

QANTAS RESPONSE TO QUESTIONS ON NOTICE

QUESTIONS POSED DURING THE HEARING

1. When was the date secured for the Prime Minister to attend the August 14 launch of the Qantas livery around the Yes campaign?

To accommodate the diaries of the various stakeholders, including the Prime Minister, and logistical requirements associated with having three aircraft in a hangar in Sydney at the same time, the date of August 14 was set in early July 2023. Other stakeholders, including members of Government, Opposition and the crossbench were also invited.

2. What date did Qantas agree to participate in the Yes campaign for the “Prime Minister’s Voice referendum”? When did Qantas make its decision to support the Yes campaign?

Qantas has a long history of supporting recognition and reconciliation. Expressing this support through artwork on our aircraft dates back to the 1990s. Information about this commitment can be found [here](#).

The pathway to deciding to support constitutional recognition and subsequently an Indigenous ‘voice’ is summarised below:

- In 2014, Qantas placed the Recognise campaign’s logo on one of its aircraft, as a public display of our support for reconciliation with, and recognition of, Aboriginal and Torres Strait Islander people.
- In 2017, Qantas made a statement regarding the indigenous voice co-design process, where it recognised that a First Nations Voice to Parliament is a fair and practical way to deliver meaningful recognition and reform for Aboriginal and Torres Strait Islander peoples.
- In 2019, Qantas joined other organisations to publicly support the Uluru Statement from the Heart which calls for Voice, Treaty and Truth.
- In April 2021, Qantas responded by way of Submission to the [Interim Voice co-design report](#) in support of the many Aboriginal and Torres Strait Islander communities and leaders who had worked tirelessly for reconciliation, and formally supported an ‘Enshrined Voice’.
- In June 2023 Qantas entered into a contract with AICR (Yes23) and Uluru Dialogue for the provision of flights as a form of practical support for the campaign. (This mirrors the support that Qantas gave to the Marriage Equality campaign in 2017.)
- On 2 July 2023, on the first day of NAIDOC Week, Qantas reaffirmed support for a Voice to Parliament and a YES vote in the upcoming referendum, through a [joint statement](#) with Reconciliation Australia and more than 70 organisations and businesses.
- In August 2023, the Qantas Group reaffirmed support for the upcoming referendum with three aircraft displaying the Yes23 logo – as the ‘Recognise’ livery had done nine years before.

3. When was the decision made that part of that support would include a launch with the Prime Minister, decals on a range of aircraft, and the decision to fly Yes campaigners for free?

The Prime Minister’s attendance at the event on 14 August 2023 played no part in Qantas’ support for recognition and reconciliation and the Yes23 campaign.

As described in the response to Question 2 above, Qantas has been a long-standing supporter of the Uluru Statement from the Heart and its attendant call for a constitutionally enshrined Voice for

Indigenous Australians. We have also long used artwork on aircraft to reflect our support of reconciliation, dating back to the 1990s.

Specifically on constitutional recognition, Qantas placed the “Recognise” campaign’s logo on an aircraft in 2014.

Nine years later, in the context of the Group’s public support for a constitutionally enshrined Voice to Parliament, the Group again considered using aircraft livery to publicise its support and spread its message. The livery concept was first raised with the Group Management Committee by the Group CEO and Chief Customer Officer in March/April 2023, and shared with the Board at the 20 April 2023 Board meeting, where it was endorsed.

In August 2023, the Qantas Group publicly reaffirmed our support for the upcoming referendum with three aircraft displaying the Yes23 logo. As set out above, Qantas entered into a contract with AICR (Yes23) and Uluru Dialogue in June 2023 for the provision of flights, around the same time the campaigns were approaching other corporates for support.

The Prime Minister’s attendance at the launch of the decal aircraft was not a consideration in Qantas’ decision whether to apply decals to our aircraft or provide flights to the Yes23 campaign.

4. What company did Qantas use to procure the decal? What date was that contract undertaken?

The design, print and production of the YES23 decal were conducted by the Qantas Creative Studio, Qantas Engineering and the Qantas sign-writing team.

Flying Colours Aviation was engaged in July 2023 to apply the decal to the QantasLink aircraft. Qantas Engineering and the Qantas sign writing team applied the decal to the Jetstar A320 and Qantas 737 aircraft.

5. Would this be typically a decision made by the Board, to have the Prime Minister at the launch of something as significant as the 'yes' campaign for Qantas, given your public stance as a company and how important this is to you?

No. A decision to invite the Prime Minister to a Qantas event is not one that requires Board approval. No member of the Board attended the event.

As outlined above, the Board endorsed the decision to place the Yes23 logo on aircraft in April 2023.

6. Who would set up the meeting with the Prime Minister's office? [in the context of the YES23 event].

Meetings between the Qantas Group and all Members and Senators are either organised by the Qantas Group Government Affairs team or the Office of the CEO. The event on 14 August 2023 was confirmed by the Government Affairs team with the Prime Minister’s office, taking into consideration the diaries of the various stakeholders and logistical requirements associated with having the three aircraft in a hangar in Sydney at the same time.

7. On what date was Qantas informed of the government's decision to block Qatar's bid?

Qantas was not informed by the Government of its decision regarding the Qatar Civil Aviation Authority’s proposal. We first learned of the decision when contacted by media for comment in July 2023.

8. What was the total cost of the Neil Perry Cabinet dinner?

Approximately \$5,700, which included venue hire and was paid by Qantas.

9. What was Qantas' advice to the Department regarding the FOI application? Did you say you did or didn't have a problem with it?

Over the past few weeks the Department of Infrastructure has asked Qantas to review documents which are the subject of a number of freedom of information requests. Qantas has not opposed the production of a significant proportion of the documents requested in these freedom of information requests.

The *Freedom of Information Act* contains limited reasons why a document can be withheld:

- Section 47(1) provides a **Commercial Value Exemption** where disclosure of the documents would disclose trade secrets or any other information having a commercial value that would be, or could reasonably be expected to be, destroyed or diminished if the information were disclosed.
- Section 47G(1) provides a **Business Affairs Exemption** where disclosure of the documents would disclose information concerning a person in respect of his or her business or professional affairs in a case in which the disclosure of the information would, or could reasonably be expected to, unreasonably affect that person adversely in respect of his or her lawful business or professional affairs or that organisation in respect of its lawful business, commercial or financial affairs, or could reasonably be expected to prejudice the future supply of information to the Commonwealth or an agency for the purpose of the administration of a law of the Commonwealth or the administration of matters administered by an agency.
- Section 33(a)(iii) provides an **International Relations Exemption** where of the document would or could reasonably be expected to cause damage to international relations of the Commonwealth.
- Section 47F of the Act provides a **Personal Privacy Exemption** if such disclosure would involve the unreasonable disclosure of personal information about any person.

Any opposition has been on the basis on one or more of the reasons above. Decisions about the production of documents are ultimately a matter for the relevant Department or Minister.

10. Does Qantas work with a lobbying firm called SEC Newgate?

SEC Newgate is not engaged by Qantas.

11. Provide specifics of the contact Qantas senior executives, the government relations team or others tasked with interaction with government had with the Government in relation to the Qatar application and anything relevant to the Qatar application, including with the Prime Minister, Ministers, the Prime Minister's office or Ministerial offices.

As outlined before the Committee and in our submission, Qantas regularly engages with the Federal Government, Opposition and crossbench on a range of issues. This is typical for a large corporate entity and necessary for one operating in one of the most tightly regulated sectors in Australia.

