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Interim authorisation granted to Jetstar's Asian brands

The ACCC has granted interim authorisation to Qantas Airways Ltd (ASX:QAN) and Jetstar Airways Pty Ltd for the continued coordination of two Jetstar Asian-based joint ventures and, in certain circumstances between Jetstar Japan and Japan Airlines.

At the same time, the ACCC issued a draft determination proposing to grant final authorisation to the arrangements for a period of 5 years rather than the 10 years applied for and is inviting submissions in response.

Qantas and Jetstar Airways wish to continue coordinating with each other and the Jetstar joint ventures Jetstar Asia and Jetstar Japan. Jetstar is also seeking to coordinate with its shareholding airlines including Qantas and Japan Airlines on passenger and cargo services within Asia in certain circumstances.

The ACCC has previously authorised this coordination in 2013 and 2018.

"The continued coordination of the Jetstar branded airlines allows them to operate as a single fully integrated organisation on matters such as flight scheduling, sales and marketing, and pricing," ACCC Commissioner Anna Brakey said.

"The ACCC considers that the coordination is likely to result in public benefits by providing consumers with a wider choice of products, enhanced services, and more convenient flight times."

"This conduct is likely to result in little, if any, lessening of competition," Ms Brakey said.

The proposed re-authorisation does not allow coordination between Qantas and Japan Airlines.

The ACCC is now seeking submissions in response to the draft determination and interim authorisation decision by 17 March 2023, before making its final decision.

Further details about the application and how to make a submission are available on the ACCC's public register at Qantas Airways Limited & Jetstar Airways Pty Ltd.

The Qantas Group has established the Jetstar Asia and Jetstar Japan joint ventures because in some international jurisdictions the regulatory environment makes it difficult for airlines to wholly or majority own airlines outside their own country.

Notes to editors

ACCC authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act (CCA).

Section 91 of the CCA allows the ACCC to grant interim authorisation when it considers it is appropriate. This allows the parties to engage in the proposed conduct while the ACCC is considering the merits of the substantive application.

The ACCC may review a decision on interim authorisation at any time, including in response to feedback raised following interim authorisation.

Broadly, the ACCC may grant authorisation when it is satisfied that the likely public benefit from the conduct outweighs any likely public detriment.

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