12 September 2024

ASX Market Announcements Office
Australian Securities Exchange Limited

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2024 Annual Report

Qantas Airways Limited, in accordance with the ASX Listing Rules, attaches its 2024 Annual Report.

Authorised for release by Qantas' Board of Directors.

Media Enquiries: Qantas Media +61 418 210 005 qantasmedia@qantas.com.au
Investor Relations Enquiries: +61 416 058 178 filipkidon@qantas.com.au

QANTAS

Annual Report 2024


QANTASLINK

Contents

Financial and Operational Highlights

$2.08 billion
Underlying Profit Before Tax

$1.25 billion
Statutory Profit After Tax

Up to **$400 million**
Additional Shareholder Distributions

$230 million
Additional Customer Investment in FY24

Qantas **+10pts**
Jetstar **+8.8pts**
On-Time Performance[1]

Qantas **+22pts**
Jetstar **+19pts**
Customer Net Promoter Score[2]

1 Percentage of domestic flights that departed on time in 4Q24 compared to 2Q24.
2 Domestic and International Net Promoter Scores 4Q24 compared to 2Q24.

Five-Year History

FINANCIAL PERFORMANCE[1]

		2024	2023	2022	2021[2]	2020
Revenue and other income	$M	21,939	19,815	9,108	5,934	14,257
Statutory Profit/(Loss) Before Tax	$M	1,884	2,472	(1,191)	(2,299)	(2,708)
Statutory Profit/(Loss) After Tax	$M	1,251	1,744	(860)	(1,692)	(1,964)
Underlying Profit/(Loss) Before Tax	$M	2,078	2,465	(1,859)	(1,774)	124
Underlying Earnings/(Loss) Before Interest and Tax (EBIT)	$M	2,279	2,682	(1,558)	(1,473)	395
Operating Margin	%	10.4	13.5	(17.1)	(24.8)	2.8
Statutory Earnings Per Share	cents	75.9	96.0	(45.6)	(89.9)	(129.6)
Return on Invested Capital (ROIC)	%	57.9	103.6	(31.6)	(21.4)	5.8
Share price at 30 June	$	5.85	6.20	4.47	4.66	3.78
Dividend per share[3]	cents	–	–	–	–	–
Cash flow from operations	$M	3,441	5,085	2,670	(386)	1,083
Net Free Cash Flow[1]	$M	554	2,460	2,430	(1,108)	(488)
Net on balance sheet debt	$M	3,311	1,998	2,617	4,609	3,173
Net Debt	$M	4,106	2,885	3,937	5,890	4,734
Net capital expenditure	$M	3,148	2,666	398	693	1,571
Shareholder distributions[3]	$M	869	1,000	–	–	647
Unit Revenue (RASK)	c/ASK	11.20	12.29	9.48	9.72	8.99
Total unit cost[4]	c/ASK	(9.73)	(10.19)	(13.16)	(15.76)	(8.87)
Ex-fuel unit cost[4]	c/ASK	(5.97)	(6.30)	(9.64)	(12.67)	(6.22)

STATISTICS

		2024	2023	2022	2021	2020
Available Seat Kilometres (ASK)	M	141,357	117,258	50,633	29,374	111,870
Revenue Passenger Kilometres (RPK)	M	116,895	97,693	34,363	18,557	92,027
Passengers carried	'000	51,798	45,725	21,257	15,866	40,475
Seat Factor	%	82.7	83.3	67.9	63.2	82.3
Aircraft at end of period		347	336	322	315	314

1 Refer to the Review of Operations on pages 11 to 23 for definitions and explanations of non-statutory measures.
2 2021 has been restated for the impact of the adoption of the IFRIC agenda decision in relation to cloud computing.
3 Dividend per share is reported as the interim and final dividend in relation to the relevant financial year. Shareholder distributions includes dividends paid and share buy-backs and are reported in the year the equity distribution is recognised.
4 Total unit cost is net expenditure (Underlying PBT excluding ticketed passenger revenue) per ASK. Ex-fuel unit cost is net expenditure excluding fuel, share of profit/(loss) of investments accounted for under the equity method and discount rate changes on provisions, per ASK.

Chair's Message

This time last year, I assured shareholders that we were acutely aware of the need to rebuild confidence in Qantas after the Group fell short in important areas of our business.

We immediately moved to introduce changes to reset relationships with our stakeholders, particularly customers and employees, and improve our operational performance.

While there is much work still to be done, 12 months later I am pleased to report that we have seen material improvement in our operational reliability and customer satisfaction.

Delivering for all stakeholders

Over the course of the year, the Group has made a series of investments in customer experience, our loyalty program, and our operations to ensure we consistently deliver the level of service our customers expect from the national carrier.

These initiatives have resulted in customer satisfaction improving for both Qantas and Jetstar.

Along with continued demand for travel, this helped the Group deliver a strong financial result, with an Underlying Profit Before Tax of $2.08 billion and a Statutory Profit After Tax of $1.25 billion.

The Qantas Group's 2023/24 financial performance also demonstrates the strength of the Group's integrated portfolio, including our dual-brand airline strategy and Frequent Flyer program.

We know that continuing to generate sustainable profits remains central to our ability to invest in our people, our customers and our new fleet at the same time as delivering returns to our shareholders.

Accountability

In October 2023 the Qantas Board commenced a process of independently reviewing key governance matters over the previous 12 months. The review considered the decision-making and governance processes that led to loss of trust amongst stakeholders and, in August this year, we shared the findings.

While the review revealed no findings of deliberate wrongdoing, it confirmed that mistakes were made by the Board and Management that contributed to the Group's significant reputational and customer service issues.

The Board and Management team are committed to implementing the 32 recommendations of the review in full, and many of these are underway or already completed.

This includes making changes so that the Board receives more detailed reporting on customer metrics, employee engagement and key stakeholder relations. We have also strengthened Board consultation and approval required for involvement in significant stakeholder and community issues.

Informed by these findings, the impact of the Australian Competition and Consumer Commission legal proceedings and the High Court finding in relation to breaches of the *Fair Work Act* when Qantas outsourced ground handling work, the Board applied its discretion to reduce relevant bonuses for current and former Executives. Details of this and further changes to the Executive Remuneration Framework are outlined in our Remuneration Report on page 32.

Chair's Message continued

Renewal

The past year has seen an accelerated pace of renewal at both the Board and Senior Management level.

New CEO Vanessa Hudson has brought to the role a thoughtful, open-minded approach and is resetting the leadership culture of the business. I am confident that she has the right experience, personal qualities and vision to lead the Group through its next exciting chapter.

Supporting her is a largely refreshed leadership team, with a mix of external and internal talent appointed to lead key business units.

Maxine Brenner and Jacqueline Hey retired from the Board in February 2024, and I thank them for their dedication after serving as directors for more than a decade. Experienced company director Dr Nora Scheinkestel joined the Board in March and assumed the role of Chair of the Remuneration Committee.

After six years in the role, I will also complete my tenure as Chair of Qantas in September 2024. I would like to thank my fellow Board members, past and present, for their support and friendship.

Having worked with Chair-Elect John Mullen over recent months, I know he is an exceptional leader who is deeply motivated to restore Qantas to its rightful place as the trusted national carrier. I wish him calm skies and all the best for the period ahead. Both John and Nora's appointments are subject to shareholder approval at the AGM.

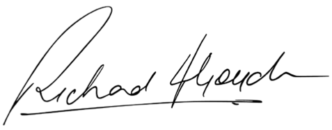
It has been a privilege to lead the Group over this period. Despite the unprecedented challenges of the past four years, the airline's foundations are strong and its future remains bright.

On the horizon

While there will be challenges ahead, I firmly believe that Qantas is putting the right pieces in place to succeed for the long term.

With two world-class brands in Qantas and Jetstar, an airline loyalty scheme that is second-to-none, a growing freight business, a strong balance sheet, a passionate workforce, and a pipeline of investment that will ultimately change the way Australians connect with each other and the world, the foundations are strong.

I look forward to watching the Group deliver for customers, employees, shareholders and the wider community for decades to come.



Richard Goyder AO

CEO's Message

During the 2023/24 financial year, Qantas has focused on getting the balance right between delivering for customers, employees and shareholders.

The Annual Report 2024 reflects how far we have come in the past 12 months with the Group achieving many of its targets, helping build a better, stronger Qantas. However, we all know there is more to do.

Investing in our customers and our operations

Last year, we invested an additional $230 million in the customer experience; lifting on-time performance, fixing customer pain points, rewarding loyalty and ensuring that we became an easier airline to deal with.

This included improving our digital experience and the way we manage customer recovery during disruptions. We also revamped our onboard food and beverage offering and invested in one of the biggest expansions of our Frequent Flyer program in 35 years with the launch of Classic Plus.

We have focused heavily on improving our on-time performance, with punctuality lifting significantly at both Qantas and Jetstar. Qantas' on-time performance was particularly strong in the fourth quarter, nearing long-term averages with 80 per cent of flights departing on time, while 74 per cent of Jetstar flights departed on time.

Combined with our significantly improved operational performance, our Net Promoter Score increased by 22 points for Qantas and 19 points for Jetstar.

These improvements underpin strong financial performance and enabled us to continue to return capital to shareholders.

Investing in our fleet

Generating ongoing strong financial results is central to the Group's ability to reinvest in our fleet, deliver a better flying experience, and create more opportunities for our people.

Last year, we took delivery of eight new passenger aircraft, including the Group's first Airbus A220. This aircraft is around 25 per cent more fuel efficient per seat and 50 per cent quieter than the aircraft it replaces. It is also a step up in passenger comfort and that has been reflected in the response from customers.

Our fleet renewal program accelerates this year, with 20 new passenger aircraft set to be delivered across the Group, including the first Qantas A321XLR.

Investing in our people

Our frontline workforce has been central to coming up with – and then implementing – many of the customer initiatives we have introduced. They are core to our success, and I thank them for their dedication and support of our customers and each other, often in difficult circumstances.

Across the Group, we have seen extraordinary efforts from our people. From everyday interactions with our customers to the teams who stepped up to help fly Australians out of Israel following the events of 7 October, the dedication and commitment of our workforce has come to the fore.

Our people are our greatest asset and we will continue to invest in them, including through recruitment and training. Over the past 12 months, as our flying increased, we welcomed another 2,000 employees, and we will see 6,000 frontline employees participate in leadership development programs across the coming year.

CEO's Message continued

Continuous improvement

Last year we flew more than 50 million passengers for the first time since the pandemic, and we are adding more destinations to our network. This includes our non-stop Perth-Paris flights, which continue to build on the success of our London and Rome services.

The demand for these flights continues to give us confidence in our ultra long-haul strategy to make Perth our western gateway, and for Project Sunrise as our A350s arrive from mid-2026.

These are both great examples of the opportunities that lie ahead for the Group as we continue to invest in our people, fleet and customers.

Finally, I would like to thank Qantas Group Chair Richard Goyder for his contribution to the business over the past six years. He was instrumental in guiding the Group through one of its darkest periods, and we're fortunate to have had someone of his experience at the helm. On behalf the entire Group, I wish him and his family all the best for the future.

> Our people are our greatest asset and we will continue to invest in them, including through recruitment and training.

Vanessa Hudson

Vanessa Hudson

Board of Directors

Richard Goyder AO

BCom, FAICD

Independent Non-Executive Director and Chair

Age: 64

Richard Goyder was appointed to the Qantas Board in November 2017 and as Chair in October 2018.

He is Chair of the Nominations Committee.

Mr Goyder is Chair of Woodside Energy Group Ltd, the Australian Football League Commission, the West Australian Symphony Orchestra, and of the Channel 7 Telethon Trust. He is an honorary Member of the Business Council of Australia, and a Fellow of the AICD.