In accordance with its normal process, the Department of Infrastructure routinely asks stakeholders, including Qantas, for their view on bilateral traffic rights negotiations and Qantas has engaged with those processes under successive governments. Consultation on bilateral air services agreements is conducted on a confidential basis.

The key argument in our October 2022 submission was that international flying would continue to return in a progressive and sustainable way, and that the immediate doubling of any one airline's traffic rights would negatively impact that. More broadly, the return of international capacity and its implications for tourism and fares was regularly discussed with advisers in the Prime Minister's office and the offices of Minister King and Minister Farrell, with Qantas sharing market data showing the

steady build back of its capacity (both international and domestic) and (for the international market) that of other airlines. This was chiefly related to discussions about when fares were expected to fall. Correspondence on this issue has been the subject of FOI applications and Senate orders for the production of documents.

The application by QCAA was by no means a significant focus of Qantas' attention at this time, particularly when compared to major issues such as industrial relations reform. To assist the Committee and help contextualise this, our Submission to the Committee includes detail on the key topics we were discussing with Government.

In support of our response to the Department of Infrastructure, Qantas' Government Relations team discussed the QCAA application with staff / advisers in the Department of Infrastructure, the Prime Minister's office, Minister King's office and Minister Farrell's office, but not the Ministers themselves or the Prime Minister.

12. Did Mr Goyder have any contact with the Prime Minister's office, any other office or with other officials of government – departmental heads or anybody else – about the Qatar application?

No.

13. Is it right that Qantas flew to Fiji, but Fiji withdrew the number of flights?

Qantas and Jetstar both operate services to Fiji pursuant to the Australia-Fiji air service agreement. Jetstar commenced services in 2010 and Qantas commenced operations in 2019 (after a twenty year pause in services). Qantas is not aware of a reduction in the capacity available under the air services agreement. However, Fiji is an example of a market where Qantas would like access to additional air traffic rights, but to date this has not been agreed as part of bilateral air service agreement negotiations between the respective governments.

14. What date was Qantas asked for its view on whether it supported the continuation of the ACCC monitoring regime? Was your attitude conveyed in an email in the form of a written submission?

In the period leading up to the conclusion of the ACCC's three year Domestic Airlines Monitoring regime, Qantas was asked for its view on the extension of the program on a number of occasions.

On 8 September 2022, David Cranston, the co-lead of the ACCC's Airline Competition Taskforce, approached Qantas asking for its view on the merits or otherwise of a possible extension of the former Treasurer's direction. Qantas representatives spoke to David Cranston on 9 September 2022.

The extension of monitoring (or otherwise) was also discussed including during Qantas' regular meetings with the Department of Infrastructure, which are also attended by representatives from Treasury.

15. Is there anything that would change Qantas' position on not agreeing to an extension of the ACCC monitoring regime?

Any decision on the reinstatement of the ACCC's domestic airline monitoring is a matter for Government.

The profound uncertainty that drove the introduction of the monitoring in 2020, including Virgin Australia's entry into administration, has now resolved. The 12 reports of the ACCC's Airline Monitoring Team make no findings of anticompetitive behaviour and confirm that the industry that emerged from the pandemic was more competitive than it had ever been, with Rex expanding onto mainline routes and the entry of Bonza.

The end of domestic airline monitoring does not mean that airlines are not subject to regulatory oversight. Quite the contrary. As the ACCC Chair confirmed in her appearance before the Committee on 22 September 2023, the ACCC is a vigorous and effective regulator and has extensive investigative powers that it does not hesitate to use whenever it is concerned about potential breaches of competition or consumer law.

While Qantas remains unconvinced about the benefits for consumers from the previous monitoring program, Qantas accepts that there is a perception that industry oversight of some sort would restore public confidence in the sector. Qantas looks forward to engaging with the Aviation Green Paper process to discuss frameworks for industry-wide monitoring that would deliver for consumers.

16. How often have you supported a foreign carrier being granted fifth freedom rights that isn't a codeshare partner?

Approaches from foreign governments to update air services arrangements are commonplace. Qantas, along with other airlines and stakeholders, is asked to provide input on such applications and this is typically provided on a confidential basis. It would therefore be inappropriate to outline views that Qantas submitted to the Department of Infrastructure as part of this process, however it is fair to say that Qantas does not uniformly object.

17. What percentage and what numbers of Qantas passengers traveling through to the Middle East and Europe are carried by Emirates?

For the period between September 2022 and August 2023, 36 per cent of the Qantas passengers travelling to Europe and 78 per cent of the Qantas passengers travelling to the Middle East were carried by Emirates.

The Australia-Europe market is extremely well served via hubs other than the Middle East, including Singapore, Hong Kong, Bangkok, Kuala Lumpur, Guangzhou, Shanghai and Beijing. Of these, Singapore and China have open skies arrangements with Australia, and the others have liberal capacity arrangements in place.

18. Have any of your government relations team received any bonuses, rewards, or other recognition as a result of the rejection of the Qatar application?

No.

19. Did Qantas at any time following its awareness of the decision to reject the Qatar application provide talking points to government senators or members, Minister King's office, the office of the Treasurer or the office of the competition minister?

No.

20. Has the Qantas Group been in contact with the Department about the Turkey and Vietnam FOI request?

Qantas would like to clarify evidence given during its appearance on 27 September 2023.

On 9 June 2023 the Department of Infrastructure approached Qantas regarding possible discussions with Vietnam and Turkish aeronautical authorities. At this time, we understand no formal request had been received from the Turkish aviation authority. On 7 July 2023 Qantas provided its views in a submission.

Over the past few weeks Qantas has been asked to review documents which are the subject of a number of FOI requests. Some FOI requests related to a number of documents. There was no FOI application specific to Turkey and Vietnam, but documents relating to this request have been

considered. Decisions about the production of documents are ultimately a matter for the relevant Department or Minister.

While we strongly believe in the confidentiality that typically applies to these submissions, given the underlying premise of the question we confirm that Qantas' response to the Department in July 2023 said that we would have no objection to fifth freedom rights being extended to Turkey.

SENATOR DAVID POCOCK

21. How many staff are there in your government relations team, including admin and support roles?

The Qantas Group's Government, Industry and International Affairs team has seven members. Of this group, three members of the team have specific responsibility for Federal Government issues while others manage State government and broader industry affairs, including interactions with governments in other jurisdictions where the Qantas Group operates.

22. What is the total budget (salaries, travel, etc) for your government relations team?

The budget of the Corporate Affairs team within which the Government, Industry and International Affairs team sits is commercial in confidence.

23. How many other Qantas employees, including the executive, have sponsored passes to Parliament House? Who are the sponsoring MPs or Senators for those passes?

Six. These passes have been sponsored by Senator the Hon Simon Birmingham, the Hon Barnaby Joyce MP, the Hon Michael McCormack MP, the Hon Catherine King MP, Mr Julian Leeser MP and Senator Andrew Bragg.

24. How many Australian Public Servants have access to the Chairman's Lounge?

Qantas offers Chairmans Lounge membership to Secretaries and Deputy Secretaries of Commonwealth Departments, the Chairs, Chief Commissioners and CEOs of key agencies and senior members of the military. Membership of the lounge is by invitation, which can be accepted or declined. Qantas does not divulge membership details of any of its lounges, so this question is best directed the Departments and Agencies.

