tourism Industry Association New Zealand, ‘Submission to Ministry of Transport on the Qantas Airways and American Airlines Joint Business Agreement’ (7 August 2015). Accessible at: <https://www.transport.govt.nz/assets/Uploads/Submission/Tourism-Industry-Association-Submission-Qantas-American-Airlines-expanded-Joint-Business-Agreement.pdf>.

- 11.90 The Applicants' marketing initiatives have sought to better utilise the respective home market sales and distribution networks of each airline, encouraging demand and thereby creating opportunities for delivering benefits to the tourism industries in New Zealand, the US and Australia.
- 11.91 The Applicants' marketing efforts have involved significant investment from both Qantas and American. The Applicants have undertaken numerous joint or co-branded marketing campaigns since the QAJB was last authorised in 2020. Examples of these marketing activities and the associated collateral are set out at Annexure L. In addition, American has undertaken various media campaigns to promote North American flights and destinations to New Zealand tourists and flights to New Zealand for US tourists. [REDACTED]. Qantas similarly engaged in wide ranging marketing activities when it commenced its Auckland (AKL)-New York (JFK) route.
- 11.92 American and Qantas also participate in multiple trade shows and agency events in New Zealand, Australia and the US, showcasing the QAJB's services and highlighting travel opportunities across the Trans-Pacific, including New Zealand. By way of example:
- (a) the Applicants regularly attend the two trade (travel agency) events that occur annually focussed on leisure travel to North America: the Brand USA event (occurring in February) and the Visit USA event (occurring in November). These events are jointly attended by representatives of the Applicants, with a combined total spend of approximately [REDACTED] across both events, along with additional flight giveaways offered at the event to support engagement; and
 - (b) the Applicants recently collaborated on a shared stand at the Brand USA event that took place in Auckland and Wellington in February 2025, investing a total of [REDACTED] in the event. Brand USA is a major travel industry trade expo which attracts approximately 400 travel agents and is intended as a venue where US and Canadian exhibitors come to educate and advocate for travel to North America. The event has been said to '*play a pivotal role in driving Kiwi visitation to the USA*' and an event that provides brands '*with the knowledge, resources and connections to inspire and assist their clients in planning travel to the USA*'.¹⁹⁵ An image from the Applicants' shared stand at Brand USA is set out below.



- 11.93 In terms of US point of sale, there are numerous initiatives the Applicants support to promote the QAJB's services to New Zealand to travel agents. For example:

¹⁹⁵ Travel Weekly, 'Brand USA Trade Expo Returns to Auckland and Wellington', 10 January 2025. Accessible at: <https://travelweekly.com.au/brand-usa-trade-expo-returns-to-auckland-and-wellington/#:~:text=The%20Brand%20USA%20Trade%20Expos,this%20vital%20travel%20industry%20event.>

- (a) Tourism New Zealand IMA's Roadshow in New York and Vancouver in September 2023. These are events showcasing NZ tourism products and airline partners which are attended by leisure/tour agencies. Qantas provided support via 2x Economy tickets for each event (total cost USD[REDACTED] combined);
- (b) Auckland/Queenstown roadshows in New York and Boston in March 2024. These are agency speed meetings, which seek to highlight offerings in each Auckland and Queenstown, and emphasise connectivity to Queenstown from Auckland. There were ~60 agents at each, being mix of leisure and high end TMC attendees. The New York roadshow also included a separate evening cocktail event. Qantas provided support via 2x Economy tickets for each event (total cost USD[REDACTED] combined); and
- (c) Auckland/Queenstown roadshows in New York and Vancouver in March 2025. These are agency speed meetings in a similar format to the above (although no cocktail event), with approx. 40 attendees at the New York event plus 60 in Vancouver. Qantas provided support via 2x Economy tickets for each event (total cost USD[REDACTED] combined).

11.94 In addition to the above, the Applicants have also undertaken numerous joint marketing campaigns since the QAJB was last authorised in 2020, specifically directed at the Applicants' travel agency partners and intended to promote travel to North America. A recent example of one such joint marketing campaign from February 2025 is set out below.





SELL YOUR WAY TO THE USA

Flying with American Airlines & Qantas

TERMS & CONDITIONS

Great opportunity for Australian and New Zealand trade and retail agents

American Airlines, Qantas, Destination DC, Grapevine Convention & Visitors Bureau, Oklahoma Tourism, Travel Nevada, Utah Office of Tourism, and Visit Anchorage are thrilled to offer Australian and New Zealand retail travel agents the chance to sell their way to the USA! This exciting incentive provides an opportunity to join one of five inclusive self-guided (and in some cases self-driven) itineraries to these partner destinations.

There will be 15 spaces available – 3 for each family.

All you have to do is sell the USA, American Airlines and Qantas to earn your points!!

• Only agents who have registered on the approved registration form are eligible to enter -

Valid for all new return Australia/New Zealand to USA tickets issued by registered agents between 17 February – 12 May 2025 (Australia incentive) or 3 July – 12 September 2025 (New Zealand incentive) operated by American Airlines or Qantas - Itineraries ex Australia/New Zealand planned to AA (W1) or QF (B1) ticket status, including codeshare flights - One way, infant, FOC, refunded, cancelled, or frequent flyer redemption tickets do NOT qualify - 15 highest selling agents over the incentive period will be invited on the tour - Prizes are not transferable - Travel is in Economy class with American Airlines or Qantas from Sydney, Australia / Auckland, New Zealand and cannot be converted to cash or accrue frequent flyer points - Travel expenses not included in the final itinerary are the passenger's own expense - All travel insurance and travel documentation, including passport, ESTA, and visas, are the responsibility of the traveler - All participating agents must be over 21 years, be employed as a full-time international travel consultant with an accredited agency at the time of travel - Receipt of the package may have Fringe Benefits Tax (FBT) implications. The grossed-up value of the prize and any other Fringe Benefit the recipient receives during the course of the FBT year may be reported on the recipient's annual PAYG Payment Summary as required by taxation law - Agents will be notified by 26 May 2025 (Australia incentive) and 26 September 2025 (New Zealand incentive) if they have won a position - The winners will be posted to all Visit USA participants and Travel Trade magazines by 26 May 2025 (Australia incentive) and 26 September 2025 (New Zealand incentive) - If the winner is located outside of Sydney, Australia or Auckland, New Zealand, they will need to make their own way to and from Sydney or Auckland to connect with the departing and returning flights. This will be at the passenger's own expense.

Each winning ticket will incur a tax surcharge equivalent to approximately 150 USD per person and this is the responsibility of the winner to arrange directly with American Airlines.

Agents must hold Silver Status or above with the Brand USA Discovery Program

HOW TO SELL YOUR WAY TO A SPOT:

- 1 point for every American Airlines or Qantas round-trip return airfare booked to USA.
- 1 additional point for every PNR that includes Las Vegas, Salt Lake City, Washington, DC, Dallas Fort Worth, or Anchorage.
- 1 additional point for every land package (hotels, tours, sightseeing) booked for travel within one of the participating destination partners' regions.
- 1 additional point for completing a badge on the Brand USA Discovery Program that includes a destination partner involved in this incentive.
- Agents must hold Silver Status or above with the Brand USA Discovery Program

Brand USA Discovery Program: www.usadiscoveryprogram.com

SELLING PERIOD:
17 February, 2025 – 12 May, 2025 (Australia incentive)
3 July, 2025 – 12 September, 2025 (New Zealand incentive)

TO CONFIRM YOUR PARTICIPATION:
Submit your name, agency and contact details via the QR code or to Peri McCardle at Canuckini Representation Ltd. peri@canuckini.com by May 1 2025 (Australia incentive) or by 1 September 2025 (New Zealand incentive) to participate. Full incentive details will be provided by email.

TRACKING POINTS:
It is up to the individual consultants to track their points, PNR's and American Airlines and Qantas revenue for their bookings during the selling period. A tracking sheet will be provided with the following: Air sales: PNR / routing / fare paid (excluding taxes) / ticket number / PCC/DATA where ticket was issued. Land sales: tour name (if applicable) / hotel name (if applicable) / number of nights / operators booked through / booking value.

