

# Air New Zealand Explains *Domestic Airfares*

We often get questions about domestic flight prices. A lot goes into delivering a safe, reliable service that keeps New Zealanders connected, so we're keen to share what shapes our fares.

## The costs of flying

Operating a flight involves many costs that are factored into fares, including:

**Fuel:** One of our biggest expenses, influenced by global markets and paid for in US dollars.

**Airport charges:** Fees airlines must pay to use an airport's facilities to land, park and take off.

**Air navigation and CAA charges:** Fees for air traffic control and security services.

**Labour costs:** Paying our skilled crew, engineers and other essential team members.

## Balancing responsibilities

As New Zealand's national carrier, 51% owned by government, we have the responsibility and privilege of keeping Aotearoa connected. At the same time, we also have a duty to shareholders to make appropriate commercial returns, allowing us to continue investing in our business and improving the travel experience.

## How we price flights

Like most airlines, we use a supply and demand-based pricing system, with a range of price points, or booking classes, on any route.

Flights go on sale about 12 months in advance, starting with a limited number of seats at the lower end of the price range. As more customers book, the selection moves up through the price points. Prices may change based on demand. If you see a price change while searching, it's likely because another customer has purchased the last seats available at

that lower price point. For a fee, [Fare Hold](#) lets you lock in a fare for up to three days.

## Why prices vary

We're sometimes asked why we don't charge a flat rate based on costs and a set profit margin. The reason is supply and demand.

At peak travel times – like school holidays, or before an event – demand is high. If fares were fixed at the average price, seats would sell out fast, leaving none for those who have to travel at short notice. While we do our best to schedule additional flights, there is a limit to how much we can add, so pricing helps manage demand and encourage people to choose an alternative flight for which there is lower demand, at a lower price. Conversely, we also have off-peak periods – like midweek afternoons – where there's not as much demand, and we adjust prices to encourage bookings on those.

## Tips for finding lower fares

- Book early: Generally, booking early gives you the best chance of securing a lower fare.
- Be flexible: Being flexible with your travel day and time can help you find a lower fare. For example, choosing flights outside peak morning and evening hours.
- Check Grabaseat: We regularly offer special deals through our [Grabaseat website](#).
- Compassionate fares: We provide special low prices for those who urgently need to travel due to unexpected medical emergencies or bereavements. You can find out more about these fares [here](#).