25. What is Qantas' policy about senior public servants having access to the Chairman's Lounge? Is there a policy? Who at Qantas decides which public servants to issue passes to?

See the response to question 24 above.

26. How many staff in the Department of Infrastructure, Transport, Regional Development, Communications and the Arts have access to the Chairman's Lounge?

Qantas offers Chairmans Lounge membership to Secretaries and Deputy Secretaries of Commonwealth Departments. Membership of the lounge is by invitation, which can be accepted or declined. Qantas does not divulge membership details of any of its lounges, so this question is best directed to the Department of Infrastructure.

27. Do any personal Ministerial staff have their own personal access to the Chairman's Lounge?

This question is best asked of the Ministerial offices themselves as Qantas does not divulge membership details of any of its lounges.

28. How many free upgrades has Qantas given over the last 12 months? How many of these upgrades were to politicians or public servants?

For privacy reasons, we are unable to disclose personal information regarding flights taken by individuals. However, as part of the normal course of business, our most frequent flyers may be upgraded on certain flights. Whether this occurs will depend on factors such as seat availability in premium cabins and Frequent Flyer status. It is up to Members and Senators to update their Register of Interests, as appropriate.

29. What percentage of JobKeeper went through to Qantas employees? What percentage didn't?

While for most employers JobKeeper was entirely a wage subsidy, for Qantas it was a safety net for the 22,000 staff who were stood down for much of the pandemic. About half of the JobKeeper received by Qantas went straight to staff, with the remainder a subsidy for those staff still working.

30. What other support did Qantas receive from the Federal Government in addition to fee-for-service flights and JobKeeper?

In addition to fee-for-service flights and JobKeeper, Qantas received direct support from the Federal Government under the following industry-wide packages:

- Retaining Domestic Airline Capability program;
- International Aviation Support program;
- Australian Airline Financial Relief Package (AAFRP), including the subsequent 50 per cent waiver of Airservices Australia charges once the AAFRP ended;
- Domestic Airports Security Costs Support; and
- Tourism Aviation Network Support.

Please find [linked](#) further information on these programs.

31. SEC Newgate would have done an attestation for the lobbyist register a few months ago saying Qantas are one of their clients. Is this an administrative error on their behalf or has Qantas engaged them recently or have some sort of ongoing arrangement with them?

SEC Newgate is not engaged by Qantas.

32. Has Qantas engaged any other registered lobbyists in the last 5 years? If so, who and when?

Not in Australia.

33. When was Qantas management informed of Damian Callachor's decision to leave Qantas to take a job as Chief of Staff for the then Federal Minister Michael McCormack?

12 March 2018.

34. On what date did Mr Callachor give formal notice to Qantas?

12 March 2018.

35. How many weeks was he required to give as part of his employment contract with Qantas?

Four.

36. How many weeks' notice did he actually give?

Two. While Mr Callachor's contract required him to provide four weeks' notice, the contract allowed for the reduction of the notice period by agreement.

37. When was Mr Callachor's last paycheck, or any other payment, from Qantas?

15 March 2018 for the period 1 March to 23 March 2018.

38. Has Qantas made representations (directly or through lobbyists) to the Federal Government ministers, ministerial officers or Federal Government Departments about the building of an east coast high speed rail at any time over the last two decades? If so, please provide details of the representations, including (a) when they were made; (b) who made them; (c) to whom representations were made and (d) any documents, including emails and text messages in which representations are made.

The following is an excerpt from the Hansard for the Senate Select Committee on the Cost of Living from 28 August 2023:

Senator ALLMAN-PAYNE: During your tenure as CEO, have you ever lobbied the federal government against progressing high-speed rail?

Mr Alan Joyce: No, we have never lobbied against high-speed rail.

Senator ALLMAN-PAYNE: That includes anyone else in your organisation?

Mr Alan Joyce: There are 22,000, so I'm not sure if somebody else has a different view, but we haven't.

Mr Andrew McGinnes: No.

No engagement has occurred on this issue following Qantas' appearance before the Senate Select Committee on the Cost of Living on 28 August 2023.

39. How many classic rewards flights were used by customers from August 2018 to August 2019?

Approximately 2.68 million seats were flown using a Classic Reward redemption and around 526,000 Classic Upgrades were flown.

40. How many classic rewards flights have been used by customers over the last 12 months (August 2022 to August 2023)?

Approximately 3.23 million seats were flown using a Classic Reward redemption and around 472,000 Classic Upgrades were flown.

41. How much has Qantas invested in Sustainable Aviation Fuels in the last 5 years?

Sustainable Aviation Fuel is a key part of the Qantas Group's Climate Action Plan and central to achieving its interim targets and net zero by 2050.

Managing climate change is now built into how the Qantas Group does business and we recognise the role we play in driving the development of the solutions needed to decarbonise our industry and protect the future of travel.

As a part of this commitment, Qantas has launched a AUD\$400 million Climate Fund investment dedicated to developing the solutions we need to meet our sustainability targets and reduce our impact on the planet – in the air and on the ground.

The Qantas Climate Fund brings together ~AUD\$290 million jointly committed by Qantas and Airbus in June 2022 as well as a further AUD\$110 million Qantas Group investment in sustainability projects and technologies across sustainable aviation fuel, high integrity offsets, carbon removal technology

and efficiency and waste reduction. Together, this represents the largest sustainability investment initiative of any airline globally.

This investment is in addition to the establishment of the Qantas SAF Coalition, which was launched with five founding members and allows corporate customers to reduce their emissions through SAF.

SENATOR THE HON BRIDGET MCKENZIE

- 42. Does Qantas have a corporate policy position to support or oppose when invited to make submissions to the Government regarding the granting of the Fifth Freedom rights by the Australian Government for international airlines (or national carriers of nations) that do not currently hold that freedom?**

No.

- 43. Does Qantas have an existing policy position to support or oppose the granting of the Fifth Freedom rights by the Australian Government for Turkish Airlines?**

Approaches from foreign governments to update air services arrangements are commonplace and are likely to accelerate after a COVID-period hiatus. Qantas, along with other airlines and stakeholders, is asked to provide input on such applications and this is typically provided on a confidential basis.

On 9 June 2023 the Department of Infrastructure approached Qantas regarding possible discussions with Vietnam and Turkish aeronautical authorities. On 7 July 2023 Qantas provided its views in a confidential submission. Documents relating to the air services arrangements between Australia and Turkey have been considered as part of recent FOI requests.

While we strongly believe in the confidentiality that typically applies to these submissions, given the underlying premise of the question, we confirm that Qantas' response to the Department in July 2023 said that we would have no objection to fifth freedom rights being extended to Turkey.

- 44. Has Qantas made any representations to the Australian Government since 15 March 2020 that have related to applications for Turkish Airlines to be granted Fifth Freedom rights? If so, did Qantas support or oppose that proposal?**

Qantas would like to clarify evidence given during its appearance on 27 September 2023.

Please see responses to questions 20 and 43.

- 45. Who in Qantas was in charge of the negotiations between Qantas and Prime Minister Albanese's office to agree to assist the Labor Government's Yes Campaign?**

See responses to Questions 2 and 3 above. There was no negotiation with the Prime Minister's office. Qantas came to its own decision.

- 46. When was the date secured for the Prime Minister to attend the August 14 launch of the Qantas yes livery?**

See response to question 1 above.