FAM PACKAGES INCLUDE:
Round trip economy class airfare with American Airlines or Qantas from Sydney, Australia / Auckland, New Zealand to either Anchorage (ANC), Dallas Fort Worth (DFW), Las Vegas (LAS) / Reno-Tahoe (RNO), Salt Lake City (SLC) or Washington DC (DCA). A 6 - 8 night self-guided, self-drive or escorted inclusive land family package with 3 travel agents per destination including accommodation, rental car (if required) activities and some meals. A summary of the land family package and family scheduled will be released after 26 May 2025 (Australia incentive) and 26 September 2025 (New Zealand incentive).

SCAN TO REGISTER NOW



11.95 The Applicants have also undertaken large campaigns at the time of announcing and / or launching the new services on the Trans-Pacific, as well as hosting trade or launch events to promote the new services, with the intention of driving demand and in turn driving greater tourist visitation. Examples of the launch support and marketing efforts for Auckland (AKL)-Dallas-Fort Worth (DFW) and Auckland (AKL)-New York (JFK) (as well as American's new Brisbane (BNE)-Dallas-Fort Worth (DFW) route).

11.96 The Applicants' investment in marketing as outlined above has assisted to stimulate inbound tourism to New Zealand, which has supported the recovery of New Zealand's tourism industry and resulted in a material public benefit to both New Zealand consumers and the New Zealand economy. Re-authorisation of the Proposed Conduct for a further five-year period will give the Applicants a continued incentive to invest in promoting New Zealand as a trade and tourism destination, and will continue to deliver these public benefits.

Promotion of competition on Trans-Pacific Routes

11.97 The Ministry has previously recognised that aviation alliances can provide public benefits in the form of increased competition in a market that would not be commercially viable for either airline on its own, along with providing for increased capacity, increased choice of products for New Zealand consumers and/or may result in constrained or reduced ticket prices.¹⁹⁶ Consistent with this view, the ACCC has similarly noted that aviation alliances can trigger a competitive response from rivals when they substantially enhance the alliance's product and service offering and/or results in lower fares.¹⁹⁷

¹⁹⁶ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [17] and [42]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

¹⁹⁷ See para [4.28] of ACCC Determination: Application for revocation of AA1000395 and the substitution of authorisation AA1000626 lodged by Qantas Airways Limited and Jetstar Airways Pty Ltd in respect of the Jetstar Pan-Asia Strategy. Authorisation number: AA1000626. See <https://www.accc.gov.au/system/files/public-registers/documents/Final%20Determination%20-%202019.04.23%20-%20PR%20-%20AA1000626%20-%20Qantas%20Airways%20Limited%20%26%20Jetstar%20Airways%20Pty%20Ltd.pdf>.

11.98 More specifically, in relation to the Proposed Conduct, the Ministry in 2020 explicitly recognised that the QAJB promoted competition in New Zealand, stating:

*“Qantas/American provide the only competition to Air New Zealand/United for direct flights between New Zealand and the United States. This is likely to constrain ticket prices and encourage more attractive products to be offered. While Air New Zealand has more than two-thirds of the market, Qantas/American has tended to offer cheaper tickets”.*¹⁹⁸

11.99 If re-authorised, the Proposed Conduct will continue to deliver public benefits in the form of increased competition in the New Zealand-US market. As explained earlier, without the Proposed Conduct [REDACTED].

11.100 The Applicants submit that the QAJB has elicited competitive responses by its competitors on Trans-Pacific Routes, including through expansion of service offerings which create greater choice and options for passengers travelling between New Zealand, Australia and the US. For example:

- (a) United Airlines launched a range of new flights between New Zealand, Australia and the US in 2023 including the first non-stop flight between San Francisco (SFO)-Christchurch (CHC), a Los Angeles (LAX)-Auckland (AKL) service and a Los Angeles (LAX)-Brisbane (BNE) service, and increased services from San Francisco to Brisbane and Sydney, alongside marketing itself as having ‘more flights between the US and Australia and New Zealand than any other airline’; noting United Airlines has subsequently announced the launch of a Adelaide (ADL)-San Francisco (SFO) route;
- (b) Delta launched services to New Zealand in 2023 via a Los Angeles to Auckland service, increasing services from Los Angeles (LAX) to Sydney (SYD) in late 2023, launching a seasonal route from Los Angeles to Brisbane in 2024, and recently announcing a new non-stop service from Los Angeles (LAX) to Melbourne (MEL), beginning December 2025; and
- (c) Air New Zealand resumed international routes, including direct services to the US in 2022, and launching a new non-stop service between Auckland (AKL) and New York (JFK) and increased capacity between Auckland (AKL) and Los Angeles (LAX).

11.101 The Applicants submit this is a material public benefit and re-authorisation of the Proposed Conduct for a further five-year period will ensure the QAJB can continue to promote competition on Trans-Pacific Routes to the ultimate benefit of New Zealand consumers.

Greater access to a variety of fare products and price points

11.102 The Applicants submit that the QAJB provides New Zealand, Australia and US consumers with greater access to a variety of fares and price points on Trans-Pacific flights and contributes to the availability of competitive fares on Trans-Pacific Routes. This is a material public benefit and re-authorisation of the Proposed Conduct will continue to promote competition on Trans-Pacific Routes which places competitive constraints on pricing, and will continue to provide access to a variety of fare products and price points.

The QAJB contributes to competitive fares on Trans-Pacific Routes

11.103 In re-authorising the QAJB in 2020, the Ministry found that:

“There is no doubt that the introduction of Qantas/American’s Auckland-LAX service has increased capacity and grown the market. It has also brought direct competition to the Air New

¹⁹⁸ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [74]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

*Zealand/United Services, which in general is likely to increase the choice of products for customers, and may constrain or reduce ticket prices”.*¹⁹⁹

- 11.104 Further, the Ministry concluded that competition introduced by the QAJB likely constrained ticket prices and that ticket pricing over the course of the QAJB “clearly show[ed] a tendency for Qantas and American to offer cheaper fares than the market leaders”.²⁰⁰
- 11.105 Similarly, the ACCC previously recognised that the QAJB was likely to lead to lower prices for journeys connecting separate services operated by each of the Applicants than if they were operating independently at arms-length from each other.²⁰¹ This conclusion is supported by a comprehensive worldwide study of international airline cooperation, analysing airline passenger, capacity, and fare data over a 17-year period found that revenue pooling joint businesses produce the lowest average fares for mixed-metal connecting service – on average about 8% lower than codeshare and interline fares.²⁰²
- 11.106 The Applicants submit that the QAJB has and will continue to contribute to the provision of competitive fares, with the Applicants' presence on direct New Zealand to US services enhancing constraints on other operators (particularly the leading Air New Zealand – United Airlines alliance) as outlined above. As demonstrated by the pricing analysis in Annexure J and summarised at [10.40] above, average fares have fallen recently as multiple airlines compete to attract, retain and stimulate passenger demand between New Zealand and the US.
- The QAJB provides greater access to a variety of fares and price points*
- 11.107 The QAJB has incentivised, and would continue to incentivise, the Applicants to work together to stimulate demand and build capacity, through providing a variety of fare products and price points for consumers travelling between New Zealand, Australia and the US. As American and Qantas continue to restore and seek to grow capacity on the Trans-Pacific, the number of passengers that can enjoy greater access to these fare benefits can continue to increase.
- 11.108 The ability to coordinate inventory management through the QAJB enables the Applicants to provide greater connectivity with more itinerary choices and, accordingly, a greater variety of fare products and price points for New Zealand, Australian and US consumers. This would not be possible under normal codeshare arrangements. As outlined earlier, the Restated JBA and associated arrangements incentivise the Applicants to open their complementary networks and maximise access to their respective inventory of available seats whether the customer is seeking to book a long haul Trans-Pacific journey using either or both airlines.
- 11.109 As an example of this coordination, the Applicants in 2025 have each located members of their respective revenue management teams in Sydney and Dallas-Fort Worth (i.e. currently one American employee in Sydney and two Qantas employees in Dallas-Fort Worth). This close collaboration enables a more integrated and aligned QAJB strategy, the implementation of new products, and increased speed-to-market of such products – to the benefit of consumers.

