

Tourism sector on 'high alert' as trans-Tasman flights are trimmed

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High fuel costs have led Qantas and Jetstar to reduce their flights on trans-Tasman routes further. CHRISTEL YARDLEY / WAIKATO TIMES

Trans-Tasman flight capacity has reduced further, with Qantas and Jetstar cutting more flights to New Zealand, and it's left the tourism industry on high alert.

On Friday Qantas Group announced it would be reducing Qantas and Jetstar flights on the trans-Tasman routes by 4% due to high fuel costs from the conflict in the Middle East.

The latest cuts follow news a week earlier that [Jetstar would be extending earlier cuts to New Zealand domestic routes](#) to the end of June. In late March it announced it would [cut 12% of domestic New Zealand and trans-Tasman flights](#) by 12% to mid-May.

Australians have been one of the key visitor groups driving the tourism industry's recovery, with Australian visitors up 123,000 to 1.54 million over the year to February, according to Stats NZ's latest data.

The data also showed that 31% of February's overseas visitor arrivals were Australians, and the potential of the market drove last year's Tourism NZ campaign to attract more Australian travellers to New Zealand.

Tourism Industry Aotearoa chief executive Rebecca Ingram said with fuel being a significant component of airline costs it was understandable that airlines were reviewing their flight schedules.

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It was a pattern that was playing out globally, and decisions would not be made lightly, but for many regions of New Zealand tourism was a vital part of the local economy.

"MBIE's latest data shows domestic tourism spend for March 2026 was \$2.4 billion, up 3.9% on the same time last year. April's figures will tell us more, as they'll capture both Easter and the school holidays.

"Some operators are reporting softer domestic bookings and enquiries, and it's something TIA is monitoring closely in conversation with members."

For tourism businesses, uncertainty around future costs, pricing decisions, and the duration of current conditions was making forward planning more difficult, she said.

"It's a shared challenge, and how we collaborate to get through this period of disruption will be key to keeping New Zealand and our regions connected, competitive and accessible."

Tourism Export Council chief executive Lynda Keene was concerned about the cuts to flights, but agreed businesses had to make decisions that would help them get through the current conditions.

The Middle East conflict and its flow on effect was likely to have a long tail for businesses that needed fuel, but it was hard to quantify what the impact of those things would be, she said.

“We’re hopeful the forward bookings industry operators have in the system for the winter period will hold, and bookings for the 2026/27 summer period are holding firm at the moment, which is encouraging.”

Flight capacity still up on recent years

NZ Airports Association chief executive Billie Moore said the fuel shock had hit New Zealand off a particularly challenging starting point, compared to most countries.

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“New Zealand’s flight capacity declined from 2017 to 2018, while other countries’ capacity has been growing, and it means the cuts feel tighter and tougher for New Zealand.

“But although you can see some cuts coming through in particular routes, overall we can see a modest growth path for trans-Tasman flight.”

That was because airline capacity had increased noticeably last year, and Cirium flight data and airline schedule data showed that in April-May it remained up on the same period last year, she said.

“So the cuts hurt, but we’re still net positive, and conversations with airports suggest they feel most flights are being maintained at a reasonably good level.

“There may be a reduction in frequency but there is still a commitment to maintain flights, including into new routes in Dunedin and Hamilton and that’s important.”

Moore said route cuts did have an impact on travellers getting around the country, and in turn on tourism, which was a key driver of the economic recovery, but demand remained strong.

“We would hope the strength of demand means the situation will correct and the flights will return.

“But there needs to be serious thinking about how we prepare the sector to drive the economic recovery again, and how to understand these conditions and higher prices from a medium-term perspective.”

NZ seen as safe and attractive

Meanwhile, one of the country’s biggest tourism operators said it has not seen a major impact from fewer flights out of Australia.

[Ngāi Tahu Tourism manages nine tourism businesses](#) across the country, including The Dark Sky Project, Shotover Jet, All Blacks Experience, Hollyford Wilderness Experience, Franz Josef Glacier Guides, and National Kiwi Hatchery.

The company’s general manager, Jolanda Cave, said April was a strong month for the company, with visitor numbers higher than expected, even with global uncertainty in the background.

That showed people were still choosing to travel, even if it took a bit more planning or different flight routes to get here, she said.

“Australia remains an important market for us, but because we welcome visitors from a wide mix of countries, we’re not reliant on any one market or airline route. That diversity helps smooth out short-term shifts in travel patterns.”

New Zealand continued to be seen as a safe and attractive destination for manuhiri, Cave said.

“In April, international arrivals across most of our experiences were close to, or above, pre-Covid levels, with Australia and China leading growth. Around 21% of visitors to our experiences came from Australia.”

Winter was always a quieter period, so they would be watching bookings closely for June, she added.

“Changes to flight schedules and global events don’t always show up immediately, and at this stage it’s too early to say whether there will be a longer term effect. What we’re seeing right now is still within a normal seasonal range.”

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