Mr Goyder was the Managing Director and CEO of Wesfarmers Limited from July 2005 to November 2017. He also previously held the roles of Finance Director between 2002 and 2004, and Deputy Managing Director and CFO between 2004 and 2005.

Mr Goyder was also formerly Chair of the Australian B20 (the key business advisory body to the World Economic Forum which includes business leaders from all G20 economies) and JDRF Australia.

Mr Goyder will retire as a Director and Chair of the Board, effective 16 September 2024.

Vanessa Hudson

BBus, CA

Qantas Group Chief Executive Officer and Managing Director

Age: 54

Vanessa Hudson was appointed as Qantas Group Chief Executive Officer and Managing Director on 6 September 2023.

She is a Member of the Safety, Health, Environment and Security Committee. Ms Hudson is also a Director of a number of controlled entities of the Qantas Group.

Ms Hudson was previously Group Chief Financial Officer for four years, including through the pandemic and the airline's recovery.

She served as Qantas' Chief Customer Officer, with responsibilities spanning all aspects of the customer experience and strategy.

Joining Qantas in 1994, she has held a variety of senior commercial, customer and finance roles across the Group, in Australia and overseas, including Executive Manager of Sales and Distribution, Senior Vice President for Qantas across the Americas and New Zealand, Executive Manager of Commercial Planning and Executive Manager for Product and Service. In these various roles, her responsibilities ranged from sales channels, revenue management and network planning, to transformation in catering, airports and network.

Ms Hudson has a Bachelor of Business and was admitted as a Member of the Institute of Chartered Accountants in 1994.

John Mullen

BSc

Independent Non-Executive Director and Chair-Elect

Age: 69

John Mullen was appointed to the Qantas Board in April 2024.

He is a Member of the Safety, Health, Environment and Security Committee.

Mr Mullen is currently Chair of Brambles Ltd. and Treasury Wine Estates.

Previously, Mr Mullen was Chair of Telstra Group Ltd and Chair of Toll Holdings.

Mr Mullen has extensive experience in international transportation and logistics, with more than two decades in senior positions with some of the world's largest transport and infrastructure companies. From 2011 to 2016, he was Chief Executive Officer of Asciano, Australia's largest ports and rail operator and prior to this, Mr Mullen spent 15 years with DHL Express, serving as the global Chief Executive Officer from 2005 to 2009.

Prior to DHL, Mr Mullen spent 10 years with the TNT Group, with four years as the Chief Executive Officer of TNT Express Worldwide based in the Netherlands.

Former appointments also include the US National Foreign Trade Council in Washington (2008–2010), and Member of the UNICEF Task Force on Workplace Gender Discrimination and Harassment (2018–2019).

Mr Mullen will become Chair of the Qantas Board, following Mr Goyder's retirement, effective 16 September 2024.

Board of Directors continued

Belinda Hutchinson AC

BEc, FCA, FAICD

Independent Non-Executive Director

Age: 71

Belinda Hutchinson was appointed to the Qantas Board in April 2018.

She is Chair of the Audit Committee, a Member of the Nominations Committee and a Member of the Safety, Health, Environment and Security Committee.

Ms Hutchinson is currently a Non-Executive Director of Thales Australia.

Ms Hutchinson was also Chancellor of the University of Sydney from February 2013 until June 2024 and Chair of the Future Generation Global Investment Company between May 2015 and June 2021.

She has over 30 years' experience in the financial services sector, working in senior roles at Citibank and Macquarie Group. Ms Hutchinson also has extensive board experience. She was formerly Chair of QBE Insurance Limited, a Director of Telstra Corporation Limited, Coles Group Limited, Crane Group Limited, Energy Australia Limited, TAB Limited, Snowy Hydro Trading Limited, Sydney Water and AGL Energy.

Ms Hutchinson was awarded a Companion of the Order of Australia (AC) in 2020 in recognition of her service to business, tertiary education and scientific research, and for her philanthropic endeavours to address social disadvantage.

Doug Parker

BEc, MBA

Independent Non-Executive Director

Age: 62

Doug Parker was appointed to the Qantas Board in May 2023.

He is a Member of the Remuneration Committee and a Member of the Safety, Health, Environment and Security Committee.

Mr Parker was CEO of American Airlines from 2013 to March 2022, and Chair of the Board until April 2023.

Previously, Mr Parker was Chair and CEO of US Airways. He has served as Chair, President and CEO of America West Airlines prior to the merger of US Airways and America West in 2005.

Mr Parker was also previously Vice President, Assistant Treasurer and Vice President of Financial Planning and Analysis for Northwest Airlines. From 1986 to 1991, he held several financial management positions with American Airlines.

He is a Member of the Vanderbilt University Board of Trust, the SMU Cox School of Business Executive Board, and the Medal of Honour Museum Foundation Board of Directors.

Mr Parker earned a Bachelor of Arts in Economics from Albion College in 1984 and a Master of Business Administration from Vanderbilt University in 1986.

Todd Sampson

MBA, BA (Hons)

Independent Non-Executive Director

Age: 54

Todd Sampson was appointed to the Qantas Board in February 2015.

He is a Member of the Remuneration Committee and a Member of the Audit Committee.

Mr Sampson was Executive Chair of the Leo Burnett Group from September 2015 to January 2017, and National Chief Executive Officer from 2008 to 2015. He was also a Director of Fairfax Media Limited from 2014 to 2018.

Mr Sampson has over 20 years' experience across marketing, communication, new media and digital transformation. He has held senior leadership and strategy roles for a number of leading communication companies in Australia and overseas, including as Managing Partner for D'Arcy, Strategy Director for The Campaign Palace and Head of Strategy for DDB Needham Worldwide.

Board of Directors continued

Dr Heather Smith PSM

BEc (Hons), PhD, FAIIA
Independent Non-Executive Director
Age: 59

Dr Heather Smith was appointed to the Qantas Board in August 2023.

She is a Member of the Remuneration Committee and a Member of the Audit Committee.

Dr Smith is a Non-Executive Director of ASX Limited and Challenger Limited. She is also a Fellow and National President of the Australian Institute of International Affairs. Dr Smith has extensive experience in public policy, innovation and technological change, national security and economic reform and a deep knowledge of government and the public sector.

She has close to 20 years' experience working in the Australian Public Service at senior levels, culminating in being Secretary of the Department of Industry, Innovation and Science from 2017 to 2020. She has also previously served as Secretary of the Department of Communications and the Arts. Dr Smith has also held senior positions in the departments of Prime Minister and Cabinet, Foreign Affairs and Trade, and the Treasury, as well as the Office of National Intelligence. Dr Smith began her career at the Reserve Bank of Australia.

Dr Smith has a PhD in Economics from the Australian National University (ANU), and was formerly a Professor at the ANU National Security College. She is also an independent director of the Reef Restoration and Adaptation Program.

Antony Tyler

BA (Jurisprudence)
Independent Non-Executive Director
Age: 69

Antony Tyler was appointed to the Qantas Board in October 2018.

He is Chair of the Safety, Health, Environment and Security Committee, and a Member of the Nominations Committee.

Mr Tyler was Director General and Chief Executive of the International Air Transport Association from 2011 to 2016. Prior to this, Mr Tyler spent over 30 years with Cathay Pacific Airways Limited. His career includes several management and Executive roles in Hong Kong, the UK, Italy, Japan, Canada, the Philippines and Australia before serving in the role of Chief Executive Officer from 2007 to 2011.

He is a Non-Executive Director of Bombardier Inc, BOC Aviation Limited and Trans Maldivian Airways Limited and a Fellow of the Royal Aeronautical Society.

Dr Nora Scheinkestel

LLB (Hons), PhD, FAICD
Independent Non-Executive Director
Age: 64

Dr Nora Scheinkestel was appointed to the Qantas Board in March 2024.

She is Chair of the Remuneration Committee and Member of the Audit Committee. Dr Scheinkestel is currently a Non-Executive Director of Brambles, Westpac Banking Corporation and Origin Energy.

She is an experienced company director with 30 years' experience as a Non-Executive Chair and Director of companies in a wide range of industry sectors, including the public, government and private sectors. Previous directorships of publicly listed companies include Telstra Corporation Limited (2010–2022), the Atlas Arteria Group (2014–2020), which she chaired, Ausnet Services Ltd (2016–2022), Orica Limited, Newcrest Limited, Pacific Brands Limited and Stockland Group.

She is a published author, has worked as an Associate Professor in the Melbourne Business School at Melbourne University and is a former Member of the Takeovers Panel.

Dr Scheinkestel was awarded a centenary medal for services to Australian society in business leadership. She holds a Doctor of Philosophy and a Bachelor of Law (Hons) from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors.

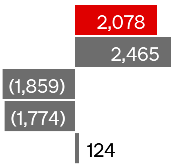
Review of Operations

For the year ended 30 June 2024

RESULTS HIGHLIGHTS

Underlying Profit Before Tax

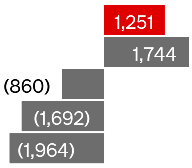
2,078 $M



FY24	**2,078**
FY23	2,465
FY22	(1,859)
FY21	(1,774)
FY20	124

Statutory Profit After Tax

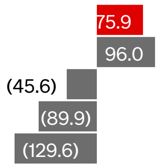
1,251 $M



FY24	**1,251**
FY23	1,744
FY22	(860)
FY21	(1,692)
FY20	(1,964)

Statutory Earnings Per Share

75.9 cents



FY24	**75.9**
FY23	96.0
FY22	(45.6)
FY21	(89.9)
FY20	(129.6)

The Qantas Group (referred to as the Qantas Group or the Group) reported Underlying Profit Before Tax[1] (Underlying PBT) of $2,078 million for financial year 2023/24, a $387 million reduction compared to financial year 2022/23. The Group's Statutory Profit Before Tax was $1,884 million, a reduction of $588 million compared to financial year 2022/23. Statutory Profit After Tax was $1,251 million and included the impact of the ACCC[2] settlement and associated costs, the additional provision in relation to the ground handling outsourcing Federal Court case and Perth Airport related asset disposals that were not included in Underlying PBT.

Other key financial metrics:

- Statutory Earnings Per Share of 75.9 cents per share
- Group operating margin[3] of 10 per cent
- Operating cash flow of $3,441 million
- Net capital expenditure[4] of $3,148 million

The result included the continued restoration of international flying capacity, with total Group ASKs[5] at 93 per cent of pre-COVID levels for financial year 2023/24, an increase of 21 per cent compared to financial year 2022/23.

Ongoing strength in travel demand supported performance with Group Domestic EBIT of $1,361 million and Group International Underlying EBIT of $755 million. Qantas Loyalty maintained its positive momentum, achieving $511 million Underlying EBIT and included the impact of customer investment in Classic Plus Flight Rewards (Classic Plus), a new flight rewards product. Freight performance was challenged in the first half of 2023/24, as yields moderated with performance improved in the second half.

Group Unit Revenue[6] fell 9 per cent, predominantly driven by Group International, with ongoing moderation in yields as market capacity returned. Unit cost excluding fuel[7] fell 6 per cent due to the benefits of returning capacity and the removal of temporary costs from financial year 2022/23 offset by incremental customer investment.

The Group's fleet renewal program continued with the delivery of 16 aircraft, including five new A321LRs, one new 787-9, two new A220-300s, three mid-life A319-100s, three mid-life A321-200 freighters and two mid-life A320-200s. In addition, the Group added two A330s and eight E190s through wet-lease arrangements with Finnair and Alliance Airlines. With 13 next-generation A321LRs now in the fleet, Jetstar is seeing fuel and scale efficiencies, reduced emissions and increased customer and employee sentiment from this new technology. Alongside the growth in new aircraft deliveries, the Group has delivered significant upgrades to enhance the customer flying experience, including improvements to food and beverage offerings on Qantas and the launch of Apple Pay on Jetstar. The Group has also announced plans for a cabin refresh and the rollout of Wi-Fi for select Qantas international fleet which is expected to launch by the end of the first half of financial year 2024/25.