¹⁹⁹ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [42]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

²⁰⁰ New Zealand Ministry of Transport report on the 2020 Application by Qantas and American Airlines for Reauthorisation of their Strategic Alliance, at [45]. Available: <https://www.transport.govt.nz/assets/Uploads/Report/QantasAmericanAirlinesApplicationReport.pdf>.

²⁰¹ This is because airlines in a metal-neutral alliance would have incentive to cooperate on their pricing. In contrast, airlines operating at arms-length from each other would individually charge a price that includes a mark-up over their own costs, which results in a higher price for the whole journey. See ACCC Determination: Application for Revocation of A91265 and A91266 and the Substitution of authorisation A91502 and A91503 lodged by Qantas Airways and American Airlines in respect of their restated joint business agreement and associated agreements, 25 February 2016. Authorisation numbers A91502 and A91503. Available: <https://www.accc.gov.au/system/files/public-registers/documents/D16%2B22969.pdf>; read with ACCC Determination: Application for revocation of A91502 and A91503 and the substitution of authorisation AA1000532 lodged by Qantas Airways Limited and American Airlines Inc. in respect of a Restated Joint Business Agreement, 25 March 2021. Authorisation number AA1000532. Available: <https://www.accc.gov.au/public-registers/authorisations-and-notifications-registers/authorisations-register/qantas-american-airlines>

²⁰² Robert J. Calzaretta, Jr., Yair Eilat, and Mark Israel, Competitive Effects of International Airline Cooperation, J. Comp. L. & Econ. (Oct. 2017), <https://doi.org/10.1093/joclec/nhx016>.

- 11.110 In addition, the alignment facilitated by the QAJB has enabled the Applicants to implement 'Seamless Availability' in 2023. This enables American and Qantas to share real-time availability of seats when selling codeshare seats on flights operated by the other airline and allows the airline to sell additional seats on each other's flights. This gives the Applicants (and their customers) greater access to the other airline's inventory and fare classes. The Applicants continue to build upon the implementation of Seamless Availability by exploring ways to increase access to codeshare seats for QAJB customers. Limitations in how yield management systems communicate across codeshare partners create inefficiencies in providing access to codeshare seats among joint business partners. [REDACTED].
- 11.111 The QAJB also enables the Applicants to develop and offer some bespoke fare benefits. For example, Qantas offers special multi-sector 'pass' fares on domestic Australian services to American, on an exclusive basis not offered to other airlines that are not party to an alliance arrangement with Qantas. This includes the 'Qantas Explorer' fare, which offers passengers multi-city travel options at tiered pricing based on mileage in Australia and New Zealand.
- 11.112 By contrast, without re-authorisation of the Proposed Conduct, the Applicants would not have the ability or incentive to support each other's inventory and revenue management functions. Without appropriate commercial incentives in place, the Applicants would not open their full inventory for sale by the other. In turn, consumers in New Zealand, Australia and US would have less choice and a lesser variety of fares available.

Elimination of double marginalisation

- 11.113 The QAJB has also likely resulted in a reduction in connecting airfares through the elimination of double marginalisation.
- 11.114 The Ministry's Assessment Framework Guidelines recognise that elimination of double marginalisation reduces airfares, and this can be shown by observing changes in airfares once an agreement is implemented.²⁰³
- 11.115 It has long been recognized that metal neutral joint ventures between airlines reduce connecting fares through elimination of double marginalisation. For example, when the US DOT approved "A++" (the metal-neutral joint business between United Airlines, Lufthansa, Air Canada, and Continental) in July 2009, it recognised that the joint business would allow the airlines to *"jointly manage capacity, scheduling pricing, revenue management, sales, marketing, and financial settlement"* and *"share revenues..."*.²⁰⁴ The US DOT found that this creation of *"metal neutrality"* would enable the airlines to *"improve the overall service offering...harmonize the global network [and]...thus...focus their efforts on gaining the customer's business by providing the best available fare, schedule, and routing between two cities."*²⁰⁵ Particularly with respect to double marginalisation, the US DOT noted that in contrast to *"interline or code share arrangements"* where airlines are *"not willing to cooperatively price the combined itinerary for the consumer"*, in a *"metal-neutral" sales environment, with revenue- or benefit- sharing, the airlines can balance risks and benefits for the benefit of the consumer and alliance as a whole...[and] willing to cooperatively price itineraries because they share the same incentive to make the sale and share the revenues."*²⁰⁶
- 11.116 The academic literature also recognises that cooperation between airlines reduces connecting fares.²⁰⁷ Calzaretta, Eilat, and Israel (2017) ("CEI") use international air travel data from 1998 through 2015 to study the effects of various forms of cooperation across airlines, including alliances with or without antitrust immunity and metal-neutral joint ventures. The authors find that cooperative ventures – particularly metal-neutral joint ventures – have been strongly pro-competitive. In particular, the authors find that relative to pure interline/codeshare, airline joint-ventures connecting fares are lower by 8% on

²⁰³ Assessment Framework Guidelines, at [118].

²⁰⁴ Star II, DOT-OST-2008-0234, Show Cause Order, Order 2009-4-5, at 3-4.

²⁰⁵ Star II, DOT-OST-2008-0234, Final Order, Order 2009-7-10, at 15.

²⁰⁶ Id. at 12 n. 48.

²⁰⁷ See Jan K. Brueckner, Darin N. Lee & Ethan S. Singer, Alliances, Codesharing, Antitrust Immunity, and International Airfares: Do Previous Patterns Persist?, 7 Journal of Competition Law & Economics, Vol. 573, 2011 (providing a summary of prior studies).

average, an effect that is similar to that of fully-online connecting itineraries.²⁰⁸ In a more recent paper, Brueckner and Singer (2019) use international fare data from 1997 through 2016, including foreign-airline data that is not publicly available, and similarly find that joint venture and online fares are 7%-8% lower than pure-interline fares and statistically indistinguishable (i.e., the hypothesis that the fare reducing effect of a joint venture itinerary is equal to the fare reducing effect of an online itinerary cannot be rejected).²⁰⁹ An update of the CEI paper ("CEI Update"), which extended the data period through the second quarter of 2018, estimated a joint venture fare reduction of 8.4%.²¹⁰

- 11.117 To estimate the benefits to QAJB passengers from the elimination of double marginalisation, the Applicants use the estimated joint venture fare reduction from the CEI Update. The fare reduction is converted into consumer welfare gain using passenger and fare data for 2024.²¹¹ The estimated annual 2024 and five-year forward looking benefits for connecting passengers between New Zealand and the US are presented in **Figure 30**, below.

Figure 25: Estimated Benefits from the Elimination of Double Marginalisation on QAJB New Zealand-US Mixed-Metal Itineraries (in NZD)

Country	QAJB mixed-metal revenue		Estimated benefits	
	Annual	Five-Year	Annual	Five-Year
New Zealand	NZD 30,743,237	NZD 153,716,187	NZD 2,571,301	NZD 12,856,505

Source: DOT International O&D Survey, MIDT, CEI Study, <https://www.exchange-rates.org/exchange-rate-history/usd-nzd-2024>

Improved passenger experience

- 11.118 The QAJB has also delivered substantial public benefits in the form of an improved passenger experience on New Zealand – US routes, as well as across the Trans-Pacific. The increased routes and capacity supported by the QAJB has therefore resulted in passengers on the Applicants' New Zealand – US routes benefiting from the Applicants' investment in their products and services more broadly, including innovations and other improvements to products and services.
- 11.119 Further, the revenue-sharing nature of the QAJB incentivises the Applicants to work together to provide customers the best in-flight and on-ground experience across both brands – for example, by adjusting the schedules within their networks to improve connectivity with their partner's flights, co-locating gates to shorten the distance passengers must navigate in unfamiliar foreign airports, improving the reliability of baggage handling for joint customers and improving the food, drinks and other in-flight amenities. While these and other investments are largely across the airlines, they meaningfully improve the quality of the travel experience on Trans-Pacific Routes, alongside the additional choice, connectivity and enhanced loyalty program features enabled by the QAJB (as discussed above and below).
- 11.120 The Proposed Conduct, if re-authorised, will continue to incentivise and facilitate the Applicants to work together to improve the products and services offered to passengers travelling on New Zealand – US routes.