- 47. On what date did Qantas agree to participate in the 'Yes' campaign for the Prime Minister's Voice referendum?**

See responses to Questions 2 and 3 above.

- 48. In evidence provided to the Committee in response to the question who made the decision for Qantas to support the 'Yes' campaign for the Prime Minister's Voice referendum, Mr Goyder**

advised the Board endorsed a recommendation from management (Hansard 27 September 2023, page 57). Who in the Qantas organisation and Management made the request for a recommendation to go to the Board and who signed off on that recommendation being part of the Board papers?

As outlined in other information provided to the Committee, Qantas has a long history of supporting Indigenous reconciliation with, and constitutional recognition of Aboriginal and Torres Strait Islander people. This includes support for constitutional recognition with livery on aircraft in 2014, publicly supporting Uluru Statement from the Heart in 2019, and making a [submission](#) to the Interim Voice co-design report that said (in part):

“We believe most Australians, like Qantas, will support the Enshrined Voice — it is a pathway forward for a more unified and reconciled nation. This substantive constitutional recognition is an opportunity for Australia to participate in a historic moment that will shape our nation for generations to come.”

The proposal to formalise Qantas’ support of the Indigenous Voice through aircraft livery was raised with the Board by the then Group CEO and Stephanie Tully (Chair of Qantas’ First Nations Internal Advisory Council and former Group Chief Customer Officer) as a recommendation by management at its 20 April 2023 Board meeting, and was endorsed by the Board.

Qantas is proud to support both the Yes23 campaign and the Uluru Dialogue and sees the referendum as a positive step forward in closing the gap and for advancing reconciliation in Australia.

49. Did any member of Qantas staff speak to the recommendation to support the ‘Yes’ campaign at the Board meeting that endorsed the recommendation, and if so, who was that staff member?

As set out above, the long-standing support by Qantas for reconciliation and constitutional recognition of with Aboriginal and Torres Strait Islander people, including through a constitutionally enshrined Voice to Federal Parliament, was proposed, presented and led in presentations and discussions with the Board by Alan Joyce (then Group CEO) and Stephanie Tully (Chair of Qantas’ First Nations Internal Advisory Council and former Group Chief Customer Officer), but contributed to, and supported by, all members of the Group Management Committee.

50. On what date did Qantas decide to brand Qantas planes with ‘Yes’ campaign livery?

See responses to Questions 2 and 3 above. Ways of supporting the Indigenous Voice to Parliament campaign were canvassed from early 2022 and is in line with other causes we have supported (from breast and prostate cancer awareness, to Marriage Equality, to Indigenous Recognition).

51. What is the total cost of in-kind donations to the Yes Campaign, including repainting the planes, and free flights to Yes Campaigners?

Qantas’ support of AICR (Yes23) and Uluru Dialogue for the purposes of the referendum has not concluded.

Qantas will lodge a return with the Australian Electoral Commission that provides details of relevant expenditure incurred during the referendum expenditure period as required by the *Referendum (Machinery Provisions) Act 1984*.

To date, the total support of flights across both campaigns has been around \$300,000 of in-kind support.

52. How does Qantas verify who the ‘Yes’ campaign members are who are able to take advantage of the free flights and other hospitality provided by Qantas? What is the process?

Contracts between AICR (Yes23) and Uluru Dialogue for the provision of contra tickets are subject to the following Eligible Travellers for Contra Tickets terms:

Contra Tickets may only be used on Australian domestic travel by Partner Parties travelling on Official Business. Official Business means domestic travel involving, management and operation of the Partner's business.

The contracts are subject to audit.

53. Has Qantas declared its in-kind donations to the Yes campaign to the Australian Electoral Commission?

The Qantas Group's support of AICR (Yes23) and Uluru Dialogue for the purposes of the referendum has not concluded.

The Qantas Group will lodge a return with the Australian Electoral Commission that provides details of relevant expenditure incurred during the referendum expenditure period as required by the *Referendum (Machinery Provisions) Act 1984*.

To date, the total support of flights across both campaigns has been around \$300,000 of in-kind support.

54. What are the grounds in Australia for the police – either the Australian Federal Police or Border Force – to demand the evacuation of a flight at an Australian airport?

This question should be directed to the Australian Federal Police (**AFP**) and Australian Border Force who have decision making powers under legislation which pertain to criminal, counter terrorism and emergency situations.

Qantas is unaware of a particular regulation that permits the AFP or Border Force to demand the evacuation of a flight at an Australian airport. However, the AFP and all State and Territory Police have a range of general powers under Commonwealth and State legislation to direct persons in respect of emergency or criminal situations, which may, depending on the circumstances, extend to the evacuation of an aircraft.

55. If an evacuation was demanded by Australian Police or Border Force, does the airline operating the plane – or the Captain – have to agree to the request, or can they decline?

There is no specific aviation related legislation requiring airlines to respond to such a request. Qantas would discuss the circumstances of such a request with the AFP and then determine its response.

56. On what grounds would a Captain and flight crew have to decline or contest an evacuation order?

A request would be declined if the Captain determined that the safety of the aircraft and/or its passengers and crew would be at risk.

57. What role would Qantas staff undertake in the event Australian Federal Police or Border Force ordered the evacuation of a plane at an Australian airport?

Should the decision be made to evacuate an aircraft at an Australian airport, Qantas staff would assist in disembarking the passengers and holding them at the gate until such time as they could reboard and resume their journey. Depending on the circumstances, Qantas would communicate the reasons for the delay to the passengers.

58. Noting Australia has a Single Aviation Market agreement with New Zealand that provides 'open skies' and the opportunity to provide Australian domestic services (cabotage) for Air New Zealand, on 17 September 2023 in preparing for this Inquiry, my office used the Air New

Zealand and Qantas websites to search for flights to Perth on Monday 18 September 2023 offered by Air New Zealand and Qantas. Air New Zealand have not taken up the opportunity to sell cabotage.

- a. **Air New Zealand offered an Auckland to Perth, via Melbourne service, arriving 3.35 pm in Perth, with Qantas flying the Melbourne to Perth leg. The economy fare was A\$970. The same Melbourne to Perth domestic flight was advertised by Qantas at A\$800 for economy Red e-deal or \$915 economy flex.**
- b. **Air New Zealand offered a Christchurch to Perth via Melbourne, again with Qantas flying the Melbourne to Perth leg.**
- c. **For a flight arriving in Perth at 3.35 pm Air New Zealand charged A\$854 economy. For the same domestic Melbourne to Perth flight Qantas charge \$800 red e-deal or \$915 flex economy.**
- d. **For a flight arriving in Perth at 11.40 am (with less layover in Melbourne), Air New Zealand charged A\$964 economy. For the same domestic Melbourne to Perth flight, Qantas charged A\$949 flex economy (no red e-deal option).**
- e. **How is it that Qantas can charge Australian domestic customers up to 90% of the cost of a whole New Zealand to Perth flight including connection, just for the domestic Australian leg of the trip?**

There are many factors that airlines consider when determining airfares. These include, but are not limited to, their network structure, the customer segments they serve, the service they offer, the viable Origin-Destination (O&D) markets that their network (and partner airlines' networks) enable, the demand for each O&D market across travel dates and booking periods (which are typically up to one year) and the collective demand across all of these O&Ds, supply, price elasticity, cost, the country of booking and of course, competitive considerations.