For Group Domestic operations, the dual brand strategy continued to be core to the Group's strategic proposition, with leading offerings maintained across all key segments of the market. The Group Domestic Underlying EBIT margin[8] for the financial year 2023/24 was 14 per cent. Qantas Domestic delivered an Underlying EBIT of $1,063 million, achieving an EBIT margin of 15 per cent. Performance was driven by strength in corporate and small and medium-sized enterprises (SME) markets offset by continued investments in customer and operations, transitional costs related to delays in exit of 717 fleet and entry into services costs associated with the A220 fleet. These investments in customer and operations have improved on-time performance and NPS[9]. Jetstar's domestic network delivered an Underlying EBIT of $298 million, and an EBIT margin of 11 per cent. Performance was supported by stable leisure demand and continued strength in ancillary revenue.

[1] Underlying Profit Before Tax (Underlying PBT) is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making bodies (CODM), being the Chief Executive Officer, Group Leadership Team and the Board of Directors, for the purpose of assessing the performance of the Group. The primary reporting measure of the Qantas Domestic, Qantas International, Jetstar Group and Qantas Loyalty operating segments is Underlying Earnings Before Net Finance Costs and Income Tax Expense (Underlying EBIT). The primary reporting measure of the corporate segment is Underlying PBT as net finance costs are managed centrally. Refer to the reconciliation of Underlying PBT to Statutory Profit Before Tax on page 13.
[2] Australian Competition and Consumer Commission
[3] Operating Margin is Group Underlying EBIT divided by Group total revenue.
[4] Net capital expenditure is equal to net investing cash flows in the Consolidated Cash Flow Statement and the impact to Invested Capital from the disposals/acquisitions of leased aircraft.
[5] Available Seat Kilometres – total number of seats available for passengers, multiplied by the number of kilometres flown.
[6] Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by Available Seat Kilometres (ASK).
[7] Underlying PBT less ticketed passenger revenue and fuel per ASK.
[8] Underlying EBIT divided by Total Revenue, also referred to as operating margin.
[9] Net Promoter Score. Customer advocacy measure.

Review of Operations continued

For the year ended 30 June 2024

RESULTS HIGHLIGHTS (CONTINUED)

The Group's international airline operations performed well despite unit revenue moderating with the restoration of capacity. Qantas International (including Freight) reported an Underlying EBIT of $556 million. The network continued to evolve with the commencement of new routes such as Sydney to New York (via Auckland) and increased deployment of ultra long-haul point-to-point services. The consistent delivery of revenue premium from Perth to London and Perth to Rome supported confidence for Project Sunrise, with the first delivery of the A350-1000 ULR aircraft expected from mid 2026. Jetstar's international network reported an Underlying EBIT of $199 million with a strong increase in profitability driven by ongoing leisure demand strength and the launch of routes, including Sydney to Osaka and Brisbane to Seoul. Unit revenue in Group International decreased by 11 per cent compared to financial year 2022/23, which included the impact of incremental capacity growth into lower unit revenue markets and lower premium mix on aircraft returning to service. The Group International (including Freight) operating margin for financial year 2023/24 was 7 per cent.

Qantas Loyalty continued its strong performance, delivering an Underlying EBIT of $511 million with 202 billion points earned and 171 billion points redeemed.[10] The result demonstrates the program's unrivalled proposition, with the strength of the program reflected by a 14 per cent growth in active members, with 46 per cent of members engaging with the program through two or more products. Cash performance was maintained at strong levels, with over $2 billion in gross cash receipts in financial year 2023/24. Drivers include strong growth across financial services products and diversified portfolio earnings, with the launch of the new Classic Plus expected to drive further acceleration of the Qantas Loyalty earn and burn flywheel[11].

The Group's Financial Framework remained core to the Group's strategy, driving sustainable financial strength to support investment and shareholder returns whilst maintaining flexibility to deal with changes in external factors. As at 30 June 2024, Net Debt[12] under the Financial Framework was $4.1 billion, within the lower half of the Group's target range of $3.9 billion to $4.9 billion for financial year 2023/24. Management have reviewed the settings of the Financial Framework and confirmed that they continue to be appropriate.

During financial year 2023/24, the Group completed $869 million of the $900 million on-market share buy-back announced in financial year 2023/24 at an average price of $5.57 per share. The remaining $31 million has been completed in the first half of financial year 2024/25. In August 2024, the Board resolved to announce an on-market share buy-back of $400 million to distribute surplus capital given all pillars of the Financial Framework have been met.

The Qantas Group experienced a number of management changes and accelerated the transition to a new CEO in financial year 2023/24. The new leadership team has prioritised listening to and supporting frontline staff, with the establishment of Customer Champion Councils to help identify improvement opportunities and refreshed policies and toolkits to empower frontline employees to recover customers during disruption. Support for staff was also provided through the implementation of roster improvement programs, the launch of development programs for frontline leaders and increased parental leave for primary and secondary carers.

The new leadership team also accelerated investment in customer initiatives to address customer pain points. These initiatives aim to provide an exceptional flying experience, seamless digital interactions, faster recovery when things don't go to plan and unrivalled rewards for customer loyalty. Investments in operational reliability have resulted in significant improvements in on-time performance and reduced disruptions. The enhancements to food and beverage offerings, upgrades to the Qantas App with flight status and baggage tracking and the introduction of Group Boarding have all contributed to the improvement in NPS in financial year 2023/24.

In August 2024, the Board released the Qantas Governance Review Report. It documented the steps taken by the Board to scrutinise the decision-making and governance processes that led to the loss of trust amongst stakeholders. The Board and the management team are committed to implementing actions to address all recommendations, with many actions already completed or underway. The Group remains focused on re-building trust of all stakeholders and restoring pride in Qantas as Australia's national carrier.

In May 2024, the Group announced an agreement with the ACCC to resolve court proceedings in relation to flight cancellation processes. Under the agreed settlement, Qantas has commenced a projected $20 million remediation program for impacted passengers and subject to approval of the Federal Court of Australia, will pay a $100 million civil penalty. These costs, along with associated costs of implementation, were recognised outside of underlying earnings in financial year 2023/24.

In September 2023, the High Court dismissed the Group's appeal from the lower court's decisions regarding the outsourcing of Qantas' ground handling function in 2020. A compensation hearing was held in March 2024, with closing submissions in May 2024. The decision in relation to this compensation hearing has not yet been handed down. The penalties hearing for affected ex-employees has not yet been held and will be listed as a later date. A provision is held within the Consolidated Balance Sheet at 30 June 2024 for the best estimate of these remedies, with an increase in the provision of $70 million since the half year ended 31 December 2023 recognised outside of underlying earnings in financial year 2023/24.

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10 Net points redeemed.
11 Qantas Loyalty performance is a function of points volume earned and redeemed, and member growth.
12 Under the Group's Financial Framework, includes net on balance sheet debt and capitalised aircraft lease liabilities.

Review of Operations continued

For the year ended 30 June 2024

FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES

The Group's Financial Framework aligns objectives with shareholders with the aim of achieving top quartile shareholder returns by targeting maintainable Earnings Per Share (EPS) growth over the cycle with industry-leading ESG[13] credentials. The Financial Framework is built on three clear priorities and associated long-term targets:

1. Maintaining an optimal capital structure	2. ROIC > WACC[14] through the cycle	3. Disciplined allocation of capital
Minimise cost of capital by targeting a Net Debt range of 2.0x - 2.5x EBITDA where ROIC is 10 per cent Deliver against Climate Action Plan Targets	Deliver ROIC > 10 per cent[15] ESG included in business decisions	Grow Invested Capital with disciplined investment and return surplus capital Prioritise projects that exceed both ESG and ROIC targets

MAINTAINABLE EPS GROWTH OVER THE CYCLE

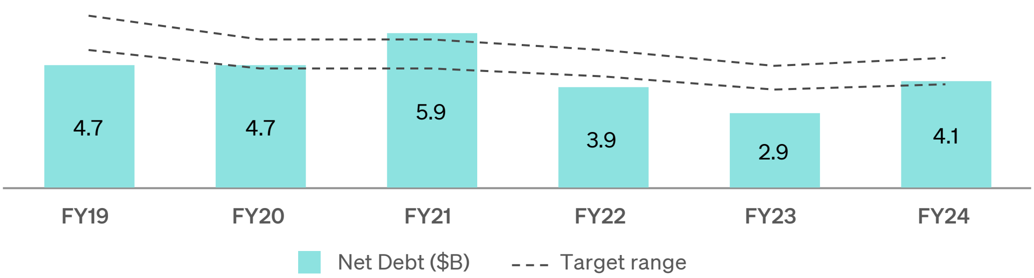
TOTAL SHAREHOLDER RETURNS IN THE TOP QUARTILE

Maintaining an Optimal Capital Structure

The Group's Financial Framework targets an optimal capital structure to achieve the lowest cost of capital. The range is based on a Net Debt to EBITDA range of 2.0-2.5 times where Return on Invested Capital (ROIC) is fixed at 10 per cent. This capital structure optimises the Group's cost of capital and preserves financial strength with the objective of enhancing long-term shareholder value. The Group's optimal capital structure is consistent with investment grade credit metrics and provides flexibility while protecting the Group's investment grade Baa2 rating with Moody's Investor Services.

At 30 June 2024, Net Debt was $4.1 billion, which is in the lower half of the Net Debt Target Range.

Net Debt Profile FY17 to FY24 ($ billion)



Debt Analysis	June 2024 $M	June 2023 $M	Change $M	Change %
Net on balance sheet debt[16]	3,311	1,998	1,313	66
Capitalised operating lease liabilities[17]	795	887	(92)	(10)
Net Debt	**4,106**	**2,885**	**1,221**	**42**

13 Environmental, Social and Governance.
14 Weighted Average Cost of Capital, calculated on a pre-tax basis.
15 10 per cent ROIC allows ROIC to be greater than pre-tax WACC through the cycle.
16 Net on balance sheet debt includes cash and cash equivalents, interest-bearing liabilities and fair value hedge of debt.
17 Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over lease term on a principal and interest basis. Residual value of capitalised aircraft lease liabilities denominated in foreign currency are translated at a long-term exchange rate.

Review of Operations continued

For the year ended 30 June 2024

FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES (CONTINUED)

ROIC > WACC Through the Cycle

ROIC for the 12 months to 30 June 2024 was 57.9 per cent. This ROIC was based on an average Invested Capital of $3.9 billion which is significantly lower than pre-COVID levels.

Calculated on a 12-month rolling basis, ROIC has declined 46 percentage points from 103.6 per cent as at 30 June 2023 to 57.9 per cent as at 30 June 2024. Invested Capital was materially impacted by COVID-19 as assets continued to depreciate or were impaired, while capital expenditure was reduced to preserve cash during the crisis. As a result, the Group's current level of Invested Capital is unusually low and the reported ROIC unsustainably high. Group ROIC is expected to decline in the near term as it has in financial year 2023/24 and revert to more sustainable levels as Invested Capital grows.

Disciplined Allocation of Capital

The Qantas Group takes a disciplined approach to allocating capital, with the aim to grow Invested Capital and return surplus capital to shareholders. Net Capital Expenditure totalled $3,148 million during financial year 2023/24. The Group completed $869 million[18] of on-market share buy-backs which resulted in a 5 per cent reduction in shares on issue since 1 July 2023.

Upon considering the forward outlook for the business under its Financial Framework, the Board has resolved to announce an on-market share buy-back of up to $400 million. The remaining $31 million of the $900 million on-market share buy-back announced in financial year 2023/24 has been completed in the first half of financial year 2024/25.