The QAJB incentivises and facilitates the Applicants' improvement of passenger experiences

- 11.121 The revenue-sharing nature of the QAJB incentivises the Applicants to invest in improving passenger experiences. Further, the coordination enabled by the QAJB facilitates the Applicants working together closely to ensure that they are implementing best practices across the QAJB, taking lessons learned from each airline's business and respective innovations, and incorporating them into their respective

²⁰⁸ Robert J. Calzaretta, Yair Eilat and Mark A. Israel, "Competitive Effects of Airline Cooperation," *Journal of Competition Law & Economics*, Vol. 13, No. 3, September 2017, 501–548. (Table 4 provides the estimated connecting fare effects of joint ventures, as well as alliances and ATIs, both of which are estimated to have smaller fare reductions of 4.5% and 5.6%, respectively, relative to pure interline).

²⁰⁹ Jan K. Brueckner, Ethan Singer, Pricing by international airline alliances: A retrospective study, *Economics of Transportation*, Volume 20.

²¹⁰ "Compass Lexecon CEI Study Update," Competition and Markets Authority, United Kingdom, April 1, 2019.

²¹¹ See **Annexure N** for information on the calculation of EDM benefits.

offerings. The Applicants have established processes to enable them to jointly coordinate and plan their networks and identify opportunities to improve passenger experiences for QAJB customers.

11.122 For example:

- (a) the Applicants have a joint business governance structure, including a Steering Committee to provide direction, oversight and leadership for the joint business. The Steering Committee is comprised of senior leaders from both airlines representing Global Sales and Distribution, Revenue Management/Network Planning, Alliances and Operations/Customer Experience who meet on a quarterly basis to discuss the QAJB's performance and where it is/is not delivering and seek decisions and/or input from stakeholders on plans to address gaps and improve future performance;
- (b) the highest levels of senior leadership within each of Qantas and American hold meetings on a regular basis (i.e.. the CEOs twice per annum and the commercial leaders also twice per annum with bimonthly calls) to review performance and discuss QAJB-related issues; and
- (c) a Management Committee from the Applicants' respective Alliance teams also exists (and meet bi-monthly), reporting to the Steering Committee. Joint Business Managers (Alliance Management) from each airline manage the core work groups and report to the Management Committee. The core work groups facilitate communication and provide a framework for cooperation within each function designed to manage day to day activities. These work groups include: Sales and Distribution, Network Planning, Revenue Management, Customer Experience and Airports, Marketing and Communications, Freight, Finance, Digital and IT, Legal and Government Affairs and the Loyalty team.

11.123 Since the QAJB's inception, the Applicants have introduced several passenger enhancements have benefited QAJB passengers and/or have been enabled by the QAJB, including:

- (a) enhancements in the 'seamlessness' of travel on QAJB flights;
- (b) baggage handling enhancements;
- (c) co-location enhancements;
- (d) re-booking enhancements; and
- (e) inflight experience enhancements.

11.124 In addition, passengers benefit from online connections, which improve the customer experience relative to interline connection options.

11.125 Further details of these improved experiences and enhancements, and how passengers on QAJB flights between New Zealand and the US have benefited or will benefit from these, are set out below.

Enhancements in 'seamlessness' for QAJB customers

11.126 Efficiencies and enhancements in customer service and experience remains a top priority for the QAJB. The Applicants are continuously collaborating with each other to improve the overall 'seamlessness' of travel on QAJB flights for the benefit and convenience of New Zealand, Australia and US passengers.

11.127 Some of the key initiatives that have either been implemented or are being progressed and benefit customers across all points of operation of the QAJB (including New Zealand customers), by way of example, include the following initiatives:

- (a) the Applicants have developed the ability to offer '*Single Face Account Management*' which allows QAJB corporate customers and agents to interface with a single point of contact for all joint business travel needs where they have a joint deal with Qantas and American. For example, Qantas provides sales support for both American and Qantas agents in New Zealand where they have a joint deal in place and supports joint corporate customers and agents in the Australia point of sale. [REDACTED];
- (b) the Applicants have made progress on establishing deep links for seat map/selection through marketing carrier digital channels, and more specifically, establishing a Qantas/American website deep link (i.e. a way of connecting both websites with an API) to allow passengers direct

access to the other airline's site where certain services – such as seat selection – cannot be facilitated on the initial site. Experts from both airlines are in the process of discussing options for the pathway / technical requirements / design and security protocol-type issues. There are two stages of the deep link efforts:

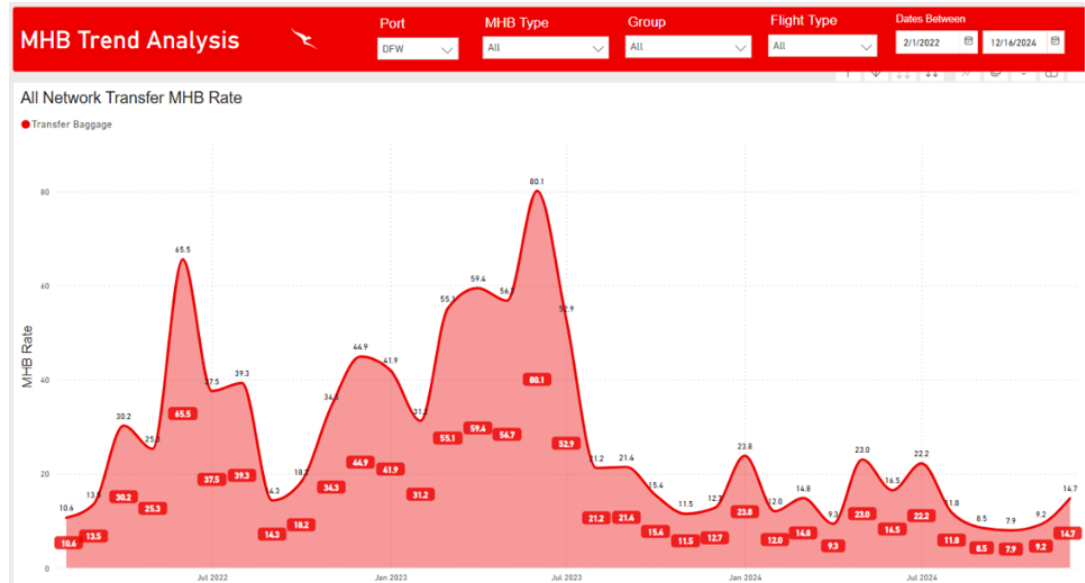
- (i) the first (currently scheduled to be rolled out by [REDACTED]) will involve implementing something on each airline's website that would give a Qantas passenger the passenger name record (PNR) address and link to American's website (and vice versa) so they can self-serve; and
 - (ii) the second (currently scheduled to be delivered by [REDACTED]) completes the deep link process by implementing APIs so that when a passenger goes onto qantas.com, it will give them visibility of the American PNR address and a link to the American website as well as port across all of their information including the American PNR and put the passenger straight into 'Manage my booking' with all of their information already populated.
- (c) the Applicants are also working on various measures for improved customer service going forward:
[REDACTED]

Baggage handling enhancements

11.128 The QAJB has enabled the Applicants to work together on enhancements in baggage handling, resulting in an enhanced experience for consumers in New Zealand, Australia and the US:

- (a) The Applicants have been engaging in ongoing discussions regarding how to better share baggage data to improve seamlessness in the QAJB, [REDACTED].
- (b) The Applicants also collaborate to enhance baggage transfer/handling operations for the QAJB. For example, the Applicants have implemented an improved baggage transfer process using American's technology app called '**TLink**' on handheld devices. This enables Qantas ground handlers to accept bags for American customers planeside and access real-time information regarding where the bags should be transferred to from the TLink app. This represents a significant improvement to the legacy bag system, and Qantas is reporting nearly [REDACTED] improvement in its mishandled bag rate since implementing this functionality.
- (c) Similarly, as illustrated in the confidential chart below, following a change in procedure in July 2023 enabled by the QAJB, Qantas has been able to reduce its rate of mishandled baggage from [REDACTED] with respect to baggage transfers at DFW, delivering a material benefit for passengers. This was achieved by being better able to coordinate with American on baggage transfers and allow tail-to-tail transfer on US-Australia journeys. American and Qantas are also working to implement further enhancements to the baggage handling process at DFW, in which bag delivery routes are streamlined by delivering bags directly to specific gates. This initiative, [REDACTED], will further improve baggage performance for connecting customers and service delivery overall.