Without knowing the specifics of the scenarios posed (notably, demand and inventory state of the Air New Zealand trans-Tasman feeder flights and other competitive pricing in market), the question is likely a case of a more general practice that many network-based airlines use to provide competitive pricing and amenity to customers, while at the same time striving to ensure sustainable operations in a very competitive, highly capital intensive and low margin industry. In the cases above, it is worth noting that the Australian domestic fares offered by Qantas are subject to 10 per cent GST, which the Air New Zealand flights are not.

Air New Zealand is best placed to respond in respect of its pricing approach and it would not be appropriate for Qantas to speculate.

59. Given Qantas' dominant position in the Australian domestic market, why does Qantas believe its submissions to the Government seeking to influence public policy should be treated as confidential documents?

Confidentiality in submissions to government is not new, unusual or untoward, especially when commercially sensitive information is disclosed.

60. Can Qantas provide this Committee with the dates of all engagements with the Albanese Government on air services agreements, including the Qatar Civil Aviation Authority application?

Approaches from foreign governments to update air services arrangements are commonplace and unremarkable. Qantas, along with other airlines and stakeholders, is asked to provide input on such applications and this is typically provided on a confidential basis.

Please see the answer to Question 11 for further information.

61. Almost all witnesses to this Inquiry have called for greater transparency on air services agreements and for the Government's reasons to be published when decisions are made. Does Qantas support this proposal?

The release of reasons for decisions relating to air services arrangements is a matter for the Australian Government. Qantas would not object to increased transparency, provided no commercial in confidence material was included but we note that these are bilateral discussions with international comity considerations.

62. What is Qantas' view on the recommendations of the Harris Review into the Sydney Airport Demand Management System?

- a. Which recommendations do you support?
- b. Which recommendations are supported with amendments or conditions?
- c. Which recommendations are not supported?

Qantas made a [submission](#) to the Sydney Airport Demand Management Discussion Paper on 11 December 2020 and in June 2023 provided input on subsequent consultation by the Department of Infrastructure on particular options being considered.

Sydney Airport is a critical piece of national infrastructure and ensuring its capacity is utilised efficiently, competitively and sustainably for regional, domestic and international services must be a key priority for Government.

The Qantas Group has broadly supported the recommendations of the Harris Review, most of which are aimed at increasing the efficiency of Sydney Airport and ensuring closer alignment with the Worldwide Airport Slot Guidelines. That is in the best interests of the industry and the travelling public, because it will ultimately reduce delays and costs.

Qantas does not support recommendation 4.1 to expand the definition of "regional" on the basis that further evaluation and validation of the data is required. Other than that, we are either supportive or neutral on the remainder of the recommendations.

63. With significant investments being undertaken and planned by several airports – Melbourne's third runway, Brisbane Airport's new runway, Western Sydney International Airport – does Qantas believe it would be optimal and orderly to establish demand management arrangements at any other major Australian airport?

Qantas does not support bespoke demand management practices similar to the *Sydney Airport Demand Management Act 1997*. Rather, Qantas recommends using WASG global standards and principles to facilitate capacity at each airport, especially as it relates to seasonal capacity constraints within the airport and aviation system. (Indeed, some of the reforms proposed by the Harris Review are aimed at bringing the current rules used at Sydney in line with this global standard.)

Individual airport season on season demand management in line with the WASG process is best practice. It is already in place in Brisbane, Perth, Adelaide, Darwin and Cairns. However, there is a broader question of total system demand management that is missing at the Federal level that needs to be addressed.

Most airports around the world have capacity setting meetings with all aviation system stakeholders prior to seasonal slot filings. In the current regulatory framework, airports can independently forecast demand and the infrastructure they feel is required at their airport. However, this is not necessarily aligned across the whole of the aviation system and can lead to overbuilds of infrastructure that are not able to be fully utilised because the system bottleneck has simply been shifted. Capacity setting meetings occur at some airports in Australia but this should be adopted across the country to manage season on season airport supply and demand.

Qantas notes that broader policy on national airport infrastructure and its long-term planning are being addressed in the Aviation White Paper.

64. What is the cumulative value of interest gained by Qantas Group on the holding of flight credits held over since COVID?

The approach that Qantas takes to Revenue Received in Advance (RRIA) is consistent with most businesses that receive cash in advance of goods or service delivery. COVID credits were reported as part of RRIA.

COVID credits have never been isolated from other Qantas Group cash, nor were they used to repay debt (as reflected in reported cash balances throughout COVID that far exceeded outstanding COVID credits).

Accordingly, any interest that might be said to have accrued on the declining balance of outstanding COVID credits during this period is not reasonably capable of being segregated or itemised with any degree of certainty.

In any event, interest rates were exceptionally low during the vast majority of this time.

65. Does Qantas consider itself to be a national carrier and if so, what does that mean technically for the company?

Qantas is a designated Australian carrier and accordingly a national carrier.

This is relevant because an Australian carrier must be designated by Australia before it is able to operate international air services. Australian carriers seeking designation need to comply with the provisions of Australia's bilateral air services agreements, including the requirement that they are substantially owned and effectively controlled by Australian nationals.

Subsection 11 of the *Air Navigation Act 1920* requires an Australian international airline to advise the extent, if any, of foreign airline shareholdings. Qantas is subject to the additional ownership and control rules set out in the *Qantas Sale Act 1992*. Qantas is the only Australian designated carrier that is Australian owned. Virgin is, in substance, and technically, 100 per cent foreign owned.

Qantas believes the role of a national carrier goes well beyond technical designation. Qantas was founded in Australia over 100 years ago and has shifted from private hands, to government ownership and back into private hands (as a publicly listed company). In that time, including many times in recent years, Qantas has stepped in at times of national crisis – from bringing Australians home from conflict zones overseas to transporting first responders and equipment in the face of natural disasters. Qantas is often referred to as part of the “national infrastructure” because we have (and will always) go above and beyond in the national interest, and we are proud of that.

66. Is the ‘national carrier’ designation associated with the airline maintaining its majority (51%) Australian ownership?

Designation as an Australian international airline under Australia's bilateral Air Services Agreements is subject to an airline meeting the designation criteria relevant to the agreement.

Traditionally, this included ‘ownership and control’ criteria, with Australian carriers required to be majority Australian owned and controlled. More recently, however, ‘incorporation and principal place of business’ criteria have been negotiated into a number of Australia's bilateral agreements and these criteria focus on where an airline is based and which country has effective regulatory oversight of the airline rather than on who owns the equity of the company.

67. Has Qantas ever exceeded the 49% cap on foreign ownership?

The *Qantas Sale Act 1992* requires that the Qantas Constitution contain a provision that acts to “prevent foreign persons having relevant interests in shares in Qantas that represent, in total, more than 49 per cent of the total value of the issued share capital of Qantas”. Clause 2.2(b) of the Qantas Constitution gives effect to that prohibition, supported by divestiture provisions that would, if the 49 per cent cap is exceeded, see the shares of foreign persons compulsorily sold to bring foreign ownership back below the 49 per cent cap.

Qantas monitors foreign ownership through a separate foreign ownership register on a constant basis, requiring foreign shareholders to lodge Foreign Ownership Notices, and regularly “tracing” such holdings to maintain an accurate log. The most recently disclosed foreign ownership level was reported by Qantas in its 2023 Half-Year results on 23 February 2023, at 24.37 per cent.