Maintainable EPS Growth Over the Cycle

Statutory Earnings Per Share (EPS) was 75.9 cents per share for financial year 2023/24. The decrease from financial year 2022/23 was driven by a decrease in Statutory Profit After Tax, partially offset with the EPS accretion from capital distributed via prior on-market share buy-backs.

GROUP PERFORMANCE

The Qantas Group reported an Underlying Profit Before Tax of $2,078 million for financial year 2023/24, a decline of $387 million from the Underlying Profit Before Tax of $2,465 million reported in financial year 2022/23.

Net passenger revenue increased by 12 per cent, predominantly from growth in international operations. Net freight revenue decreased, primarily due to weaker yields from increased international competition across belly space and freighters. Other revenue increased with the continued business momentum of Qantas Loyalty.

Operating expenses grew primarily due to increased flying activity and price increases driven by CPI[19]. Fuel also increased as a result of flying activity as well as higher SAF[20] and carbon-offsetting program expenses. Share of net profit/(loss) of investments was favourable compared to financial year 2022/23, underpinned by the improved profitability in Jetstar Japan and stronger performance across the Group's other investments.

Group Underlying Income Statement Summary[21]	June 2024 $M	June 2023 $M
Net passenger revenue	18,903	16,923
Net freight revenue	1,211	1,380
Other	1,825	1,512
Revenue	**21,939**	**19,815**
Operating expenses (excluding fuel)	(12,575)	(10,771)
Fuel	(5,316)	(4,555)
Impairment	–	(1)
Depreciation and amortisation	(1,773)	(1,762)
Share of net profit/(loss) of investments accounted for under the equity method	4	(44)
Total underlying expenditure	**(19,660)**	**(17,133)**
Underlying EBIT	**2,279**	**2,682**
Net finance costs	(201)	(217)
Underlying PBT	**2,078**	**2,465**

18 This includes $852 million of on-market share buy-backs settled and $17 million executed and payable in July due to T+2 settlement.
19 Consumer Price Index.
20 Sustainable Aviation Fuel.
21 Underlying expenses differ from equivalent statutory expenses due to items excluded from Underlying PBT such as those items identified by Management as not representing the underlying performance of the business. Refer to the reconciliation on page 13.

Review of Operations continued

For the year ended 30 June 2024

GROUP PERFORMANCE (CONTINUED)

Operating Statistics		June 2024	June 2023
Available Seat Kilometres (ASK)[22]	M	141,357	117,258
Revenue Passenger Kilometres (RPK)[23]	M	116,895	97,693
Passengers carried	0	51,798	45,725
Seat Factor[24]	%	82.7	83.3
Operating Margin[25]	%	10.4	13.5
Unit Revenue (RASK)[26]	c/ASK	11.20	12.29
Total Unit Cost[27]	c/ASK	(9.73)	(10.19)

Group capacity for the year (ASK) increased 21 per cent with the return of international operations. Revenue Passenger Kilometres increased 20 per cent as the Group's Seat Factor broadly held at 83 per cent. Group Unit Revenue decreased 9 per cent to 11.20 c/ASK as fares moderated and capacity returned.

Total Unit Cost decreased to 9.73 c/ASK with the removal of temporary disruption costs and the restoration of international capacity offset by increased customer investments and industry cost growth.

CASH GENERATION

Cash Flow Summary	June 2024 $M	June 2023 $M	Change $M	Change %
Operating cash flows	3,441	5,085	(1,644)	(32)
Investing cash flows	(2,887)	(2,625)	(262)	(10)
Net Free Cash Flow	**554**	**2,460**	**(1,906)**	**(77)**
Financing cash flows	(2,010)	(2,628)	618	24
Cash at beginning of year	3,171	3,343	(172)	(5)
Effect of foreign exchange on cash	3	(4)	7	>100
Cash at end of the period	**1,718**	**3,171**	**(1,453)**	**(46)**

Operating cash inflows for financial year 2023/24 were $3,441 million. These were lower than the prior corresponding period primarily due to the rebuild of Revenue Received in Advance impacting the prior period, a reduction in earnings and one-off impacts in the current period from realisation of provisions from the buyout of operating leases.

Investing cash outflows for financial year 2023/24 were ($2,887) million. Net capital expenditure[28] was $3,148 million, which included 16 aircraft deliveries, pre-delivery payments, acquisition costs of TripADeal and the balance primarily directed to capitalised maintenance.

Net financing cash outflows of ($2,010) million included $1,176 million debt repayments partially offset by $1,011 million drawdown of debt, $698 million in net aircraft and non-aircraft lease repayments, including lease buyouts, and an on-market share buy-back of $852 million.

The Group continues to retain significant flexibility in its financial position, funding strategies and fleet plan to ensure that it can respond to changes in market conditions and earnings scenarios.

22 ASK – total number of seats available for passengers, multiplied by the number of kilometres flown.
23 RPK – total number of passengers carried, multiplied by the number of kilometres flown.
24 Seat Factor – RPKs divided by ASKs. Also known as load factor or load.
25 Operating Margin is Group Underlying EBIT divided by Group Total Revenue.
26 Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by Available Seat Kilometres (ASK).
27 Total Unit Cost is Underlying PBT less ticketed passenger revenue per ASK.
28 Net capital expenditure is equal to net investing cash flows in the Consolidated Cash Flow Statement and the impact to Invested Capital from the disposals/acquisitions of leased aircraft.

Review of Operations continued

For the year ended 30 June 2024

FLEET

The Group's strategic priorities for fleet planning are centred on three key principles: the right aircraft for the right route, maintaining flexibility and maintaining competitiveness. The determination of the optimal fleet plan, including the availability of new technology, balances the level of capacity growth required in the markets, the competitive landscape and whether the investment is earnings accretive. At all times, the Group retains significant flexibility in its fleet to respond to changes in market conditions through fleet redeployment, refurbishment, lease extension or return and retirement.

At 30 June 2024, the Qantas Group fleet[29] totalled 347 aircraft.

Fleet Summary (Number of Aircraft)	June 2023	Additions: Deliveries	Additions: Wet Leases	Transfers	Exits	June 2024
737-800	75	–	–	–	–	75
787-9	13	1	–	–	–	14
A380-800[30]	10	–	–	–	–	10
A330-200[31]	18	–	–	(2)	–	16
A330-300[32]	10	–	2	–	–	12
Total Qantas	**126**	**1**	**2**	**(2)**	**–**	**127**
A220-300	–	2	–	–	–	2
717-200[33]	20	–	–	–	(11)	9
E190[34]	18	–	8	–	–	26
Q200/Q300	19	–	–	–	–	19
Q400	31	–	–	–	–	31
F100	18	–	–	–	(1)	17
A319-100	–	3	–	–	–	3
A320-200	13	–	–	2	–	15
Total QantasLink	**119**	**5**	**8**	**2**	**(12)**	**122**
A320-200	56	2	–	(2)	–	56
A321-200	6	–	–	–	–	6
A321LR	8	5	–	–	–	13
787-8	11	–	–	–	–	11
Total Jetstar	**81**	**7**	**–**	**(2)**	**–**	**86**
737-300F/737-400F	4	–	–	–	(3)	1
767-300F	1	–	–	–	–	1
A321-200F	3	3	–	–	–	6
A330-200F[35]	–	–	–	2	–	2
747-400F[36]	2	–	–	–	–	2
Total Qantas Freight	**10**	**3**	**–**	**2**	**(3)**	**12**
Total Group	**336**	**16**	**10**	**–**	**(15)**	**347**

29 Includes Qantas Airways, Jetstar Australia and New Zealand, Jetstar Asia (Singapore), Qantas Freight and QantasLink and excludes aircraft operated by Jetstar Japan and capacity hire aircraft to Jetstar Australia, from Jetstar Japan.
30 Eight A380-800 aircraft in operation as at 30 June 2024.
31 Two A330-200 converted to freighters in the first half of 2023/24.
32 Two A330-300 wet-lease from Finnair.
33 Exit of 11 717-200 during 2023/24 in accordance with the fleet retirement program.
34 26 E190 wet-lease from Alliance Airlines.
35 Second A330-220F was delivered on 31 December 2023 and entered into service in January 2024.
36 Two 747-400F wet-leased from Atlas.

Review of Operations continued

For the year ended 30 June 2024

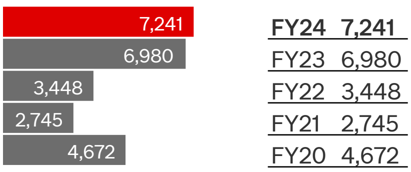
SEGMENT PERFORMANCE

Segment Performance Summary	June 2024 $M	June 2023 $M
Qantas Domestic	1,063	1,270
Qantas International	556	906
Jetstar Group	497	404
Qantas Loyalty	511	451
Corporate	(263)	(212)
Unallocated/Eliminations	(85)	(137)
Underlying EBIT	**2,279**	**2,682**
Net Finance Costs	(201)	(217)
Underlying PBT	**2,078**	**2,465**

QANTAS DOMESTIC

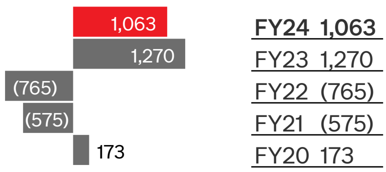
Revenue

7,241 $M



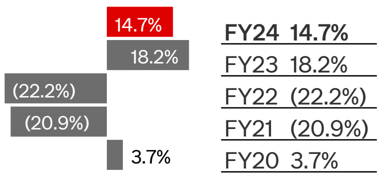
Underlying EBIT

1,063 $M



Operating Margin

14.7 %



Metrics		June 2024	June 2023
ASKs	M	32,950	32,513
Seat Factor	%	76.0	76.2

Qantas Domestic reported an Underlying EBIT of $1,063 million, a decline of 16 per cent from financial year 2022/23. The result delivered a lower operating margin of 14.7 per cent impacted by the moderation of premium leisure demand with some substitution to international travel, new fleet entry-into-service costs and continued customer investment.

On-time performance improved to 80 per cent in the fourth quarter of financial year 2023/24, an increase of 10 points from the second quarter of financial year 2023/24, reflecting the impact of investment in operational resilience and fleet health. Qantas Domestic outperformed its major competitor in on-time performance 11 out of 12 months for financial year 2023/24 and has reduced mishandled bags by 33 per cent from financial year 2022/23. Recent initiatives such as Group Boarding are expected to further improve customer outcomes and operational performance.

Qantas Domestic saw continued strength in the resources segment and maintained leading positions in both corporate and SME segments. Domestic leisure demand moderated slightly with the return of international capacity, seeing some substitution of leisure customers onto the international network. Strength in SME demand persists while non-resource corporate demand gradually recovers to pre-COVID levels as same day travel continues to improve.

The Qantas Domestic fleet renewal program is underway, with two next-generation QantasLink A220 aircraft delivered in financial year 2023/24 and a further five QantasLink A220 aircraft expected in financial year 2024/25. Three mid-life QantasLink A319 aircraft have also been introduced to support the expansion of capacity for resource customers in Western Australia.

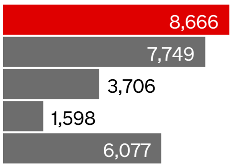
Review of Operations continued

For the year ended 30 June 2024

QANTAS INTERNATIONAL (INCLUDING FREIGHT)

Revenue

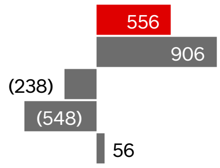
8,666 $M



FY24	8,666
FY23	7,749
FY22	3,706
FY21	1,598
FY20	6,077

Underlying EBIT

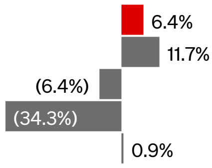
556 $M



FY24	556
FY23	906
FY22	(238)
FY21	(548)
FY20	56

Operating Margin

6.4 %



FY24	6.4%
FY23	11.7%
FY22	(6.4%)
FY21	(34.3%)
FY20	0.9%

Metrics		June 2024	June 2023
ASKs	M	58,878	45,187
Seat factor	%	83.0	85.7

Qantas International (including Freight) reported an Underlying EBIT of $556 million, a 39 per cent decline from financial year 2022/23. The result delivered a lower operating margin of 6 per cent, reflecting the moderating of unit revenue as global capacity restored and increased investment in customer, operations and technology.