Confidential Figure 26: Qantas mishandled baggage rate reduction at DFW



- (d) This is similarly the case for LAX, where the Applicants have refined the connecting bags process, resulting in a tracking compliance rate of over 90%, and implementing additional data processes to enhance system-wide tracking – these enhancements benefit New Zealand, Australian and US passengers travelling on QAJB services to or via LAX. While American and Qantas have already worked together on baggage handling processes in key gateways such as DFW and LAX, long-term re-authorisation of the Proposed Conduct would justify a further investment in time and money to materially improve baggage handling between Qantas and American.
- (e) In addition, American's sortation process launched in recent years has contributed to the improvement in baggage handling and efficiencies, including in New Zealand. To this end, mishandled baggage reports (**MBR**) at Auckland Airport have improved by [REDACTED]: [REDACTED].
- (f) [REDACTED].

11.129 The QAJB has therefore delivered significant improvements in baggage handling resulting in material benefits for customers, and will continue to do so if the Proposed Conduct is re-authorised.

Location enhancements

11.130 Through the QAJB, the Applicants also work to co-locate their facilities where possible, for convenience and efficiency purposes. This enhances the airport experience (as customers have access to enhanced terminals) and improves convenience for passengers, including by mitigating against the need to change terminals and facilitating lounge access.

11.131 For example:

- (a) the Applicants continue to enjoy co-location at JFK's Terminal 8 — a facility in which American has made substantial investments to upgrade the customer experience. This benefits passengers travelling on Qantas or American through JFK, including those travelling on Qantas' Auckland (AKL)-New York (JFK) service. In 2023, American, in partnership with the Port Authority of New York and New Jersey²¹² and Unibail-Rodamco-Westfield (URW) Airports, facilitated a USD125 million (~NZD206 million) commercial redevelopment program for the

²¹² <https://news.aa.com/news/news-details/2023/American-Airlines-announces-commercial-redevelopment-of-Terminal-8-at-John-F-Kennedy-International-Airport-MKG-OTH-07/#:~:text=FORT%20WORTH%2C%20Texas%20%E2%80%93%20American%20Airlines,and%20our%20oneworld%C2%AE>

terminal.²¹³ This upgrade brought new shopping and restaurants to customers with a focus on partnering with local and diverse businesses.²¹⁴ QAJB customers can enjoy the benefits of the terminal redevelopment in addition to having access to American lounges at JFK.

- (b) in Sydney Airport, the ticketing desks for American and Qantas are located next to each other. This proximity allows Qantas and American front-line staff to solve customers' issues quickly and efficiently. This is particularly helpful when a flight is cancelled and the Applicants need to rebook a passenger on the other airline's flight; and
- (c) at Auckland Airport, the check in zones for American and Qantas are adjacent to each other which allows customers to easily locate the Applicants' service desks for each airline. AA Business and AAdvantage status customers are also able to utilise the service desk available in the Qantas lounge.

Rebooking enhancements

11.132 Few people want to plan for things to go wrong, but in the hopefully rare instances when they do, and travellers are located half way around the world, the deep integration and investment in the QAJB has incentivised the Applicants to make the rebooking process more efficient and user friendly for all QAJB customers, including New Zealand consumers that has allowed for passenger rebooking enhancements of both 'automated' rebooking and 'self-service' rebooking functionalities. The combined QAJB network is utilised to minimise customer inconvenience in the event of travel disruptions on QAJB flights, and increasing seamless rebooking options for passengers in New Zealand, Australia and the US.

11.133 Passenger rebooking enhancements implemented by the Applicants include both 'automated' rebooking and 'self-service' rebooking functionalities:

- (a) *Automated rebooking* is a tool that enables passengers experiencing travel disruptions to be automatically rebooked on the next available flight—a critical development that ensures that passengers are rebooked quickly and with the least possible disruption and provides passengers with the peace of mind that necessary adjustments to their flight itineraries were handled automatically and without action on their part.
- (b) *Self-service rebooking* is an extension of the automatic rebooking functionality, which allows customers to choose among various rebooking options on the airline's mobile app or website, allowing them to tailor their rebooking to suit their preferences without contacting the airline's customer service. For example, while a passenger may have been automatically rebooked on the next available flight that day, a passenger may view their rebooking options and elect to rebook on a flight the following morning instead depending on their needs—all with the ease and convenience of handling on the airline's mobile app or website.

11.134 Qantas launched its automated tool in 2019, and a self-service tool in around November 2022 which allowed Qantas to rebook customers on American flights.

11.135 American completed implementation of an automated rebooking solution in November 2024 which allows seamless, automated rebooking for American customers on Qantas flights in the event of disruption. This solution enables 'prime' rebooking — meaning that American customers are automatically rebooked onto any Qantas flight, not just those flights for which the Applicants codeshare — further minimising disruption and improving the customer experience for passengers in New Zealand, Australia and the US.²¹⁵ This solution was used by the Applicants in December 2024 to provide Qantas flight rebooking options for approximately 1,870 customers following a travel disruption. The Applicants are also working to implement self-service rebooking for American passengers on Qantas flights, a feature which is expected to be completed in 2025.

²¹³ <https://portauthoritybuilds.com/redevelopment/us/en/jfk/planned-projects/terminal-8.html>

²¹⁴ See "Qantas Travellers will Soon Enjoy New York JFK's Fully Redeveloped Terminal 8," Lennon, Matt, Travel Talk (July 12, 2023), <https://www.traveltalkmag.com.au/destinations/new-york/articles/qantas-travellers-will-soon-enjoynew-york-jfks-fully-redeveloped-terminal-8>.

²¹⁵ American's internal announcement as well as example email notifications for a rebooking is set out in **Annexure M**.

11.136 If the Proposed Conduct is re-authorised, the Applicants will be incentivised to continue to work together to identify other opportunities to improve the customer experience.

Inflight experience enhancements

11.137 The QAJB also led to opportunities for enhancement in the inflight 'Food and Beverage' experience offered by the Applicants on the Trans-Pacific. Since the QAJB commenced, American has worked with Qantas' suppliers in Sydney to improve meal quality. Qantas has developed its portion sizes to support healthier choices and American has aligned its portion sizes with those offered by Qantas. American and Qantas cabin crew have also jointly participated in epicurean events to support a strong service culture and improve customer service more broadly.

11.138 The Applicants have also worked together to facilitate other customer improvements, including Qantas launching inflight on-board welcomes to American frequent flyers travelling on Qantas operated Trans-Pacific services. The Applicants are currently working together to otherwise evaluate and align their customer offerings where possible, which will have further benefits for passengers flying on the QAJB's services.

