6 November 2026

Mr Craig Sengelow
Senior Advisor, Aviation Policy
Ministry for Cities, Environment, Regions & Transport

Via email: alliances@mcert.gov.nz

Dear Craig

Virgin Australia Airlines Pty Ltd and Air New Zealand Limited Application for Authorisation

Thank you for the opportunity to comment on the above Application lodged with the Ministry for Cities, Environment, Regions & Transport (**MCERT**) seeking authorisation by the Acting Minister for Transport (**MCERT Application**).

While the Qantas Group does not object to the Application, we are concerned by some of the factual inaccuracies and inconsistencies it contains. These should be tested by MCERT during its consideration.

First, as the MCERT Application contemplates, as a consequence of the proposed Strategic Alliance, Qantas has decided to terminate its codeshare arrangements with Air New Zealand which have been in place for more than eight years. This will mean that from early April 2027, Air New Zealand customers will lose access to 85 codeshare routes on Qantas' network. More than 40% of these routes and 26 destinations are not served by Virgin Australia which is also likely to lead to reduced feed from Australia to New Zealand, which dilutes the Applicants' claims that their arrangements will support regional tourism in New Zealand.

Both Qantas and Air New Zealand customers will lose the ability to earn and redeem points on the other carrier's flights, and they will also lose access to lounges. For Air New Zealand customers this means they will no longer be able to access 24 Qantas domestic lounges. Virgin Australia has seven.

Despite the Applicants' claims, these are clearly significant consumer losses from the Proposed Conduct compared to the existing arrangements.

Second, the MCERT Application refers to the Qantas Group size and strength yet skims over the combined market share of the Applicants.

The Applicants' combined market share on the Tasman is not trivial or inconsequential. Based on the Applicants' own Table 1, Air New Zealand (40%) and Virgin Australia (4%) would have a combined total of ~44% of Tasman ASKs against Qantas Group 51%.

Even more importantly, the suggestion that the Qantas Group constrains Air New Zealand in domestic New Zealand is not supported by any evidence. In the Applicants' own Table 2, Air New Zealand enjoys a 76.2% share of ASKs in domestic New Zealand, compared to Jetstar's 22.8% in 2026. Furthermore, Jetstar only operates seven routes in New Zealand domestic which are all also operated by Air New Zealand. Air New Zealand operates a total of 39 routes in 2026.

Third, as part of the MCERT Application, the Applicants cross-refer to their equivalent application to the Australian Competition and Consumer Commission (**ACCC**). Their claim that the Proposed Conduct will not deter independent competitive entry by Virgin Australia on the Tasman needs to be carefully scrutinised.

Even though this is a critical part of the authorisation test in Australia – and should similarly be considered by MCERT as it impacts on competition and net benefit to New Zealand -any supporting evidence has been heavily redacted. Similarly, without the NERA economic report (also referred to in the MCERT Application) being made available, there is no opportunity for public scrutiny of assumptions and assertions within.

Fourth, MCERT should also scrutinise the Applicants' claims regarding other public benefits which are incorporated into the MCERT Application by cross-reference to the ACCC application. In particular, MCERT should carefully assess the competitive implications of the proposed joint determination and allocation of target corporate customers.

Fifth, MCERT should interrogate whether and how the scope of the Proposed Conduct can be managed by Virgin Australia in practice. As Virgin Australia's relationships with multiple competing airlines continues to deepen, MCERT would be right to question whether Virgin Australia can continue to adequately ringfence:

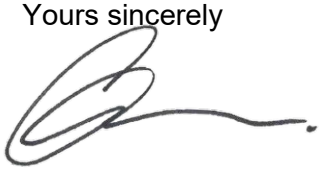
- Queenstown from other whole-of-Tasman network and corporate dealing collaboration with Air New Zealand as part of this Proposed Conduct; and

- Qatar Airways from Virgin Australia's Tasman strategy with Air New Zealand, given Qatar operates on the Tasman, and is one of the fifth freedom carriers that the Applicants claim constrains Air New Zealand and might be well poised to expand on the Tasman in competition with the Applicants.

Given the above points and the fact that network benefits on the Tasman are already covered by the Applicants' existing codeshare authorisation, any claimed public benefits beyond this should be thoroughly scrutinised for accuracy.

We would be pleased to provide any further information MCERT requires.

Yours sincerely



Cam Wallace
Chief Executive Officer, Qantas International and Qantas Freight