NPS continues to improve due to investment in operational resilience, fleet health and customer experience, including disruption management, lounges and food and beverage. On-time performance[37] has also benefited, lifting by 5 percentage points in the second half of financial year 2023/24 from the first half of financial year 2023/24.

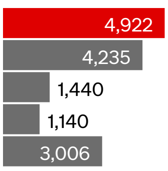
The restoration of flying continued in financial year 2023/24, with capacity for the year at 85 per cent of pre-COVID levels, compared to 65 per cent in financial year 2022/23. This resulted in a 5 per cent unit cost improvement as the benefit of returning capacity outweighed investment in customer, operations and technology. The international network has evolved with growth in the 787-9 fleet to 14 aircraft which supported the commencement of services such as Sydney to New York (via Auckland). Additional wet-leased aircraft from Finnair enabled services to Singapore and Bangkok and the eighth A380 return-to-service uplifted frequencies to Hong Kong and Los Angeles.

Freight earnings were challenged in the first half of financial year 2023/24, with some recovery in the second half as moderating yields stabilised and remain greater than 150 per cent above pre-COVID levels. Freight Revenue Tonne Kilometres increased by 11 per cent from financial year 2022/23 as international belly capacity returned. Qantas Freight accelerated its transformation program with the introduction of two A330 and three A321 freighters, improving efficiency and customer proposition.

JETSTAR GROUP

Revenue

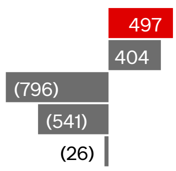
4,922 $M



FY24	4,922
FY23	4,235
FY22	1,440
FY21	1,140
FY20	3,006

Underlying EBIT

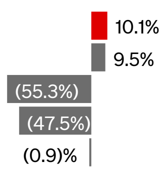
497 $M



FY24	497
FY23	404
FY22	(796)
FY21	(541)
FY20	(26)

Operating Margin

10.1 %



FY24	10.1%
FY23	9.5%
FY22	(55.3%)
FY21	(47.5%)
FY20	(0.9%)

Metrics		June 2024	June 2023
ASKs	M	49,529	39,558
Seat factor	%	86.8	86.4

The Jetstar Group reported an Underlying EBIT of $497 million, reflecting an uplift in earnings compared to financial year 2022/23 driven by growth in flying. Jetstar grew capacity by 25 per cent as key international markets returned and price-sensitive leisure demand remained stable, with seat factor holding at 87 per cent.

Jetstar's Australian domestic network delivered an Underlying EBIT of $298 million, with capacity growth of 15 per cent relative to financial year 2022/23 in a stable demand environment. The operating margin of the domestic business was 11 per cent, supported by strong ancillary revenue performance and fleet transformation delivering incremental earnings.

[37] On-time arrival.

Review of Operations continued

For the year ended 30 June 2024

JETSTAR GROUP (CONTINUED)

Jetstar's international network reported an Underlying EBIT of $199 million, with strong performance in key markets. Capacity grew by 34 per cent relative to financial year 2022/23 as new fleet deliveries and redeployment of existing 787-8 fleet supported profitable growth. Jetstar's Australian international business delivered an 11 per cent margin, with ongoing leisure demand strength supporting the launch of new routes such as Sydney to Osaka and Brisbane to Seoul.

On-time performance and cancellation rates significantly improved across financial year 2023/24, supporting the unwind of disruption costs incurred in financial year 2022/23.

Jetstar Asia (Singapore) maintained profitability in financial year 2023/24. Significant growth is expected following the recent entry into service of two additional A320 aircraft and return of two A320 aircraft from Jetstar Australia and New Zealand in financial year 2023/24. Jetstar Group's share of Jetstar Japan's statutory results substantially improved from a loss of ($54) million in financial year 2022/23 to a loss of ($16) million in financial year 2023/24.

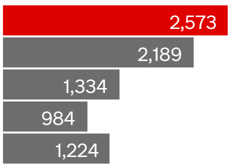
Jetstar Group receive six A321LR aircraft in financial year 2023/24 (five to Jetstar Australia and New Zealand and one to Jetstar Japan), delivering an estimated 12 per cent unit cost advantage on a replacement basis. Jetstar Australia has 13 A321LRs, with approximately $7 million per aircraft in realised EBIT benefits across financial year 2023/24 from fuel and scale efficiencies.

Affordable travel remained a key focus for the Jetstar Group, with 11 million fares[38] sold below $100 in financial year 2023/24.

QANTAS LOYALTY

Revenue

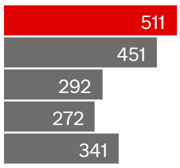
2,573 $M



FY24	**2,573**
FY23	2,189
FY22	1,334
FY21	984
FY20	1,224

Underlying EBIT

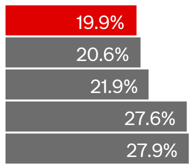
511 $M



FY24	**511**
FY23	451
FY22	292
FY21	272
FY20	341

Operating Margin

19.9 %



FY24	**19.9%**
FY23	20.6%
FY22	21.9%
FY21	27.6%
FY20	27.9%

Metrics		June 2024	June 2023
QFF members	M	16.4	15.2
Points earned	B	202	175
Points redeemed[39]	B	171	155

Qantas Loyalty reported an Underlying EBIT of $511 million for financial year 2023/24. The result was underpinned by a growing active membership base, which increased 14 per cent relative to financial year 2022/23. The launch of Classic Plus for the international network in the second half of financial year 2023/24 provided wider availability for members to redeem on flights compared to Classic Rewards[40] alone. Demand for flight rewards remained strong with total flights booked using points increasing by 13 per cent compared to financial year 2022/23.

Membership continued to grow by more than 1 million new members in the last 12 months, up 8 per cent from financial year 2022/23. Ninety thousand new members joined Qantas Business Rewards (QBR), with total membership now exceeding 500,000.[41] During the fourth quarter, new Financial Service products launched with both ANZ and NAB. QBR captures one in five Australian small and medium-sized enterprises and five major banks have now joined the program.

Qantas Loyalty continued its focus on engaging its member base through broader and deeper program offerings. The acquisition of the remaining 49 per cent of TripADeal reflected this commitment as it accelerated the business' expansion into Holiday packages. Hotels, Holidays and Tours bookings were up 12 per cent from financial year 2022/23. Other highlights include home and car insurance selling almost double the number of policies compared to financial year 2022/23, the re-launch of the new Qantas App and the successful new partnership with Ticketek.

The acceleration of the Loyalty flywheel was reflected in a 15 per cent uplift in points earned in financial year 2023/24. Demand for Qantas Points-earning credit cards continued to grow, with approximately 300,000 new cards acquired, which is up 21 per cent compared to financial year 2022/23 and Qantas Points-earning credit cards maintaining over 35 per cent share of all consumer credit card spend.

38 Base Fare. International fares sold are across all carriers in Jetstar Group.
39 Net points redeemed.
40 Qantas Rewards flight reward.
41 Qantas Business Rewards members at 540,000 as of 30 June 2024.

Review of Operations continued

For the year ended 30 June 2024

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX

The Statutory Profit Before Tax was $1,884 million for the financial year ended 30 June 2024.

Underlying PBT

Underlying PBT is a non-statutory measure and is the primary reporting measure used by the CODM bodies for the purpose of assessing the performance of the Group. The objective of measuring and reporting Underlying PBT is to provide a meaningful and consistent representation of the underlying performance of each operating segment and the Qantas Group.

Items which are identified by Management and reported to the CODM bodies as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period.

Items not included in Underlying PBT primarily result from revenues or expenses outside the ordinary course of business relating to business activities in other reporting periods, Recovery Plan restructuring costs, transactions involving investments, gains/losses on sale and/or impairments of assets and other transactions.

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX	June 2024 $M	June 2023 $M
Underlying PBT	**2,078**	**2,465**
Items not included in Underlying PBT		
– Legal provisions and related costs	(198)	–
– Recovery Plan restructuring costs	–	5
– Net gain on disposal of assets	4	2
Total items not included in Underlying PBT	**(194)**	**7**
Statutory Profit Before Income Tax Expense	**1,884**	**2,472**

In the 2023/24 financial year, there was no difference between Underlying PBT and Statutory PBT. financial year, items outside of Underlying PBT included:

Item Outside of Underlying PBT	Description
Legal provisions and related costs	($128) million for the announced ACCC settlement (compensation and penalties) and related costs and ($70) million for an increase in provisions in relation to the ground handling outsourcing Federal Court case (refer to Note 33(B)), recognised in Other Expenditure.
Net gain on disposal of assets	The net gain on disposal of assets of $4 million arose from the disposal of Perth Airport assets.

In the 2022/23 financial year, items outside of Underlying PBT included:

Item Outside of Underlying PBT	Description
Recovery Plan restructuring costs	$5 million primarily relates to the reversal of a redundancy provision previously recognised.
Net gain on disposal of assets	The net gain on disposal of assets of $2 million arose from the sale of the Group's investment in Helloworld Travel Ltd (ASX: HLO).

Refer to Note 2(B) of the Financial Report for details of items not included in Underlying PBT.

Review of Operations continued

For the year ended 30 June 2024

MATERIAL BUSINESS RISKS

The aviation industry is subject to inherent risks that can impact operations if left untreated. These include, but are not limited to, shifts in customer behaviour and in market demand, exposure to economic uncertainty and geopolitical instability, changes in government regulations, volatility in fuel prices and foreign exchange rates, and other external events such as aviation incidents, natural disasters, climate change, international conflicts or an epidemic. In rare circumstances, 'black swan' events can materialise, resulting in unexpected consequences such as those that the aviation industry experienced due to the COVID-19 pandemic. The Group continues to plan for a wide range of scenarios to ensure the Group maintains its strong position to support financial targets, operational outcomes and meet travel demand and customer expectations.

The Group is subject to material business risks which may impact the achievement of the Group's strategy and financial prospects. The Group's focus is on continuously improving the controls to manage or mitigate these risks.

Operational and people safety: While there are inherent safety risks in aviation, the Qantas Group's 'safety first' approach ensures that there is a consistent focus on and continuous improvement in the systems and processes that seek to identify and treat current and emerging safety risks to our people and customers, both in the air and on the ground. All Group airlines have regulatory approved systems, including aircraft airworthiness and maintenance as well as operational activities, procedures and training programs utilising qualified (licensed) personnel, approved manuals, and a robust safety and reporting culture. Comprehensive operational and workplace audit and assurance programs seek to confirm that key processes and controls are operating as intended and that the Group continues to meet its regulatory compliance obligations.

Physical security of people and assets: The Group is committed to protecting our people, customers, aircraft and other assets from physical security threats and interference. A comprehensive threat and operational risk assessment program is in place which is supported by extensive collaboration with key Australian and international government agencies and security partners. Security measures applied to passengers, baggage, cargo, catering and stores throughout the network. , in line with regulatory requirements. Extensive controls are in place to protect the operational safety of flight systems, including access controls to aircraft flight decks and physical security of aircraft at ports.