11.139 Further, American has recently announced that all passengers on Flagship® Business class for Trans-Pacific Routes will soon begin to be offered pyjamas and mattress pads for their journeys – in addition to the slippers, dual-sided pillows and duvet that are already offered. This offering will further enhance the inflight experience of travellers on American metal who use the QAJB.²¹⁶

Improved customer experience through expanded online connections

11.140 The QAJB has, and will continue to, result in material public benefits by providing passengers in New Zealand, Australia, and the US with an expanded range of 'online connections' (i.e. connections between two or more flight segments operated by the same airline or codeshare partners) compared to the likely future without the Proposed Conduct. The benefits to passengers of such online connections (as opposed to 'interline connection' between two different airlines with two different codes) are significant and include:

- (a) eliminating the risk of forfeiting non-refundable fares if the first flight in a multi-flight journey is delayed;
- (b) increased convenience in not having to collect and re-check baggage mid-journey (where applicable); and
- (c) time savings associated with 'through check' (i.e. passengers do not need to allow time for a second check-in, where applicable) and better transit times due to coordination of the timing of connecting flights.

11.141 In the context of aviation alliances / joint businesses, it has previously been recognised that consumers value online connections more than interline connections since they are more convenient, with the ACCC noting that there are clear benefits to consumers from additional online connection options for customers.²¹⁷ The Applicants support this conclusion and consider that re-authorisation of the Proposed Conduct will facilitate the provision of an expanded range of online connection options for customers.

Coordination of frequent flyer benefits and lounge access

11.142 The Applicants submit that the QAJB has facilitated material benefits in relation to coordination of frequent flyer benefits, improved lounge access and increased investment in each Applicant's lounge infrastructure. Re-authorisation of the Proposed Conduct will allow these benefits to continue.

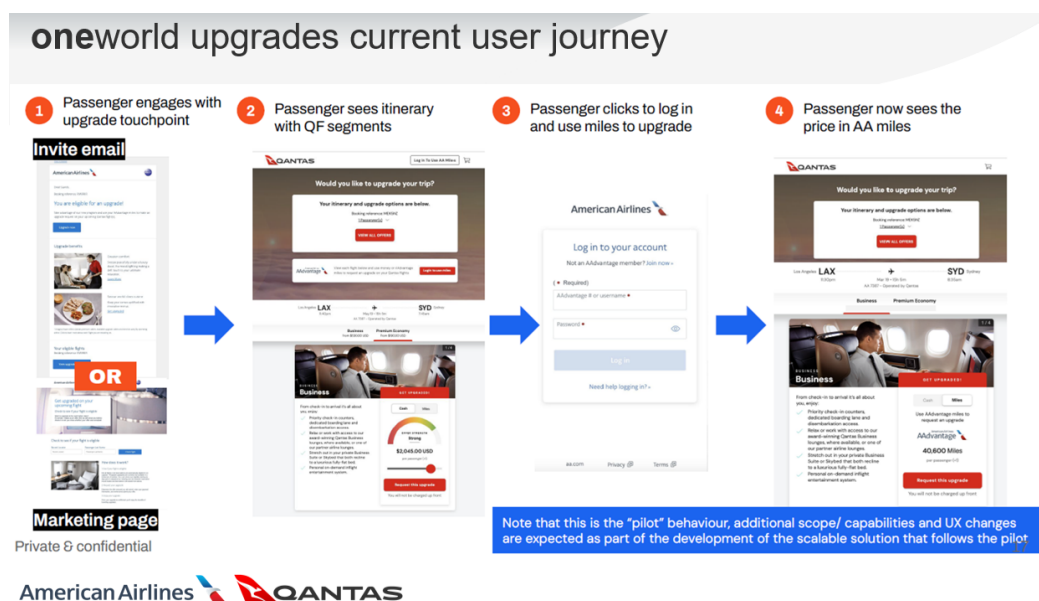
²¹⁶ <https://news.aa.com/news/news-details/2025/American-is-making-travel-cozier-this-winter-with-more-routes-featuring-Flagship-Suite-seats-NET-RTS-07/default.aspx>

²¹⁷ See para [4.19] of ACCC Determination: Application for revocation of AA1000395 and the substitution of authorisation AA1000626 lodged by Qantas Airways Limited and Jetstar Airways Pty Ltd in respect of the Jetstar Pan-Asia Strategy (19 April 2023), at [4.19]. Authorisation number: AA1000626. Available: [Final Determination - 19.04.23 - PR - AA1000626 - Qantas Airways Limited & Jetstar Airways Pty Ltd.pdf](#).

The QAJB enables reciprocal loyalty benefits

- 11.143 The QAJB has enabled, and will continue to enable, the Applicants to deliver generous reciprocal benefits to their frequent flyer members, which would not be available to the same extent absent the Proposed Conduct. This has resulted in frequent flyer members on QAJB flights receiving access to additional rewards and amenities (such as, for instance, flight upgrades, priority check in, preferred seating and lounge access) as well as significant increases in cross-metal point accruals relative to a future without the Proposed Conduct.
- 11.144 These benefits provide valuable earn entitlements for the Applicants' frequent flyer members. For example, for flights to / from New Zealand, the Applicants offer points / mile accruals on each other's services as though they were operating the flight themselves. Prior to the QAJB, a Qantas Frequent Flyer (**QFF**) member flying Auckland to Los Angeles would have earned 3,750 base QFF points and 40 Status Credits. These benefits have increased over the course of the QAJB. Since 1 October 2019, a Qantas Frequent Flyer member travelling economy class on an American Airlines service from Auckland to Los Angeles would receive 6,000 QFF base points and 55 status credits, and would continue to do so if the Proposed Conduct was re-authorised.
- 11.145 Similarly, prior to the changes in 2019 from implementation of the QAJB post US DOT approval, an American AAdvantage member booking business class travel (D fare) on Qantas' Auckland (AKL)-New York (JFK) service would previously have earned 11,035 base miles, and 13,242 miles towards elite qualifying status. From October 1, 2019, the new earn would be 13,242 base miles and 17,656 elite qualifying miles.
- 11.146 The reciprocal loyalty program benefits facilitated by the QAJB are available to a material number of New Zealand residents of the Applicants' loyalty programs. For example, as at March 2025, there were [REDACTED] AAdvantage members residing in New Zealand – a [REDACTED] increase from 2022 when there were [REDACTED] members residing in New Zealand. In addition, as at February 2025, [REDACTED].
- 11.147 The Applicants have extended the loyalty program benefits through frequent flyer integration even further since re-authorisation of the Proposed Conduct by the Minister in 2020. For example:
- (a) In 2024, the Applicants successfully implemented the *Plusgrade* offering for QAJB flights, which allows customers to use AAdvantage miles to redeem upgrades on flights operated by Qantas, and allows American customers to bid on upgrades on flights operated by Qantas. This means an American customer wishing to travel to New Zealand can book a flight operated by Qantas through American, earn miles on American on that flight, and—now, with the Plusgrade offering—can also use existing American miles to purchase an upgrade on the Qantas-operated flight, a significant benefit given the long duration of flights between the US and New Zealand. [REDACTED].
- An illustration of how this benefit is being delivered to AAdvantage customers is shown in the **Figure 34** below.

Figure 27: Plusgrade Illustration



The Applicants are in the process of implementing the *Plusgrade* offering for QFF points upgrades on American-operated flights, which they aim to have completed in early 2025.

- (b) In 2024, American also rolled out '**AAdvantage Business**', a loyalty program that rewards eligible companies and their travellers for booking through American's direct channels (e.g. aa.com, American app, or with American Reservations). The program allows businesses to earn AAdvantage miles to use across the company for flights, upgrades, lounge access and beyond while business travellers at the same time can earn additional American Loyalty Points on top of what they earn as regular AAdvantage members, accelerating their path to status. Any company with five or more employees can register as long as it is based in the US or Canada and has valid federal tax I.D. in the US or business number in Canada. Through this program, small businesses and their employees are booking flights to New Zealand, including on Qantas-operated flights, through American's direct channels and enjoying these added AAdvantage benefits.

