An Australian Government Initiative

NCOS CARBON NEUTRAL PROGRAM

PUBLIC DISCLOSURE SUMMARY

1. ORGANISATION AND PRODUCT INFORMATION

Organisation Name:	Qantas Airways Limited
Disclosure Period:	From: 1 July 2009 to 30 June 2010
Date of most recent verification:	September 2010
Carbon Neutral Disclosure Type:	Product

Product Overview:

Product 1: Qantas Airlines Carbon Offset Program
Product 2: Jetstar Airlines Carbon Offset Program

Brief description:

Qantas and Jetstar launched voluntary carbon offset programs in September 2007. These programs give customers the option to "Fly Carbon Neutral" whenever they book their flights through qantas.com.au and jetstar.com.au.

To match this commitment, the Group (Jetstar and Qantas) has offset all airline staff 'duty travel' and ground vehicles since the launch of the program.

2. PRODUCT DESCRIPTION

To accurately calculate the volume of emissions of a passenger flying from one point to another, both Qantas and Jetstar have undertaken comprehensive life cycle studies of energy usage in flight, such as jet fuel, and on the ground – in catering centres, engineering facilities, airport terminals, offices and our ground transport vehicles. The assessments also include the 'energy embodied' in the manufacture of the aircraft flown by the airlines. The Life Cycle Assessments (LCAs) are updated whenever there is a material change to operations.

Using data over 12 months and 'full fuel cycle' emissions factors published by the Australian Government (available at the Department of Climate Change and Energy Efficiency website), the emissions released by aircraft on each flight sector are added to the related emissions from ground activities and then divided by the number of passengers carried on the sector. This method of calculation provides an estimation of the share of emissions attributable to each passenger on a flight.

Qantas only

For customers flying on a Qantas Codeshare flight, emissions are calculated using the average emissions per kilometre, based on an average of all flights across the Qantas network.

Jetstar only

For Jetstar passengers, the emissions calculated by sector are grouped into three domestic and three international sector lengths.

3. PURCHASE OF GREENPOWER™ OR NCOS CARBON NEUTRAL PRODUCTS AND/OR CANCELLATION OF GREENPOWER™ ELIGIBLE RENEWABLE ENERGY CERTIFICATES (RECS)

Not applicable

4. TOTAL CARBON FOOTPRINT OF PRODUCT SOLD

FY2010 FULL YEAR RESULTS	
QANTAS	
	CO2-e
CUSTOMER PROGRAM	169,144
JETSTAR	
CUSTOMER PROGRAM	70,862
GROUP COMMITMENT	
Duty Travel, Ground Vehicles, Conference Offsets	66,435
TOTAL FY2010	**306,442**

In total, 772,851 tonnes of carbon have been offset since the voluntary carbon program was launched in September 2007.

5. EMISSION REDUCTION MEASURES

See below for a link to the Qantas Energy Efficiency Opportunities Report (EEO) submitted to the Department of Resources, Energy, Resources and Tourism.

http://www.qantas.com.au/infodetail/about/investors/qantasEEOReport2009.pdf

The EEO Report highlights major opportunities for emissions reductions at Qantas Airways Limited.

Description of Three Significant Opportunities
Opportunity 1
Qantas Airways Limited is investing $1.7 billion (FY10) and plans to spend $2.7 billion on new aircraft acquisitions and non aircraft capital, introducing into the fleet some of the world's most efficient aircraft, including the Boeing 787 Dreamliner, and as with all next generation airframe combinations, this aircraft will offer a step change improvement in fuel per seat kilometre compared to similar sized aircraft it will replace. The cornerstone of the QantasLink's fleet renewal remains the 72-seat turbo-prop Bombardier Q400. QantaLink now operates 14 Q400 aircraft. On regional routes, the Q400 burns about one-third less fuel than similar-sized jet aircraft.
Opportunity 2
The Group's program of weight reduction focuses on two main streams – "Above Wing" which targets reducing the weight and volume of cabin product on board the aircraft and "Below Wing" which involves the optimisation of weight such as equipment and furnishings on board. This program has achieved an average of 119kg reduction per aircraft.
Opportunity 3
The Group's Auxiliary Power Unit (APU) reduction program focuses on utilising ground-based infrastructure (Power and Pre-conditioned Air) where available to minimise APU usage across its network. This operational change has achieved savings of over 1.25 megalitres of jet fuel or 45,960 GJ of energy in 2008/09

Source: Table 2.5 FY2010 EEO Report

6. OFFSET PURCHASE / CANCELLATION

Offset Type	Registry	Serial Numbers	Offset Quantity (Tonnes CO_2-e)
Greenhouse Friendly™ VER units	Australian Government Department of Climate Change and Energy Efficiency Greenhouse Friendly™ internal Registry	GFEE2009-2048940 to GFEE2009-2078321	29,382
Greenhouse Friendly™ VER units	As above	GFEE2009-2503841 to GFEE2009-2605360	101,520
Greenhouse Friendly™ VER units	As above	GFEE2009-2430798 to GFEE2009-2503840	73,043
Greenhouse Friendly™ VER units	As above	GFEE2009-1643588 to GFEE2009-1670314	26,727
Greenhouse Friendly™ VER units	As above	GFEE2008-599042 to GFEE2008-600171	1,130
Greenhouse Friendly™ VER units	As above	GFEE2009-1670315 to GFEE2009-1708945	38,631
Greenhouse Friendly™ VER units	As above	GFEE2008-476182 to GFEE2008-491853	15,672
Greenhouse Friendly™ VER units	As above	GFEE2008-596714 to GFEE2008-599041	2,328
Greenhouse Friendly™ VER units	As above	GFEE2009-2201337 to GFEE2009-2201735	399
Greenhouse Friendly™ VER units	As above	GFEE2009-2428694 to GFEE2009-2430797	2,104
Greenhouse Friendly™ VER units	As above	GFEE2009-2424694 to GFEE2009-2428693	4,000
Greenhouse Friendly™ VER units	As above	GFEE2008-139622 to GFEE2008-151127	11,506

7. OTHER INFORMATION

Qantas Group Environment Strategy

Voluntary carbon offsetting is an important element of the Qantas Group's broader environment strategy.

Our vision is to become a leading airline group committed to creating a cleaner future through the care of our environment.

The Group believes that management of environmental impacts should be holistic and this strategic approach will deliver three outcomes:

1. Environmentally sustainable and efficient operations
2. Competitiveness enhanced by the changing regulatory environment
3. Environmentally engaged customers, people and communities.

Environmental improvement targets are set and performance is monitored for fuel, water, waste to landfill, and electricity.

Performance is benchmarked against a number of public indices. In 2010, the Group was recognised by the Carbon Disclosure Project (CDP) and listed in the 'Carbon Leaders Index'. The group was also included in the Dow Jones Sustainability Index (DJSI).

Emissions from jet fuel consumption represent an airline's greatest environmental impact and create the majority of the Group's carbon footprint. Efforts to improve fuel efficiency are critical. The Group's Fuel Conservation Program has achieved a savings of one million cumulative tonnes of CO2e emissions compared to business as usual projections since 2006. Improvements are achieved through better airspace management, optimisation of aircraft operations and adoption of new technologies.

The Group is also actively working to support the development and commercialisation of sustainable aviation fuels in Australia.

Please refer to the Qantas Airways Limited website for full details of activities in the environment area. It includes the latest independently audited Sustainability Report and progress against environmental improvement targets.

http://www.qantas.com.au/environment