



27 July 2010

MB 27/7
Mr Michael Bird
Executive Director
International Air Services Commission
GPO Box 630
Canberra ACT 2601

Dear Mr Bird

Application for Capacity Allocation – Indonesia Route

Qantas' wholly-owned subsidiary company, Jetstar Airways (Jetstar) plans to introduce additional services Australia and Indonesia from December 2010, subject to receiving all necessary approvals.

The services will be operated using one-class A320 aircraft and two-class A330 aircraft.

Allocations Sought

Qantas seeks an allocation of 3,898 seats per week on the Indonesia route, and an allocation of 729 seats and four frequencies of beyond Indonesia capacity to be used on the following basis:

- the allocations are requested for a period of five years from the date of the determination;
- the allocations will be fully used by 31 October 2011;
- 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 state that the use of entitlements by an Australian carrier under a bilateral arrangement is of benefit to the public, provided that it is reasonably capable of obtaining the necessary approvals and implementing the proposal.

Qantas Airways Limited

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We would be pleased to provide any further information the Commission may require in support of this application.

Yours sincerely

A handwritten signature in black ink, appearing to be 'D. Epstein', with a long horizontal line extending to the right.

David Epstein
Group Executive
Government and Corporate Affairs