Since Qantas was privatised in 1995, there has been only one short window – May-August 2003 – in which the 49 per cent foreign ownership cap has been exceeded. At that time, before Qantas could implement the divestiture provisions referred to above, the level of foreign ownership dropped again below the 49 per cent cap and has remained below it ever since.

QANTAS RESPONSE TO SENATOR SHELDON QUESTIONS ON NOTICE

- 1. Qantas has previously said it amassed a total of \$2 billion in COVID era credits. Please confirm, including all Qantas Group airlines and customers based both in Australia and overseas:**
 - a. The total sum value of credits and/or refunds that were owed;**
 - b. The total number of individual credits and/or refunds that were owed (or put differently – how many fares were cancelled);**
 - c. The total number of individuals who were owed credits and/or refunds.**

As a result of COVID period lockdowns and border closures, a COVID period high of \$2 billion in credits was accrued across millions of bookings for Qantas Group airlines and customers based both in Australia and overseas.

- 2. What is the current dollar value of all remaining customer credit held by Qantas Group, including credits redeemable as flight credits and credit redeemable as a refund, including customers based in Australia and overseas, and including Qantas, Jetstar and any other Qantas Group airline?**
 - a. Separately, please breakdown that total figure by:**
 - i. The percentage of that total eligible to be claimed for a cash refund, the percentage of that total only eligible to be claimed for a flight credit, and the percentage of that total owed to customers not within either of those categories (if applicable – please specify).**
 - ii. The percentage of that total owed to Qantas customers, the percentage of that total owed to Jetstar customers, and the percentage of that total owed to any customers not within either of those categories (if applicable – please specify).**
 - iii. The percentage of that total owed to Australia-based customers, the percentage of that total owed to customers based outside Australia, and the percentage of that total owed to any customers not within either of those categories (if applicable – please specify).**

As at 25 September 2023, the total COVID credit balance had reduced by almost 75 per cent from a COVID period high of \$2 billion to \$541 million. That figure continues to fall.

The remaining \$541 million in credits consists of:

- \$342 million belonging to Qantas customers in Australia;
- \$88 million belonging to Jetstar customers in Australia; and
- \$111 million belonging to Qantas and Jetstar customers overseas.

Of this total, more than a third is connected to bookings made through travel agents, who are responsible for contacting their clients directly.

On 31 August 2023, Qantas announced the removal of expiry dates on all COVID credits. This means that customers holding a Qantas COVID credit can request a cash refund at any point in the future and customers with a Jetstar COVID voucher can use it for travel indefinitely.

There are now around 1 million bookings across the Group that haven't been used or refunded.

Qantas has taken a number of steps to remind customers to use their COVID credits. The steps taken include:

- Sending monthly direct communications to COVID Flight Credit holders with reminders and usage assistance;
- Making regular appeals via mainstream media for people to use their credits, particularly in connection with sales;

- Offering double frequent flyer points to incentivise credit usage;
- Establishing a Travel Credits Hub which is a one-stop destination for all information relating to flight credits;
- Providing enhanced support, including a Credit Concierge, which provides customers with a dedicated help line with specially trained staff;
- Prominently positioning a credit banner on our websites to direct customers to relevant information;
- Providing financial incentives for travel agents to encourage their customers who hold credits to use them; and
- Launching the 'Find My Credit' online tool to help customers who may have lost their original credit details.

As at 25 September 2023, 78 per cent of the remaining credits are Qantas COVID credits and the remaining 22 per cent are Jetstar flight vouchers.

3. How many, and what percentage, of individual credits (or put differently – how many cancelled fares) have still not been refunded or redeemed for a booking?

a. Separately, please breakdown that total figure by:

- How many, and what percentage, of individual credits are eligible to be redeemed for a refund, how many and what percentage of individual credits can only be redeemed for a flight credit, and how many and what percentage do not fit within either of those categories (if applicable – please specify).**
- How many, and what percentage of individual credits are owed to Qantas customers, how many and what percentage are owed to Jetstar customers, and how many and what percentage do not fit within either of those categories (if applicable – please specify).**
- How many, and what percentage of individual credits are owed to Australia based customers, how many and what percentage of individual credits are owed to customers based outside Australia, and how many and what percentage do not fit within either of those categories (if applicable – please specify).**

From a COVID period high, there are now around 1 million bookings across the Group that haven't been used or refunded.

Since the Group's announcement on 31 August 2023:

- 100 per cent of Qantas customers with COVID credits can request a cash refund indefinitely; and
- 100 per cent of Jetstar customers can use their COVID vouchers for flights indefinitely.

4. How many, and what percentage, of people are still owed a flight credit or refund?

a. Separately, please breakdown that total figure by:

- How many, and what percentage, of those individuals are entitled to a refund, how many and what percentage are only entitled to a flight credit, and how many and what percentage do not fit within either of those categories (if applicable – please specify).**
- How many, and what percentage of those individuals are owed credits/refunds for Qantas flights, how many and what percentage are owed for Jetstar flights, and how many and what percentage do not fit within either of those categories (if applicable – please specify).**
- How many, and what percentage of those individuals are based in Australia, how many and what percentage are based outside Australia, and how many**

and what percentage do not fit within either of those categories (if applicable – please specify).

See responses to questions above.

Since the Group's announcement on 31 August 2023:

- 100 per cent of Qantas customers with COVID credits can request a cash refund indefinitely; and
- 100 per cent of Jetstar customers can use their COVID vouchers for flights indefinitely.

5. How much has Qantas earned in interest or any other form of income, on revenue collected for flights cancelled during COVID-19 lockdowns and border closures?

The approach that Qantas takes to Revenue Received in Advance (RRIA) is consistent with most businesses that receive cash in advance of goods or service delivery. COVID credits were reported as part of RRIA.

COVID credits have never been isolated from other Qantas Group cash, nor were they used to repay debt (as reflected in reported cash balances throughout COVID that far exceeded outstanding COVID credits).

Accordingly, any interest that might be said to have accrued on the declining balance of outstanding COVID credits during this period is not reasonably capable of being segregated or itemised with any degree of certainty.

In any event, interest rates were exceptionally low during the vast majority of this time.

6. With respect to Qantas' announcement on 31 August 2023, titled 'Qantas Group Removes Expiry Date on COVID Credits', please advise:

a. 'COVID travel credits' are defined as bookings up to and including 30 September 2021. How and why did Qantas decide on this cutoff date?

In September 2021, Qantas notified customers that for bookings made on or after 1 October 2021, customers seeking to cancel their booking for a flight credit would be subject to the usual conditions applying to customer-initiated flight credits before the pandemic. This change coincided with the announcement of Australia's international border re-opening and the relaxation of restrictions in some parts of Australia. Qantas considered this to be the appropriate cut-off date for COVID travel credits.

b. Noting Sydney's lockdown did not end until 11 October 2021, Melbourne's lockdown did not end until 21 October 2021, and international borders did not fully reopen until 21 February 2022, why does the cutoff not extend until these dates?

From 1 October 2021, as travel restrictions relaxed and customers had more opportunities to use their flight credits as border closures were lifted, Qantas moved towards "BAU" conditions for customers cancelling their flight for a credit.

