

MEDIA RELEASE



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ACCC PROPOSES TO ALLOW COORDINATION TO CONTINUE BETWEEN JETSTAR'S ASIAN BRANDS

The ACCC is proposing to re-authorise, for a further five years, coordination involving three Asian based Jetstar branded joint ventures: Jetstar Asia, Jetstar Pacific, and Jetstar Japan.

The Jetstar joint ventures wish to continue coordinating with each other. Jetstar is also seeking to coordinate with their shareholding airlines including Qantas (ASX: QAN), Japan Airlines and Vietnam Airlines, on passenger and cargo services within Asia in certain circumstances.

By coordinating, the Jetstar branded airlines are able to operate as a single fully integrated organisation on matters such as flight scheduling, sales and marketing, and pricing.

"The ACCC considers that continuing this coordination is likely to result in public benefits. The airlines are able to provide better products, services, and more convenient flight times for consumers," ACCC commissioner Roger Featherston said.

"This conduct is likely to result in little, if any, detriment due to a lessening of competition. The joint venture airlines are unlikely to compete directly with each other, or their owners in the absence of the proposed coordination."

The proposed re-authorisation does not extend to allowing coordination between any of the airline owners.

Further information, including the application, public submissions and ACCC's decision can be found at www.accc.gov.au/AuthorisationsRegister.

Background

The Qantas Group has established these joint ventures because the international regulatory environment makes it impossible for the Qantas Group to wholly or majority own airlines outside Australia. The joint ventures are:

- Jetstar Asia - based in Singapore, a joint venture between the Qantas Group and a Singapore citizen
- Jetstar Pacific - based in Vietnam, a joint venture between the Qantas Group and Vietnam Airlines
- Jetstar Japan - a joint venture between the Qantas Group and Japan Airlines.

Authorisation provides immunity from court action for conduct that might otherwise raise concerns under the competition provisions of the *Competition and Consumer Act 2010*. Broadly, the ACCC may grant an authorisation when it is satisfied that the public benefit from the conduct outweighs any public detriment.

The ACCC invites further submissions from the applicants and interested parties in relation to the draft determination and will then make a final decision on whether to re-authorise the conduct.

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