Liquidity and fuel price volatility (including foreign exchange): The Qantas Group's ability to maintain sufficient liquidity is inherent in providing for its operating needs. Maintaining access to a variety of funding sources, targeting minimum liquidity levels, and continued vigilance on costs through ongoing focus on further transformation opportunities are embedded to ensure adequate coverage of liquidity requirements, taking into consideration a range of adverse scenarios, including flexibility in capacity settings to respond promptly to sudden changes in demand and shift in customer preferences. The Qantas Group remains focused on delivering its strategic priorities while continuing to protect its liquidity position through the ongoing application of its Financial Framework.

The Qantas Group is subject to fuel price and foreign exchange risks which are an inherent part of the operations of an airline and as such, are industry-wide risks. For the Qantas Group, the size of the Group's fuel and foreign exchange risk will vary with operational capacity, the routes the Group operates as well as the size of fleet investment capital expenditure. Recent tensions and unrest, especially in the Middle East, have increased fuel price volatility, which is expected to persist into financial year 2024/25 and financial year 2025/26. Additionally, global political instability has impacted foreign exchange rates, affecting the Group's foreign currency-denominated cash outflows.

The Qantas Group manages its fuel and foreign exchange risks through a comprehensive hedging program (aligned to the Group's Treasury Risk Management Policy) which provides time for the business to ultimately adjust capacity to reflect the new operating environment or change its cost base. Qantas will continue to hedge its fuel and foreign exchange risks in line with this program. The Group normally uses a mix of fuel derivative collars and outright options to cover underlying fuel price risk and is actively managed for changes in capacity. In addition, the Group has an established investment prioritisation framework that informs capital expenditure prioritisation and continues to invest in new aircraft with a focus on fuel efficiency and conservation.

Competition: The markets in which the Qantas Group operates are highly competitive, and growth in market capacity ahead of underlying demand can impact upon industry profitability. Competitors include both domestic airlines and major foreign airlines (including government-owned or controlled airlines), some with more financial resources and/or lower cost structures than Qantas. This competition may increase with the expansion of existing airlines, the consolidation of existing airlines and/or the creation of alliances between airlines, changes to existing alliances, or new airlines entering the market.

Australia's aviation policies favour a highly competitive environment, including more liberal rights of entry into Australian domestic and international markets, compared to other jurisdictions. These policies have attracted offshore competitors (predominantly state-sponsored airlines) to the Australian international aviation market, which has further increased competition for passengers on international routes. Additionally, the Qantas Group ordinarily faces high levels of price competition in the markets in which it operates and aggressive pricing by competitors seeking to gain market share can adversely affect the Qantas Group's revenues and yield performance. The financial impact of fare discounts, as a result of competitive pressures is exacerbated by the high fixed costs that characterise the aviation industry.

Review of Operations continued

For the year ended 30 June 2024

MATERIAL BUSINESS RISKS (CONTINUED)

The combined effect of these factors may have a materially adverse effect on the revenue and financial position of the Group. The Group continues to leverage its dual brand strategy and established governance processes to optimise network and fleet plans to enhance the Group's competitive position, and reacts appropriately to emerging issues on pricing, network and capacity. The Group also continues to focus on enhancing operational performance and execution of clear strategies to maintain leadership in key customer segments, enabled by strong relationship management, investment in customer and loyalty programs, and technology-enabled solutions.

Market demand: Demand for travel largely drives the Qantas Group's planning as it deploys capacity based on market demand. Unforeseen and/or sustained change in market demand and/or change in capacity settings could result in a capacity/demand imbalance impacting on the Group's ability to maximise its position in the market. The Qantas Group optimises network and fleet plans through its dual brand strategy and fleet renewal program (next generation aircraft), ensuring there is flexibility to adjust capacity settings across the network to be able to respond to changes in demand. Active monitoring of early warning indicators of changes to markets is performed to mitigate exposures and pursue opportunities across the dual brands.

Industrial relations: The Qantas Group operates in a highly regulated employment market and a large proportion of the Qantas Group's employees are represented by unions and are party to collective bargaining arrangements. The Australian Government's legislative reforms to the *Fair Work Act* (Cth) could have significant implications for the Group. The Group continues to have oversight of the internal and external industrial landscape and monitors the emerging risks associated with the legislative reforms, including the potential implications to the Group.

Any significant enterprise bargaining dispute between the Qantas Group and its employees could also lead employees to take industrial action, including work stoppages. This could disrupt the Qantas Group's day-to-day operations and adversely affect business performance, potentially leading to reputational damage. The Group has developed business continuity plans, including testing and rehearsal (to the extent possible), to provide continuity of operations in the event of industrial action.

Customer risk: The ongoing success of the Qantas Group depends to a large degree on customer satisfaction and loyalty, particularly considering the significant competition for passengers that characterises the aviation industry. Operational challenges such as frequent cancellations, poor on-time performance, and mishandled baggage could continue to negatively impact customer satisfaction and harm the Qantas Group's reputation. Addressing these issues is crucial for maintaining our brand's strength and attracting future customers as we continue to build and enhance our reputation.

The Group recently announced significant investments to improve the customer experience, including enhanced Frequent Flyer rewards program and improved customer experience (in-flight experience, including WiFi capabilities, upgrading apps with baggage tracking features and live notification functionalities, introducing a smoother boarding experience through group boarding and improved food and beverages offerings).

The Group also continues to design and implement mechanisms to cover customer journey disruptions, including efficient and compassionate complaint resolution, delays and cancellations, easy and proactive reimbursement and product and service quality issues.

The Qantas Group is vulnerable to long-term changes in consumer preferences in relation to its service offerings, the markets in which it operates, and consumer and business sentiment towards travel, including environmental considerations and digital expectations. Any failure by the Qantas Group to predict or respond to such changes in a timely and cost-effective manner may adversely impact the Qantas Group's future operating and financial performance. The Group is focused on embedding a continuous improvement culture in core business units to ensure an integrated and consistent Group approach in managing customer concerns and complaints. As customer preferences shift, the Group continues to transform the customer experience through a multi-year program aimed at adapting to new customer journey requirements, market learnings and business need, to ensure the Group's strong market position is maintained.

Climate change: The Group recognises that human-induced climate change is a significant issue for the aviation industry and is committed to supporting the aims of the Paris Climate Agreement to limit warming to well below two degrees Celsius above pre-industrial levels, and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels. Climate-related risks include both physical risks (such as increased extreme weather events) and transition risks (including development of alternative fuel and changes to government policy, law and regulation). The Group manages these risks through mechanisms including, but not limited to, emission reduction targets; scenario analysis to inform the Group's strategy; robust governance; fleet transformation activities; investing in modern aircraft technology; supporting a competitive sustainable aviation fuel industry in Australia; operational and market-based controls; carbon offset programs; and monitoring government policy. The Qantas Group's current emission reduction plan, as outlined in the March 2022 Climate Action Plan, includes: a 25 per cent reduction in net emissions from 2019 levels by 2030; 10 per cent sustainable aviation fuel in fuel mix by 2030; and net zero emissions by 2050. The Qantas Group is working actively in order to respond to the increased demand for transparency on identification and management of climate-related risks by aligning its corporate disclosures with the Taskforce on Climate-related Financial Disclosures (TCFD) and the Australian Accounting Standards Board's Australian Sustainability Reporting Standards - Disclosure of Climate-related Financial Information.

Review of Operations continued

For the year ended 30 June 2024

MATERIAL BUSINESS RISKS (CONTINUED)

Cyber security and data loss: The heightened cyber threat environment continues to evolve, with increased cyber-criminal activities targeting organisations capable of paying ransoms. Additionally, cyberattacks continue to represent a consequence of geopolitical risks, growing in scale, complexity and persistence. The Group remains focused on tracking these geopolitical developments that could potentially impact the Group's operations. The Group also continues to enhance its cyber defence, including heightened monitoring and assessment of technology and data environments, further enhancing cyber security, privacy and data governance controls; embedding them into business processes, taking a security and privacy by design approach; and creating a cyber-safe and privacy-orientated culture that builds on an established safety culture and the Three Lines risk management model.

The Group's Data Governance Framework now includes mechanisms to ensure that ethical and commercial data risks are managed in addition to data protection and privacy risks. Qantas has a defined risk and control framework, aligned with industry standards, which is designed to protect the confidentiality, integrity and availability of data and to maintain compliance with regulatory requirements. The Group's cyber and data privacy risks are continuously monitored by the Group's Cyber and Information Management Committees and are subject to independent assurance. In addition, the Qantas Group has a close working relationship and engagement with government and industry peers to enable the Group to effectively manage cyber and privacy risks as they evolve.

Supply chain: The Qantas Group is dependent on third-party providers for the expansion and replacement of its aircraft fleet, including availability of slots for aircraft maintenance, supply of aircraft parts, and other critical business processes. The failure of these providers to deliver and/or adequately perform their service obligations or other unexpected interruptions of services, such as the recent CrowdStrike incident, may cause significant disruption to the Group's operations and have an adverse impact on financial performance. The Group continuously builds resilience in flight schedules across the network, analyses and monitors the global and local supply market to provide early insights to support assessments of the Group's supply chain exposure; proactively manages and invests in high risk items; uses its business continuity plans to manage the risk of supply failures; and has contingency plans in place to respond to key supplier interruptions.

Policy or regulatory change: Given the highly regulated business environment the Group operates in, any major policy or regulatory changes, such as those in relation to competition and consumer legislation, rights of entry, climate change policy, industrial relations reforms, and airport infrastructure, can significantly impact the Group's operations, demand or competition. The Group continues to proactively engage with regulators and policy makers to demonstrate and inform the potential implications of proposed changes and contribute to improved policy outcomes. The Group also participates in industry bodies in Australia and internationally to proactively work with stakeholders with shared interests and drive policy outcomes which consider industry-wide challenges and implications.

New business models: As more large customer brands aim for a seamless customer journey, the threat of further airline disintermediation, the rapid rise of digitisation and new technology and business models continue to evolve. The Group continues to enhance its distribution strategy and digital capability, expand its coalition business through innovative new business models, new partners and member experience, and invest in technological platforms and processes to enable a significantly improved end-to-end customer journey.

An overview of the Group Risk Management Framework is contained in the Qantas Group Business Practices Document available at www.qantas.com.

Condensed Corporate Governance Statement

For the year ended 30 June 2024

OVERVIEW

Corporate governance is core to ensuring the creation, protection and enhancement of shareholder value. The Board maintains, and requires that Qantas Management (Management) maintains, the highest level of ethics at all times.

The Board comprises a majority of Independent Non-Executive Directors who, together with the Group CEO and Managing Director, have an appropriate balance of skills, knowledge, experience, independence and diversity to enable the Board as a collective to effectively discharge its responsibilities.

The Board has endorsed and adopted the ASX Corporate Governance Principles and Recommendations (ASX Principles) 4th Edition throughout 2023/24.

Accordingly, Qantas Airways Limited (Qantas) has disclosed its 2024 Corporate Governance Statement in the Corporate Governance section on the Qantas website. As required, Qantas has also lodged its Corporate Governance Statement with the ASX.

The following is a summary of the key aspects of the Corporate Governance Statement.

QANTAS GOVERNANCE REVIEW

While this Corporate Governance Statement relates to the financial year ended 30 June 2024, it is important to note that, on 8 August 2024, the Qantas Board released a report following a review of key governance matters, which commenced in October 2023 and considered matters over the preceding 12 months (Governance Review).

The Qantas Board and Qantas Group Management have committed to the implementation of all recommendations from the Governance Review, the vast majority of which are already completed or well underway. The impact of the implementation of the Governance Review recommendations will be reflected in Qantas' expanded 2025 Corporate Governance Statement.

THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board has adopted a formal Charter, which is available in the Corporate Governance section on the Qantas website.

The Board is responsible for agreeing and reviewing the strategic direction of Qantas and monitoring the implementation of that strategy by Management.