While the Omicron variant increased the number of COVID-19 cases in the community during this period, it did not lead to an increase in border closures or travel restrictions and multiple options were available for customers to delay or cancel their travel if they preferred to do so or if they had COVID-19 related health requirements (including Qantas' "Fly Flexible" and "Fly Well" programs).

c. The announcement says that Qantas cannot automatically refund people's credit cards because "Given bookings that have been converted into COVID credits date back to 2019, most credit cards used have expired by now, meaning the funds will bounce back if we attempt to refund onto them." Please advise:

- i. **Are customers purchasing tickets with their credit card required to provide their card expiry date, as is normal when making online purchases by credit card?**
- ii. **Does Qantas retain customers' payment details, including credit card details, and specifically including credit card expiry date details?**
- iii. **If Qantas does have visibility of the expiry of customers' credit cards, why can Qantas not directly refund unexpired cards?**

In Qantas' experience, it is not practical to simply refund monies to the original form of payment without instruction from the customer, nor would it necessarily produce a good outcome for the customer.

By way of illustration, given these COVID Flight Credits were created, in some instances, more than three years ago, a pro-active refund to the original form of payment is likely to result in a large number of returned funds due to customers having changed banking/credit card details (with most credit cards expiring every three to five years, but often sooner including for fraud prevention and lost/stolen cards). The risk of customer funds being stuck in 'limbo' is high.

Instead, Qantas believes the better approach is to ask customers to call the Contact Centre, where the refund will then be processed by specially trained staff to the customer's correct bank account or current credit card.

7. **An article on the ABC News Website published on Tuesday 29 August titled 'As Alan Joyce prepares to take flight from Qantas, taxpayers are left to foot the bill', said:**

"During Alan Joyce's 15-year reign, Qantas hasn't paid any tax. In fact, it has the enviable record of getting more back from the Australian Tax Office than it's ever handed across."

"The numbers work out like this: The airline has shelled out \$2.65 billion to the taxman over those years. But that's been swamped by credits from the Tax Office to the tune of \$2.93 billion."

Please confirm:

- a. **Is it correct that Qantas has paid \$2.65 billion in tax during Mr Joyce's 15-year tenure? If not, please advise the correct sum and the calculations required to get to this sum.**
- b. **Is it correct that Qantas has received credits worth \$2.93 billion from the ATO during Mr Joyce's 15-year tenure? If not, please advise the correct sum and the calculations required to get to this sum.**

Qantas has not been provided with the calculations behind the \$2.65 billion or \$2.93 billion referenced in the ABC's [article](#). However, we believe that the ABC may have arrived at those numbers from adding the Qantas Group's 'income tax expense' and 'income tax benefit' amounts from the Income Statements of Qantas Group Financial Statements from 2009 to 2023.

'Income tax expense' and 'income tax benefit' do not represent the Qantas Group's tax position, nor tax payments made to the Australian Tax Office.

The amounts reported by the ABC for 'income tax expense' and 'income tax benefit' are accounting concepts defined within the accounting standard AASB112 to represent income tax at the Australian corporate income tax rate in respect of statutory profit and loss for the period, adjusted for amounts that are permanently non-deductible or non-assessable under the tax laws.

Income tax expense and benefit do not reflect the actual income tax payable or recoverable from the Australian Tax Office as it ignores timing or temporary difference adjustments. Temporary

differences include adjustments made for the rate of depreciation on assets (such as aircraft) between the accounting rules and the tax rules.

In assessing the Qantas Group's tax position over the last 15 years, the focus should be on tax cash paid, tax losses incurred and tax losses utilised.

The Qantas Group began publishing an annual Tax Transparency Report in 2015. This report outlines all forms of tax paid in Australia and overseas, with Australian taxes covering Corporate Tax, Payroll Tax, FBT, Net GST (net of collected and remitted/paid and reclaimed), withholding taxes and Ticket Taxes/Fees/Charges. Since 2015 the Qantas Group has published eight Tax Transparency Reports. Over this time, the Qantas Group has paid/collected a total of \$18.8 billion in Australian taxes. Excluding PAYG reduces the total amount of Australian taxes collected and remitted since 2015 from \$18.8 billion to \$12.9 billion.

The data from 2009 to 2014 (prior to commencing publishing the Tax Transparency Reports) is not readily available. However, expanding the coverage would result in a significantly higher amount of Australian taxes paid/collected.

For the 15 years from FY09 to FY23 inclusive, the Qantas Group has paid \$556 million in corporate tax. This includes a net \$145 million referable to 2009 and \$411 million paid across FY19 and FY20.

The Qantas Group expects to re-commence the payment of income tax instalments prior to 30 June 2024.

- 8. On 20 September, the Qantas Board announced that \$14.4 million of Mr Joyce's final bonus could be clawed back "if considered necessary", with reference to the outcome of the ACCC prosecution.**

Please advise:

- a. What quantum of money has been docked from Mr Joyce by the Board, as a consequence of the High Court and two Federal Court cases ruling that Qantas illegally sacked almost 1,700 people?**
- b. What quantum of money is being withheld from Mr Joyce by the Board for now, as a consequence of the High Court and two Federal Court cases ruling that Qantas illegally sacked almost 1,700 people?**
- c. What quantum of money has been docked from any other Qantas executive or board member as a consequence of the High Court and two Federal Court cases ruling that Qantas illegally sacked almost 1,700 people?**
- d. What quantum of money has been withheld from any other Qantas executive or board member for now, as a consequence of the High Court and two Federal Court cases ruling that Qantas illegally sacked almost 1,700 people?**

The [2023 Annual Report](#) provides:

Given the challenges currently facing Qantas, the Board has exercised the following discretion on the 2022/23 STIP outcome for the CEO and all Executive Management who were members of the Group Management Committee (GMC) for the whole or any part of the year ending 30 June 2023.

- the Customer Target outcome moved from a small achievement to a zero achievement (2 out of 20 to zero out of 20).*
- The Board has determined that there will be a 20 per cent downward adjustment in the 2022/23 STIP assessed outcomes.*
- In addition, in light of the Australian Competition and Consumer Commission (ACCC) proceedings advised to Qantas on 31 August 2023 and the High Court finding on 13 September 2023, the Board has determined to delay delivery of the 2022/23 STIP award. The final STIP award outcome will be determined once the Board has further information.*

8a and 8b - Alan Joyce

\$590,240 has been deducted from Alan Joyce's Short Term Incentive Plan remuneration in FY23.

	STIP Outcome Impact of 2% Scorecard reduction	STIP Outcome Impact of 20% overall reduction	Total 2022/23 STIP Award reduction	Total 2022/23 STIP Award withheld
Joyce, Alan	\$ 43,400	\$ 546,840	\$ 590,240	\$ 2,187,360

\$2,187,360 has been withheld from Alan Joyce's Short Term Incentive Plan (STIP) remuneration in FY23.

In addition, a further \$8.3 million of the total adjusted FY23 income of \$21.4 million is subject to clawback should the Board determine that necessary. When combined with additional long-term incentives already granted, a total of \$14.4 million is subject to clawback if considered necessary (see table below).

CEO Remuneration subject to Malus or Clawback

The Remuneration Framework, which delivers rewards to executives in a mixture of cash and deferred or restricted shares, also provides the Board with the mechanisms to apply significant remuneration consequences through malus and/or clawback. The following table sets out the amount of both restricted and unvested equity on which this may be applied if determined by the Board that this is justified.

	Plan	Number of Shares	Number of Rights	Value of Shares and Rights ¹ \$'000	Deferral / Restriction Date / Test Date
Alan Joyce	2022/23 STIP ²	-	-	-	
	2021-2023 LTIP	1,349,000	-	8,364	August 2024
	2022-2024 LTIP ³		626,110	3,882	August 2024
	2023-2025 LTIP ³		353,956	2,195	August 2025
	Total	1,349,000	980,066	14,441	

¹ Interest in shares or rights as at 30 June 2023 multiplied by the Qantas share price of \$6.20 at 30 June 2023.

