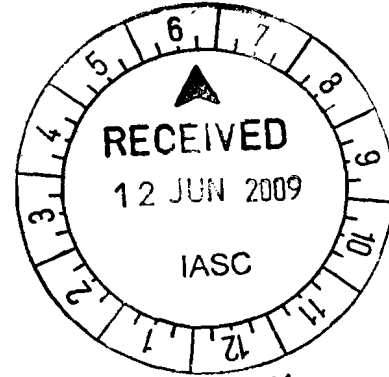




12 June 2009

Mr Michael Bird *B 15/6*
Executive Director
International Air Services Commission
GPO Box 630
Canberra ACT 2601



Mike
Dear Mr Bird

Application for Capacity Allocation – Indonesia Route

From 13 August 2009, Qantas' wholly-owned subsidiary company, Jetstar Airways (Jetstar) plans to increase its four weekly services between Perth and Denpasar to a daily service. However, it is intended that only four of these services will operate beyond Denpasar to Singapore.

Jetstar is planning to operate these services using a one-class A320 aircraft configured with 177 seats.

Simultaneously, Jetstar also plans to reduce the number of Perth-Jakarta-Singapore services it operates from three to two per week. The aircraft used to operate these services is configured with 180 seats.

It is intended that Qantas will code share on all Jetstar's services.

We will provide the Commission with a timetable of the planned services once the schedule has been finalised.

Allocation Sought

Qantas seeks an allocation of 360 seats per week on the Indonesia Route on the following basis:

- the allocation is requested for a period of five years from the date of the determination;
- the capacity will be fully used by 31 August 2009;



Qantas Airways Limited ABN 16 009 661 901
Qantas Centre 203 Coward Street Mascot NSW 2020 Australia
Telephone 61 (2) 9691 3636

qantas.com

- the capacity may be utilised by Qantas or another Australian carrier which is a wholly-owned subsidiary of Qantas; and
- the capacity may be used to provide joint services with Qantas or any wholly-owned subsidiary of the Qantas Group.

IASC Act and Policy Statement Considerations

This application should be considered against the general criteria for assessing the benefit to the public in paragraph 4 of the Minister's Policy Statement.

These criteria state that the use of entitlements under a bilateral arrangement is of benefit to the public, provided a carrier is reasonably capable of obtaining the necessary approvals and implementing the proposal.

Please contact me should the Commission require any further information.

Yours sincerely



Jane McKeon
Head of Government and International Relations