11.148 The loyalty program benefits created by the QAJB are significant in terms of enhanced frequent flyer point/miles accrual, with large numbers of passengers earning and redeeming miles/points under the Applicants' respective loyalty programs. For example, the number of passengers earning and redeeming loyalty miles/points for each of CY2023 and CY2024 across the QAJB, including cross-metal accruals and redemptions, is set out in **Table 18** and **Table 19** below. These tables demonstrate the significant value of the QAJB's reciprocal frequent flyer programs to the Applicants' loyalty members across the QAJB.

Table 17: Frequent flyer accruals – QAJB (by pax) October 2022 – September 2024

Frequent Flyer Accrual for in-scope markets (by PAX count)			
October 1, 2022 - September 30, 2023	Loyalty Program		
		QF	AA
Operating Carrier	QF	[REDACTED]	[REDACTED]
	AA	[REDACTED]	[REDACTED]
Frequent Flyer Accrual for in-scope markets (by PAX count)			
October 1, 2023 - September 30, 2024	Loyalty Program		
		QF	AA
Operating Carrier	QF	[REDACTED]	[REDACTED]
	AA	[REDACTED]	[REDACTED]

Table 18: Frequent flyer redemptions – QAJB (by pax) October 2022 – September 2024

Frequent Flyer Redemptions for in-scope markets (by PAX count)			
October 1, 2022 - September 30, 2023	Loyalty Program		
		QF	AA
Operating Carrier	QF	[REDACTED]	[REDACTED]
	AA	[REDACTED]	[REDACTED]
Frequent Flyer Redemptions for in-scope markets (by PAX count)			
October 1, 2023 - September 30, 2024	Loyalty Program		
		QF	AA
Operating Carrier	QF	[REDACTED]	[REDACTED]
	AA	[REDACTED]	[REDACTED]

11.149 The above **Table 18** and **Table 19** include significant accrual and redemption on flights to / from New Zealand. In terms of AAdvantage members, there were [REDACTED] members who accrued AA miles on QAJB flights between New Zealand and the US in CY2023 and CY2024 respectively, demonstrating a significant year on year growth. Similarly, [REDACTED] redeemed AA miles on QAJB flights between New Zealand and the US in CY2023 and CY2024 respectively, also showing notable growth year on year.

11.150 The number of QFF members who travelled on a service covered by the QAJB either to / from or via New Zealand was also significant, more than doubling between CY2023 and CY2024 as shown in the following **Table 20**. There was also a significant growth in the number of QFF members residing in New Zealand travelling on QAJB flights to / from or via New Zealand, more than doubling between CY2023 and CY2024, and showing strong growth into CY2025, demonstrating the growing number of passengers, including New Zealand residents, accessing valuable loyalty benefit entitlements on QAJB flights.

Table 19: Qantas Frequent Flyer Members on QAJB services to/from/via New Zealand

Calendar year	Total passengers	Total points	Total passengers (NZ residents only)	Total points (NZ residents only)
2023	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2024	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2025 (Year to Date at March 2025)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

11.151 The number of QFF members who reside in New Zealand who are travelling on QAJB services has also increased. For example, in CY2023 [REDACTED] QFF members who reside in New Zealand flew on American's services and were able to earn [REDACTED] QFF points via the Applicants' reciprocal loyalty programs, which increased to [REDACTED] QFF members in CY2024, as set out in more detail in **Table 21** below. There was also an increase in the number of QFF members who reside in New Zealand earning QFF points on Qantas' QAJB routes between CY2023 and CY2024.

Table 20: Qantas Frequent Flyer Members on QAJB services to/from New Zealand or Australia to North America

Calendar year	American flight		Qantas flight	
	Passengers (NZ residents only)	Total points (NZ residents only)	Passengers (NZ residents only)	Total points (NZ residents only)
2023	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2024	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2025 (to March 2025)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

11.152 These QFF members are also using the US domestic connectivity offered through the QAJB. For example, since 2023 (calendar year) and 2025 (to March 2025), [REDACTED] QFF members residing in New Zealand travelled on a US domestic flight run by American Airlines and earned a total of [REDACTED] QFF points.

11.153 Similarly, the connectivity offered through Qantas' Trans-Tasman network is also being enjoyed by AAdvantage members. The following **Table 22** and **Table 23** show accruals and redemptions by AAdvantage members on Trans-Tasman routes, with some [REDACTED] AAdvantage members accruing AA miles on Trans-Tasman routes over the last two years alone.

Table 21: AAdvantage accruals on Trans-Tasman routes (2023 and 2024)

Route	2023	2024	Total
AKLSYD	[REDACTED]	[REDACTED]	[REDACTED]
CHCSYD	[REDACTED]	[REDACTED]	[REDACTED]
AKLMEL	[REDACTED]	[REDACTED]	[REDACTED]
SYDZQN	[REDACTED]	[REDACTED]	[REDACTED]
SYDWLG	[REDACTED]	[REDACTED]	[REDACTED]
AKLBNE	[REDACTED]	[REDACTED]	[REDACTED]
MELZQN	[REDACTED]	[REDACTED]	[REDACTED]
CHCMEL	[REDACTED]	[REDACTED]	[REDACTED]
BNECHC	[REDACTED]	[REDACTED]	[REDACTED]
MELWLG	[REDACTED]	[REDACTED]	[REDACTED]
BNEZQN	[REDACTED]	[REDACTED]	[REDACTED]
BNEWLG	[REDACTED]	[REDACTED]	[REDACTED]
DUDPER	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]

Table 22: AAdvantage redemption on Trans-Tasman routes (2023 and 2024)



Route	2023	2024	Total
AKLSYD	[REDACTED]	[REDACTED]	[REDACTED]
CHCSYD	[REDACTED]	[REDACTED]	[REDACTED]

AKLMEL	[REDACTED]	[REDACTED]	[REDACTED]
AKLBNE	[REDACTED]	[REDACTED]	[REDACTED]
SYDWLG	[REDACTED]	[REDACTED]	[REDACTED]
SYDZQN	[REDACTED]	[REDACTED]	[REDACTED]
CHCMEL	[REDACTED]	[REDACTED]	[REDACTED]
BNECHC	[REDACTED]	[REDACTED]	[REDACTED]
MELZQN	[REDACTED]	[REDACTED]	[REDACTED]
BNEZQN	[REDACTED]	[REDACTED]	[REDACTED]
MELWLG	[REDACTED]	[REDACTED]	[REDACTED]
BNEWLG	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]

Alignment / enhancement of loyalty benefits across QAJB

11.154 More generally, to enhance the customer experience for loyalty program members, the Applicants continue to coordinate to ensure alignment of benefits for customers flying on the QAJB, regardless of airline. The below chart summarises the substantial alignment achieved to date and the areas in which the Applicants are continuing to work to ensure alignment.

Figure 28: QAJB Benefit Comparison Chart

Airline	American Airlines 			 QANTAS		
	Ruby	Sapphire	Emerald	Ruby	Sapphire	Emerald
Priority Check- In	✓	✓	✓	✓	✓	✓
Priority Security	✓	✓	✓	–	✓	✓
Priority Boarding	✓	✓	✓	✓	✓	✓
Priority Waitlist	–	✓	✓	✓	✓	✓
Priority Bag Handling	–	✓	✓	–	✓	✓
Baggage Allowance	✓	✓	✓	–	✓	✓
Preferred Seats	✓	✓	✓	–	✓	✓
Seat Selection	✓	✓	✓	✓	✓	✓
Extra Leg Room Seats	✓	✓	✓	–	–	✓
Same Day Flight Change	✓	✓	✓	✓	✓	✓
Same Day Standby	✓	✓	✓	–	–	–
Short Haul Upgrades	✓	✓	✓	–	–	–
Upgrade Certificates	–	✓	✓	–	–	✓
Mileage Upgrades	–	–	✓	✓	✓	✓
Lounge Access F/CI	–	–	✓	–	–	✓
Lounge Access Business	–	✓	✓	–	✓	✓
Dedicated Call Line	✓	✓	✓	✓	✓	✓
Meet and Assist	–	–	✓	–	–	✓
Distance-based Mileage Accrual	–	–	–	✓	✓	✓
Rev-based Mileage Accrual	✓	✓	✓	–	–	–