² The CEO's STIP award has not been finalised as the Board has determined to delay its decision as to whether to approve the vesting of the STIP until it has further information available.

³ Rights awarded under the 2022-2024 LTIP and 2023-2025 LTIP are subject to performance hurdles that are yet to be tested. The Rights may vest and convert to shares at the end of the performance period subject to the achievement of the original respective performance conditions. Any shares allocated following the vesting are subject to a one-year trading restriction. The value shown is an indicative value assuming full vesting; the actual vesting outcome may vary and could be nil.

8c and 8d – Other Qantas Executives

\$2,635,775 has been deducted from Group Management Committee STIP remuneration in FY23 (including the \$590,240 for Alan Joyce). No deductions have been applied to Board fees.

	STIP Outcome Impact of 2% Scorecard reduction	STIP Outcome Impact of 20% overall reduction	Total 2022/23 STIP Award reduction	Total 2022/23 STIP Award withheld
Total KMP (including Alan Joyce)	\$ 119,194	\$ 1,501,844	\$ 1,621,038	\$ 6,007,376
Total Non-KMP	\$ 74,613	\$ 940,124	\$ 1,014,737	\$ 3,760,496
Total	\$ 193,807	\$ 2,441,968	\$ 2,635,775	\$ 9,767,872

\$9,767,872 has been withheld from Group Management Committee STIP remuneration in FY23 (including the \$2,187,360 for Alan Joyce). Nothing has been withheld from Board fees.

9. In Mr Joyce's opening statement, he said Qantas was "within 11 weeks of insolvency" during the COVID pandemic. Please advise:
- Is Qantas required to inform the market if it believes it is imminently insolvent?
 - On what date was Qantas aware that it was within weeks of insolvency?
 - On what date(s) did Qantas advise the market that it was within weeks of insolvency?
 - On what date(s) did Qantas advise the Federal Government that it was within weeks of insolvency?

- e. **Please provide copies of Qantas' public announcement that it was imminently insolvent, and copies of Qantas' correspondence informing the Federal Government that it was imminently insolvent.**

Qantas is well aware of its disclosure obligations.

Qantas Management undertook well documented actions to manage the business' liquidity, including but not limited to selling assets, grounding and retiring aircraft, raising equity and restructuring. Please see ASX announcements of [25 March 2020](#), [5 May 2020](#) and [25 June 2020](#).

- 10. Did Qantas lobby or otherwise discuss Qatar's 2018 application for additional air rights, the 2022 decision to grant Qatar some air rights, or the provision of anti-dumping clause into international air services agreements (with Qatar or any other State), with the Turnbull or Morrison Governments? If yes, please advise:**

- a. **The Ministers or Ministerial offices Qantas engaged with**
- b. **The dates of these engagements**
- c. **Whether Mr Joyce was directly involved in these engagements (specify separately for each engagement)**

In accordance with its normal process, the Department of Infrastructure routinely asks stakeholders, including Qantas, for their view on bilateral traffic rights negotiations and Qantas has engaged with those processes under successive governments. Consultation on bilateral air services agreements is conducted on a confidential basis.

- 11. Please provide copies of all correspondence between Qantas and the Turnbull or Morrison Governments relating to:**

- a. **Qatar Airways' 2018 application for additional air rights**
- b. **The 2022 decision to grant Qatar Airways some additional air rights**
- c. **The insertion of anti-dumping clauses into international air services agreements, in relation to Qatar or any other country.**

Consultation on bilateral air services agreements is conducted on a confidential basis.

- 12. Did any Minister in the Morrison Government raise concerns with Qantas about the illegal sacking of 1,700 ground staff in 2020? If yes please advise which ministers, and at what date?**

As outlined before the Committee and in our Submission, Qantas regularly engages with the Government on a range of issues. This is typical for a large corporate entity and necessary for one operating in one of the most tightly regulated sectors in Australia.

- 13. Please provide copies of all correspondence with the ACCC with respect to the alleged sale of tickets for flights which had already been cancelled, including any correspondence informing Qantas of the investigation, seeking information from Qantas, informing Qantas of the decision to prosecute, and any other related correspondence.**

- a. **If Qantas intends to claim some sort of privilege or confidentiality over the correspondence, provide the basis for each document, and at the very least provide the date of each item of correspondence.**

The correspondence in respect of the ACCC's investigation is now the subject of legal proceedings. It contains commercially confidential information which was provided to the ACCC on a strictly confidential basis, including by claiming confidentiality under s 155AAA of the Competition and Consumer Act 2010 (Cth) (the **Act**) in respect of material provided in response to notices issued under s 155(1)(a) and (b) of the Act. The disclosure of such information would put Qantas at a significant, ongoing competitive disadvantage and may materially prejudice its position in respect of the legal proceedings.

14. Please provide a copy of all documentation relating to the clawback mechanism referred to in the most recent Qantas annual report, with respect to Mr Joyce's remuneration and bonuses, including documentation setting out the policy, and any documentation relating to how the policy is being exercised with respect to Mr Joyce.

Qantas' remuneration framework provides the Board with mechanisms to apply remuneration consequences through malus and clawback.

The Clawback Policy applies in the event of serious misconduct or a material misstatement in Qantas' financial statements. In that event the Board may:

- Determine that an Executive forgo some or all awards otherwise due under the STIP;
- Deem some or all STIP shares which are subject to a deferral period and/or additional one-year trading restriction, be forfeited;
- Cause some or all long-term incentive plan (**LTIP**) Rights which have not yet vested to lapse or LTIP Rights which have vested and converted to shares that are subject to a trading restriction to be forfeited; and/or
- In the case of serious misconduct, cancel any post-employment benefits for the relevant employee(s) where possible.

In 2014 the Remuneration Committee performed a review of the STIP and LTIP terms and conditions and modified them to better enable Qantas to clawback remuneration in accordance with the policy. These changes were applied to all new plans from 1 July 2015. Further details can be found on page 40 of the [2015 Annual Report](#).

The clawback provisions were further updated in 2019 to strengthen the Board's ability to apply clawback by broadening the definition of circumstances in which clawback would apply to unvested and vested equity. These changes were applied to all new plans from 1 July 2019. Further details can be found on page 37 of the [2019 Annual Report](#).

The [2023 Annual Report](#) outlines how the policy is being exercised with regard to 2022/23 Executive Remuneration and plans that are still on foot and (subject to performance) may vest in the future.

15. Please provide a copy of all documentation relating to the business case for the illegal outsourcing of 1,700 ground workers.

All documentation relating to the 2020 decision to outsource Qantas' remaining ground handling operations was, and remains, the subject of legal proceedings before the Federal Court. It contains commercially confidential information, which was provided under, and remains subject to, the Rules of the Federal Court on the basis of their strict confidentiality, relevance, legal professional privilege and prejudice protections. The disclosure of such information would cut across those fundamental protections, thereby materially prejudicing Qantas' position.

16. Has there been any correspondence between ASIC and Qantas, including Mr Joyce or any other executive or director, with respect to Mr Joyce's sale of \$17 million worth of shares on 1 June 2023. If yes, please advise the dates and nature of the correspondence.

No.