The CEO is responsible for the day-to-day management of the Qantas Group with all powers, discretions and delegations authorised, from time to time, by the Board.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

THE BOARD IS STRUCTURED TO BE EFFECTIVE AND TO ADD VALUE

At 30 June 2024, the Qantas Board comprised nine Directors. Eight Directors are Independent Non-Executive Directors, six of whom have been elected by shareholders and two have been appointed to fill casual vacancies. The Qantas Group CEO, who is an Executive Director, is not regarded as independent.

Details of the Directors, their qualifications, skills, experience and tenure are set out on pages 8 to 10 of the Qantas Annual Report 2024.

The Board has four committees:

- Audit Committee
- Nominations Committee
- Remuneration Committee
- Safety, Health, Environment and Security Committee.

Each of these committees assists the Board with specified responsibilities that are set out in the Committee Charters, as delegated and approved by the Board.

Between the end of the financial year ended 30 June 2024 and the date of this Report, the Qantas Board reviewed its Board and Committee Roles and Responsibilities and the ambit of the Remuneration Committee has been expanded to become the People and Remuneration Committee, with a resulting change to responsibilities being introduced into its Charter. The Charters for the Board and each of the other Committees were also updated following their review, and the updated responsibilities will be reflected in Qantas' 2025 Corporate Governance Statement.

Membership of and attendance at 2023/24 Board and Committee meetings are detailed on page 28 of the Qantas Annual Report 2024.

Condensed Corporate Governance Statement continued

For the year ended 30 June 2024

THE BOARD INSTILS A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

The Board has established a Corporate Governance Framework, comprising Non-Negotiable Business Principles (Principles) and Group Policies, which forms the foundation for the way in which Qantas and its controlled entities (Qantas Group or Group) undertake business. The Principles and Group Policies, including the Qantas Group Code of Conduct and Ethics, are detailed in the Qantas Group Business Practices document. This Framework is supported by a rigorous Whistleblower program, which provides a protected disclosure process for all disclosing persons, and an Anti-Bribery and Corruption Policy, which outlines appropriate behaviour for all Qantas Group personnel.

The Qantas Group Share Trading Policy sets out guidelines designed to protect the Qantas Group and its personnel (including Directors) from intentionally or unintentionally breaching the law. The Qantas Group Share Trading Policy prohibits personnel from dealing in the securities of any Qantas Group listed or unlisted entity while in possession of material non-public information.

In addition, certain nominated Qantas Group personnel are also prohibited from entering into any hedging or margin lending arrangement or otherwise granting a charge over the securities of any Qantas Group listed or unlisted entity, where control of any sale process relating to those securities may be lost.

THE BOARD SAFEGUARDS THE INTEGRITY OF CORPORATE FINANCIAL REPORTING

The Board and the Audit Committee closely monitor the integrity of all corporate reports. Qantas has a sound system of risk management and internal controls in place to verify the half-year and annual financial reports and confirm the declarations provided by the CEO and CFO to the Board.

The Board and the Audit Committee also monitor the independence of the external auditor. Qantas rotates the lead external audit partner every five years and imposes restrictions on the employment of personnel previously employed by the external auditor. Qantas rotated its lead external audit partner during the 2021/22 financial year. The next rotation of lead external audit partner for KPMG will take place following the finalisation of the audit for the 2025/26 financial year.

Notwithstanding there are no service, quality or independence issues with the current auditor, in consideration of best practice, the Qantas Group has decided to undertake a competitive external audit tender process during the 2024/25 financial year for appointment in relation to the 2026/27 financial year.

The Qantas Group is committed to verifying the integrity of all other periodic corporate reports it releases to the market that are not audited or reviewed by the external auditor. Information regarding the verification process is disclosed in our 2024 Corporate Governance Statement.

THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE

Qantas is committed to ensuring that trading in its shares takes place in an orderly and informed market by having transparent and consistent communication with all shareholders. Qantas has an established process to ensure that it complies with its continuous disclosure obligations at all times, including a bi-annual confirmation by all Executive Management that the areas for which they are responsible have complied with the Group’s Continuous Disclosure Policy. To further strengthen these processes, in 2023/24 Qantas established a Market Disclosure Committee (MDC) which is responsible for reviewing all information forwarded pursuant to the Continuous Disclosure Policy and for deciding / making a recommendation to the CEO or Chair (as appropriate) on its disclosure.

Qantas proactively communicates with its shareholders via the ASX and its web-based Newsroom, with all materials released by the Group made available to all shareholders at the same time. Additionally, the Qantas Board receives copies of all material market announcements for review and approval of release to the market, as well as a final copy promptly after they have been made.

THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS

Qantas has a Shareholder Communications Policy which promotes effective two-way communication with shareholders and the wider investment community and encourages participation at general meetings. Qantas actively maintains a corporate site and investor portal which outlines the Company’s corporate governance policies and procedures and includes an array of information to help assist investors to make informed decisions.

Additionally, Qantas actively conveys its publicly-disclosed information and seeks the views of its shareholders, large and small, in a number of forums, including at the Annual General Meeting (AGM), Qantas Investor Days and, as is common practice among its major listed peers, through periodic meetings with current and potential institutional shareholders.

Shareholders also have the option to receive communications from, and send communications to, Qantas and its share registry electronically, including email notifications of significant market announcements. Qantas is focused on reducing our carbon footprint whilst providing timely corporate updates and disclosures. As such, Qantas will no longer send physical meeting documents unless a shareholder requests a copy to be mailed.

The external auditor attends the AGM and is available to answer shareholder questions that are relevant to the audit.

Condensed Corporate Governance Statement continued

For the year ended 30 June 2024

THE BOARD RECOGNISES AND MANAGES RISK

Qantas is committed to embedding risk management practices to support the achievement of business objectives and fulfil corporate governance obligations. The Board is responsible for reviewing and overseeing the risk management framework for the Qantas Group, including that the Group is operating with due regard to the risk appetite set by the Board, and for ensuring the Qantas Group has an appropriate corporate governance structure. Within that overall framework, Management has designed and implemented a risk management and internal control system to manage Qantas' material business risks.

During 2023/24, the Audit Committee undertook its annual review of the effectiveness of Qantas' implementation of its risk management system and internal control framework.

The internal audit function is carried out by Group Audit and Risk and is independent of the external auditor. Group Audit and Risk provides independent, objective assurance and consulting services on Qantas' system of risk management, internal control and governance.

The Audit Committee approves the Group Audit and Risk Internal Audit Charter, which provides Group Audit and Risk with full access to Qantas Group functions, records, property and personnel, and establishes independence requirements. The Audit Committee also approves the appointment, replacement and remuneration of the internal auditor. The internal auditor has a direct reporting line to the Audit Committee and also provides reporting to the Safety, Health, Environment and Security Committee.

THE BOARD REMUNERATES FAIRLY AND RESPONSIBLY

The Qantas Executive remuneration objectives and approach are set out in the Remuneration Report from page 32 to 62 of the Qantas Annual Report 2024.

Information about the remuneration of Executive Management is disclosed to the extent required, together with the process for evaluating performance, in the Remuneration Report from page 32 to 62 of the Qantas Annual Report 2024.

Non-Executive Directors do not receive any performance-based remuneration. Further information has been disclosed in the Remuneration Report from pages 60 to 62 of the Qantas Annual Report 2024.

Directors' Report

For the year ended 30 June 2024

The Directors of Qantas Airways Limited (Qantas) present their Report, together with the Financial Statements of the consolidated entity comprising Qantas and its controlled entities (Qantas Group) and the Independent Audit Report, for the year ended 30 June 2024. In compliance with the provisions of the *Corporations Act 2001* (Cth), the Directors' Report is set out below.

DIRECTORS

The Directors of Qantas at any time during or since the end of the year are:

Richard Goyder AO

Vanessa Hudson

Belinda Hutchinson AC

John Mullen (appointed April 2024)

Doug Parker

Todd Sampson

Dr Nora Scheinkestel (appointed March 2024)

Dr Heather Smith PSM (appointed August 2023)

Antony Tyler

Alan Joyce AC (retired September 2023)

Michael L'Estrange AO (retired November 2023)

Maxine Brenner (retired February 2024)

Jacqueline Hey (retired February 2024)

Details of the Directors' qualifications, experience and any special responsibilities, including Qantas Committee memberships, are set out on pages 8 to 10.

PRINCIPAL ACTIVITIES

The principal activities of the Qantas Group during the year were the operation of international and domestic air transportation services, the provision of freight services and the operation of a frequent flyer loyalty program.

DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

No final dividend will be paid for the year ended 30 June 2024 (2023: nil final dividend). There was also no interim dividend paid during the year.

In August 2024, the Directors announced an on-market share buy-back of up to $400 million. During the year ended 30 June 2024, Qantas completed an on-market share buy-back of $500 million announced in August 2023, and $369 million of the $400 million on-market share buy-back announced in February 2024, with the remaining $31 million completed during the first half of the 2024/25 financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Qantas Group that occurred during the financial year under review that are not otherwise disclosed in this Report.

REVIEW OF OPERATIONS

A review of, and information about, the Qantas Group's operations, including the results of those operations during the year, together with information about the Qantas Group's financial position, appears on pages 11 to 23.

Details of the Qantas Group's strategies, prospects for future financial years and material business risks have been included in the Review of Operations to the extent that their inclusion is not likely to result in unreasonable prejudice to the Qantas Group. In the opinion of the Directors, detail that could be unreasonably prejudicial to the interests of the Qantas Group, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage, has not been included.

EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Refer to Note 34 of the Financial Report for events which occurred subsequent to the balance sheet date. Other than the matters disclosed in Note 34, since the end of the year and to the date of this Report no other matter or circumstance has arisen that has significantly affected or may significantly affect the Qantas Group's operations, results of those operations or state of affairs in future years.

Directors' Report continued

For the year ended 30 June 2024

DIRECTORS' MEETINGS

The number of Directors' meetings held (including meetings of Committees of Directors) and attendance of Directors during 2023/24 is as follows:

	Qantas Board										Remuneration Committee[1]					
	Scheduled Meetings		Unscheduled Meetings		Sub-Committee Meetings[2]		Audit Committee[1]		Safety, Health, Environment and Security Committee[1]		Scheduled Meetings		Unscheduled Meetings		Nominations Committee[1]	
Directors	Attended	Held[3]	Attended	Held[3]	Attended	Held[4]	Attended	Held[3]	Attended	Held[3]	Attended	Held[3]	Attended	Held[3]	Attended	Held[3]
Richard Goyder[5]	8	8	7	7	2	2	–	–	–	–	–	–	–	–	2	2
John Mullen[6]	2	2	–	1	–	–	–	–	–	1	–	–	–	–	–	–
Vanessa Hudson[7]	8	8	7	7	1	1	–	–	3	3	–	–	–	–	–	–
Belinda Hutchinson	8	8	7	7	2	2	5	5	4	4	–	–	–	–	2	2
Doug Parker[8]	7	8	6	7	–	–	–	–	3	3	3	3	3	3	–	–
Todd Sampson	8	8	7	7	–	–	5	5	–	–	3	3	3	3	–	–
Dr Nora Scheinkestel[9]	3	3	–	1	–	–	2	2	–	–	1	1	1	1	–	–
Dr Heather Smith[10]	7	7	6	7	–	–	2	2	–	–	1	1	1	1	–	–
Antony Tyler	8	8	7	7	–	–	–	–	4	4	–	–	–	–	2	2
Alan Joyce[11]	2	2	1	1	1	1	–	–	1	1	–	–	–	–	–	–
Maxine Brenner[12]	5	5	6	6	–	–	3	3	–	–	2	2	2	2	–	–
Jacqueline Hey[13]	5	5	6	6	–	–	3	3	–	–	2	2	2	2	2	2
Michael L'Estrange[14]	3	3	6	6	–	–	–	–	1	1	1	1	1	1	–	–

1 All Directors are invited to, and regularly attend, Committee meetings in an ex officio capacity. The above table reflects the attendance of a Director only where he or she is a Member of the relevant Committee.
2 Sub-Committee meetings convened for specific Board-related business.
3 Number of meetings held during the period that the Director held office.
4 Number of meetings held during the period that the Director held office and was required to attend.
5 The Chair attends all Committee Meetings.
6 John Mullen was appointed Non-Executive Director and a Member of the Safety, Health, Environment and Security Committee on 22 April 2024.
7 Vanessa Hudson was appointed a Member of the Safety, Health, Environment and Security Committee on 6 September 2023.
8 Doug Parker was appointed a Member of the Safety, Health, Environment and Security Committee and a Member of the Remuneration Committee on 23 August 2023.
9 Dr Nora Scheinkestel was appointed Non-Executive Director on 1 March 2024, and Chair of the Remuneration Committee and a Member of the Audit Committee on 1 March 2024.
10 Dr Heather Smith was appointed Non-Executive Director on 24 August 2023, and a Member of the Remuneration Committee and a Member of the Audit Committee on 22 February 2024.
11 Alan Joyce retired as Group CEO and Managing Director on 5 September 2023.
12 Maxine Brenner retired as Non-Executive Director on 22 February 2024.
13 Jacqueline Hey retired as Non-Executive Director on 22 February 2024.
14 Michael L'Estrange retired as Non-Executive Director on 3 November 2023.