The QAJB facilitates reciprocal lounge access for American and Qantas customers

- 11.155 The QAJB requires the Applicants [REDACTED]. While qualifying American and Qantas passengers receive lounge access through their **oneworld®** lounge access entitlements, through the QAJB, reciprocal lounge access is available for other qualifying customers (Admirals Club and Qantas Club members) over and above the **oneworld®** lounge access entitlements. In practice, having QAJB lounge entitlements beyond the usual **oneworld®** access means that Qantas and American have extended lounge access to both Qantas Club and Admirals Club members who do not have access within the **oneworld®** arrangement (as this stops at Gold for Qantas for example). These entitlements include access to lounges in domestic Australian airports.
- 11.156 The reciprocal lounge access facilitated by the QAJB is a material benefit to those qualifying QAJB customers travelling to / from New Zealand, Australia and the US, particularly given the long-haul nature of the flights on Trans-Pacific Routes.
- 11.157 The Applicants' reinvestment in upgrading lounge infrastructure will further benefit QAJB customers. For example, Qantas' Auckland lounge (which is currently under refurbishment) will see the footprint of the lounge extended, along with an uplift in service, food and beverage offerings and other amenities. The usage of this lounge by American passengers, which is the second highest user group of the lounge outside of Qantas passengers, was explicitly considered during the refurbishment planning process and contributed to the ultimate decision by Qantas to expand the lounge's size, capacity and offering. The expected re-opening of the Auckland lounge is February 2026.²¹⁸

Operational efficiencies

- 11.158 As recognised in the context of re-authorisations for the QAJB in the past, in particular by the ACCC, improved operating efficiency and/or avoidance of duplicated fixed costs through airline alliances are likely to result in a public benefit. The Applicants consider that the QAJB has facilitated, and will continue to facilitate, public benefits through cost savings and other efficiencies realised through the integration of the Applicants' operations over time.
- 11.159 Coordination between airlines can facilitate cost savings and economic efficiencies through rationalisation of duplicated fixed costs, better capacity utilisation, and exploitation of synergies through joint marketing and investment (e.g. in IT systems), which confer public benefits (for example as lower prices or better services, or release resources for use elsewhere in the economy).
- 11.160 The Restated JBA requires the Applicants to [REDACTED].
- 11.161 The QAJB generates significant efficiencies through combining the Applicants' complementary networks, and pooling demand through key gateway ports. It would be highly inefficient and therefore impossible for any airline to serve each origin and destination pair between these cities on a non-stop basis. By combining two highly complementary networks, American and Qantas can serve a large range of origin and destination pairs by funnelling them through long haul trunk routes between gateways in the US, New Zealand and Australia.
- 11.162 The QAJB also enables the Applicants to generate efficiencies and provide significant benefits to passengers in New Zealand, Australia and the US through deep coordination and alignment of their service offering. For example, instead of offering and maintaining multiple lounges in the US, and New Zealand, the QAJB allows qualifying customers to access a greater number of lounges including American lounges in airports in the US and Qantas lounges in airports in New Zealand and Australia, whilst also reducing duplication and costs associated with such infrastructure.
- 11.163 In addition, several improved passenger experiences (set out above) create efficiencies for passengers which are likely to lead to operational efficiencies (and reduced costs) for the Applicants. For example:

²¹⁸ For completeness, Qantas notes that, for a temporary period while the Qantas lounge in Auckland is being refurbished, Qantas passengers will relocate to Emirates' lounge, and another solution is being explored in terms of lounge access for American passengers. [REDACTED].

- (a) the Applicants' alignment of check-in processes and automated rebooking services has brought operational efficiencies by reducing the need for manual check-in and rebooking services for QAJB passengers (and accompanying staff/time resource); and
- (b) the Applicants' cooperation to improve bagging and handling services has reduced the mishandling of baggage rate and allows the Applicants avoid costs in terms of staff/time resource in responding to baggage complaints and/or compensating passengers for lost baggage.

11.164 The Applicants consider that a significant proportion of these cost savings and efficiencies would be passed on to consumers in the form of enhanced services, given the level of competition the Applicants face in the New Zealand -US market. It is not possible for the Applicants, however, to precisely quantify those specific cost savings or efficiencies.

12. Public value and net impact assessment

12.1 In assessing whether an airline agreement should be authorised (or re-authorised), the Ministry's Assessment Framework Guidelines explain that the benefits and detriments are compared to determine whether the agreement gives rise to a net public benefit. A final weighing and balancing of benefits and detriments is then undertaken. For the reasons set out above, and in more detail in this Application, the Proposed Conduct delivers clear (and proven) substantial benefits and no detriment. In such circumstances, the Proposed Conduct will plainly give rise to a net public benefit.

13. Tariff Information

13.1 The Ministry's Assessment Framework Guidelines require that an application for authorisation includes tariff information.²¹⁹ [REDACTED].

[REDACTED]

13.2 [REDACTED].

14. Confidentiality

14.1 Confidentiality is sought in respect of the information in this Application, including the Annexures, that is contained in square brackets or is described as being in a "Confidential Annexure", including information that is confidential as between the Applicants as indicated by the colour coding:

- (a) Information in green is confidential to Qantas and has not been disclosed to American.
- (b) Information in blue is confidential to American and has not been disclosed to Qantas.
- (c) Information in teal is confidential to both Applicants and should not be shared with anyone other than the Applicants.

(all together being **Confidential Information**)

14.2 Confidentiality is sought in relation to the Confidential Information for the purposes of section 9(2)(b) of the *Official Information Act 1982 (OIA)* on the grounds that:

- (a) the information is commercially sensitive and valuable, and confidential to the Applicants; and
- (b) disclosure would be likely to unreasonably prejudice the commercial position of the Applicants.

²¹⁹ New Zealand Ministry of Transport 'Application guidelines for authorising airline cooperation agreements' (July 2025), at [17].

- 14.3 Confidentiality is also sought for personal information contained in this Application for the purposes of section 9(2)(a) of the OIA.
- 14.4 A public version of this notice with Confidential Information and any personal information deleted will be provided to the Ministry.
- 14.5 The Applicants respectfully request that, due to the commercially and competitively sensitive nature of the Confidential Information and the highly prejudicial impact of disclosure, they be notified and be given the opportunity to make submissions regarding the confidentiality and the potential risks of disclosure if the Ministry is considering disclosing any Confidential Information (including under the OIA or for any other reason). This is particularly the case where the application for disclosure is made by, on or behalf of, or in relation to any party that is or could be construed as a competitor of the Applicants in any market.

15. Term of Authorisation sought

- 15.1 The Applicants seek re-authorisation for the Proposed Conduct for at least five years until at least 31 March 2031. This time frame is appropriate in circumstances where there are no competitive detriments and public benefits are substantial, clear and compelling.

SCHEDULE OF REQUESTED INFORMATION FOR APPLICATIONS FOR AN AIRLINE COOPERATION AGREEMENT

MOT Request ²²⁰	Response
Applicant information.	See section [3].
A clear description of the cooperation agreement.	See section [5].
Details of the cooperation activities, such as scheduling, capacity, tariffs, frequent flyer schemes, lounge access, and revenue or profit sharing.	See section [5].
Assessment of how the cooperation agreement might contravene sections 27 or 30 of the Commerce Act 1986.	See section [6].
Justification for why the cooperation agreement should be authorised despite potential competition concerns.	See sections [1], [8] and [11].
Information, data and analysis outlined in the assessment framework for airline cooperation agreements.	See sections [1]-[12].
Copies of any contracts, arrangements, or understandings related to the cooperation agreement.	See Confidential Annexures O and P .
Any relevant financial or operational data that supports the application.	Various locations, including paragraphs [11.28]-[11.30] and Confidential Annexure T .
Tariff Information	See section [13].

²²⁰ New Zealand Ministry of Transport 'Application guidelines for authorising airline cooperation agreements' (July 2025), at [17].