

15th November 2011

Ms Sue McIntosh Executive Director International Air Services Commission GPO Box 630 Canberra ACT 2601

Dear Ms McIntosh

Application for Capacity Allocation - Vietnam

Strategic Airlines Pty Ltd ACN 131 128 571 (trading as Air Australia Airways) is seeking an allocation of capacity to operate services between Australia and Vietnam commencing from March 2012.

Designated Australian Carrier

Air Australia Airways contends that it presently satisfies the necessary requirements of a Designated Australian Carrier, given that the issued capital is owned by one Australian national and the company is therefore substantially owned and controlled by Australians. In addition, Air Australia Airways has the operational capacity to implement services to Vietnam and is an established carrier on other international routes to and from Australia.

Allocation Sought

Air Australia Airways seeks an allocation of 4 frequencies per week from Australian mainline ports (Sydney, Melbourne including Avalon, Brisbane and Perth) of the capacity available to designated Australian carriers to operate between Australia and Vietnam. In addition to this Air Australia Airways seeks allocation of capacity from all other Australian points.

Such allocation will be fully utilised by 28 February 2013 and is requested for a five year period from the date of determination.



Legislative and Policy Considerations

It is acknowledged that 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. Air Australia Airways contends that its use of this allocated capacity will clearly provide a benefit to the public, and addresses the criteria stipulated in the Minister's Policy Statement.

Yours sincerely,

PHILIP WARTH

Group Executive Business Planning and Strategy Strategic Airlines trading as Air Australia Airways