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Newsroom

# Jetstar's ash cloud position in excess of NZD13 / AUD10 million

- Suggestion of “cost-cutting measure” not financially credible

Jetstar strongly refutes recent claims made that its decision to suspend flying due to the Chilean volcanic ash cloud, which has affected flying in Australia and in New Zealand since the 11 June 2011, is anyway related to “cost cutting measures”.

The carrier has recently confirmed it will face costs in excess of AUD10/NZD13 million as a result of its “safety before schedule” approach and the grounding of flights.

Since resuming all scheduled services network wide on Monday, Jetstar has received further information regarding the ongoing impact of the Chilean volcanic ash cloud. This will affect safe flying to/from Queenstown and Christchurch today (Wednesday 29 June 2011).

Jetstar Group Chief Executive Officer, Bruce Buchanan said despite the costs to the Qantas Group which currently exceed AUD21 million, the Group would remain committed to its safety first approach and its vigorous internal risk assessment processes.

“The claims reported through the Fairfax media on Tuesday that our position taken had anything to do with a cost cutting measure are absurd,” Mr Buchanan said.

“The mere suggestion that grounding your entire operation in market - hundreds of flights over a two week period – would improve financial performance is out-of-touch with the tough reality of running an airline.

“We have lost all the revenue associated with these flights, while we have still had the burden of a significant portion of our cost base.

“The net result is a NZD\$13M negative impact on profitability, whilst some competitors have had a financial windfall capturing additional unexpected last minute revenue.

“Throughout the volcanic ash disruption, Jetstar and Qantas’ decision not to fly was based on safety alone,” he said.

Jetstar has cancelled over 460 flights New Zealand flights during the ash cloud crisis.

“We are very sympathetic to the tens of thousands of customers who have been disrupted by the ash cloud.

“We hope all customers understand that Jetstar will always make safety our number one priority ahead of financial gain,” Mr Buchanan said.

## About Jetstar

About Jetstar Group

Jetstar first took to the skies in 2004 and has since flown more than 350 million customers across an extensive international and domestic network. The Jetstar Group is made up of Jetstar Airways (subsidiary of the Qantas Group) in Australia and New Zealand, Jetstar Asia in Singapore, and Jetstar Japan in Japan. A leading low-fares airline, Jetstar is committed to offering everyday low fares to enable more people to fly to more places, more often. As one of Asia Pacific’s fastest-growing airline brands, Jetstar was voted Best Low-Cost Airline in Asia Pacific in 2021 and was recognized for its excellent flight safety records and services when listed on the “2022 World’s Top 10 LCC” released by Airline Ratings.

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