Directors' Report continued

For the year ended 30 June 2024

DIRECTORSHIPS OF LISTED COMPANIES HELD BY MEMBERS OF THE BOARD AS AT 30 JUNE 2024 – FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2024

Richard Goyder	Qantas Airways Limited	Current, appointed 17 November 2017
	Woodside Energy Group Ltd	Current, appointed 1 August 2017
Vanessa Hudson	Qantas Airways Limited	Current, appointed 5 May 2023
Belinda Hutchinson	Qantas Airways Limited	Current, appointed 12 April 2018
John Mullen	Qantas Airways Limited	Current, appointed 22 April 2024
	Brambles Limited	Current, appointed 1 November 2019
	Treasury Wine Estates	Current, appointed 1 May 2023
	Telstra Corporation Limited	Ceased, appointed 1 July 2008 and ceased 17 October 2023
Doug Parker	Qantas Airways Limited	Current, appointed 23 May 2023
Todd Sampson	Qantas Airways Limited	Current, appointed 25 February 2015
Dr Nora Scheinkestel	Qantas Airways Limited Brambles Limited Origin Energy Limited Westpac Banking Corporation	Current, appointed 1 March 2024 Current, appointed 1 June 2020 Current, appointed 4 March 2022 Current, appointed 1 March 2021
Dr Heather Smith	Qantas Airways Limited ASX Limited Challenger Limited	Current, appointed 24 August 2023 Current, appointed 29 June 2022 Current, appointed 20 January 2020
Antony Tyler	Qantas Airways Limited	Current, appointed 26 October 2018

QUALIFICATIONS AND EXPERIENCE OF EACH PERSON WHO HELD OFFICE AS A COMPANY SECRETARY OF QANTAS BETWEEN 1 JULY 2023 UNTIL THE DATE OF THIS REPORT

Andrew Finch – Company Secretary	– BCom, LLB (UNSW), LLM (Hons I) (USYD), MBA (Exec) (AGSM) – Appointed as Company Secretary on 31 March 2014 – Joined Qantas on 1 November 2012 – 2002 to 2012 – Mergers and Acquisitions Partner at Allens, Sydney (previously Allens Arthur Robinson and Allen & Hemsley) – 1999 to 2001 – Managing Associate at Linklaters, London – 1993 to 1999 – Various roles at Allens, Sydney, including Senior Associate (1997 to 1999) and Solicitor (1993 to 1997) – Admitted as a solicitor of the Supreme Court of NSW in 1993
Benjamin Jones – Company Secretary	– LLM (USYD), LLB, BSocSci (Policy) (UNSW) – Appointed as Company Secretary on 20 July 2021 – Joined Qantas on 9 September 2013 – Admitted as a solicitor of the High Court of Australia and the Supreme Court of NSW in 2008 – 2008 to 2013 – Solicitor at Herbert Smith Freehills – 2013 to present – Football Australia, Disciplinary and Ethics Committee Member – 2013 to present – Football NSW, General Purposes Tribunal (Deputy Chair 2018 to present)
Benjamin Elliott – Company Secretary	– BBC, GIA (Affiliated) – Appointed as Company Secretary on 18 February 2020 – Joined Qantas on 14 August 2013 – 2021 to present – Head of Secretariat and Corporate Governance – 2018 to 2021 – Manager, Group Secretariat – 2014 to 2018 – Manager, Corporate Governance – 2013 to 2014 – Manager, Public Company

Directors' Report continued

For the year ended 30 June 2024

DIRECTORS' INTERESTS AND BENEFITS

Particulars of Directors' interests in the issued capital of Qantas at the date of this Report are as follows:

	Number of Shares	
Directors	**2024**	**2023[1]**
Richard Goyder	240,746[2]	225,554[2]
John Mullen	–	n/a
Vanessa Hudson	1,103,339[4, 5]	818,251[3]
Belinda Hutchinson	76,951[2]	69,972[2]
Doug Parker	100,000	–
Todd Sampson	45,619[2]	42,739[2]
Dr Nora Scheinkestel	56,058	n/a
Dr Heather Smith	10,000	n/a
Antony Tyler	52,000	52,000

1 Shares held as at date of 2023 Annual Report (20 September 2023).
2 Includes restricted ordinary shares held by the Employee Share Plan Trust.
3 Includes restricted ordinary shares awarded in relation to the 2021-2023 Long Term Incentive Plan (LTIP) held in Employee Share Plan Trust that remain subject to an additional one-year trading restriction.
4 Includes restricted ordinary shares awarded in relation to the 2022-2024 Long Term Incentive Plan (LTIP) held in Employee Share Plan Trust that remain subject to an additional one-year trading restriction.
5 Shares awarded under the 2022/23 STIP are subject to a two-year deferral period and one-year trading restriction until after the release of the 2025/26 full-year financial results. Shares awarded under the 2023/24 STIP are subject to a two-year deferral period and one-year trading restriction until after the release of the 2026/27 full-year financial results.

Rights held in trust under the Non-Executive Director Fee Sacrifice Share Acquisition Plan[1]:

	Number of Rights	
Directors	**2024[2]**	**2023[3]**
Richard Goyder	–	15,192
John Mullen	12,859	–
Belinda Hutchinson	4,871	6,979
Todd Sampson	1,662	2,880
Dr Heather Smith	8,629	–

1 Refer to page 62 for information regarding the operation of the Non-Executive Director Fee Sacrifice Share Acquisition Plan.
2 Rights held as at date of 2024 Annual Report (12 September 2024).
3 Rights held as at date of 2023 Annual Report (20 September 2023).

In addition to the direct interests shown, indirect interests in Qantas shares held in trust on behalf of Ms Vanessa Hudson at the date of this Report are as follows:

	Number of Rights	
Rights granted under:	**2024[1]**	**2023[2]**
2022-2024 Long Term Incentive Plan	–[3]	208,000
2023-2025 Long Term Incentive Plan	223,500[4]	223,500[4]
2024-2026 Long Term Incentive Plan	335,000[5]	–
Total Rights	**558,500**	**431,500**

1 Rights held as at date of 2024 Annual Report (12 September 2024).
2 Rights held as at date of 2023 Annual Report (20 September 2023).
3 Following the testing of performance hurdles as at 30 June 2024 and the Board's approval of the 2022-2024 LTIP vesting outcome on 28 August 2024, 86.11 per cent of the 2022-2024 LTIP awarded to Ms Hudson vested and converted to 179,108 shares (28,892 lapsed). The shares awarded remain subject to an additional one-year trading restriction.
4 Performance hurdles will be tested as at 30 June 2025 to determine whether any Rights vest to Ms Hudson.
5 Performance hurdles will be tested as at 30 June 2026 to determine whether any Rights vest to Ms Hudson.

Directors' Report continued

For the year ended 30 June 2024

PERFORMANCE RIGHTS

Performance Rights are awarded to select Qantas Group Executives under the Qantas Long Term Incentive Plan (LTIP). Refer to pages 47 to 49 for further details.

The Recovery and Retention Plan was announced in the second half of the 2021/22 financial year and includes a grant of Rights to eligible employees (both Non-Executive and Executive) subject to both performance and service conditions.

The following table outlines the movements in Rights during the year:

	Number of Rights	
Performance Rights Reconciliation	**2024**	**2023**
Rights outstanding as at 1 July	62,038,284	61,194,044
Rights granted during the year	2,631,000	5,792,250
Rights forfeited during the year	(2,609,210)	(2,655,176)
Rights vested and converted to shares during the year	(52,205,307)	(1,143,343)
Rights lapsed during the year	(1,040,500)	(1,149,491)
Rights outstanding as at 30 June	**8,814,267**[1]	**62,038,284**

1 The movement of Rights outstanding as at 30 June 2024 to the date of this Report is explained in the footnotes of the table below.

Rights will be converted to Qantas shares to the extent performance hurdles have been achieved. The Rights do not allow the holder to participate in any share issue of Qantas. No dividends are payable on Rights. The fair value of Rights granted is calculated at the date of grant using a Monte Carlo model and/or Black-Scholes model.

The following Rights were outstanding and unvested at 30 June 2024:

				Number of Rights	
Name	**Testing Period**	**Grant Date**	**Value at Grant Date**	**2024**	**2023**
2018–2020 Long Term Incentive Plan[1]	30 Jun 20	27 Oct 17	$3.30	–	687,000
2019–2021 Long Term Incentive Plan[1]	30 Jun 21	26 Oct 18	$2.33	–	651,000
2020–2022 Long Term Incentive Plan[1]	30 Jun 22	26 Oct 19	$3.59	–	743,000
2021–2023 Long Term Incentive Plan[2]	30 Jun 23	11 Sep 20	$2.24	–	8,210,480
2021–2023 Long Term Incentive Plan[3]	30 Jun 23	23 Oct 20	$3.07	–	1,349,000
2022–2024 Long Term Incentive Plan	30 Jun 24	17 Sep 21	$3.90	2,766,789	3,087,900
2022–2024 Long Term Incentive Plan	30 Jun 24	5 Nov 21	$3.85	626,110	861,000
2023–2025 Long Term Incentive Plan	30 Jun 25	4 Nov 22	$4.24	3,113,337	4,273,500
2024–2026 Long Term Incentive Plan	30 Jun 26	3 Nov 23	$3.13	2,308,031	–
2022–2023 Recovery Retention Plan[2]	30 Jun 23	28 Feb 22	$4.98	–	40,752,904
2022–2023 Recovery Retention Plan[2]	30 Jun 23	4 Nov 22	$5.92	–	1,422,500
Total				**8,814,267**	**62,038,284**

1 After agreeing in previous years to defer the decision of vesting of Rights awarded under the 2018-2020 LTIP, 2019-2021 LTIP and the 2020-2022 LTIP, the former CEO elected to convert these Rights to shares in August 2023. Based on the testing of performance hurdles as at the end of the relevant financial year of each LTIP and the Board's approval of the vesting outcome of the respective LTIP, 50 per cent of the 2018-2020 LTIP, 50 per cent of the 2019-2021 LTIP and 50 per cent of the 2020-2022 LTIP awarded to Mr Joyce vested and converted to shares after the release of the 2022/23 financial results.

2 Following the testing of performance hurdles as at 30 June 2023 and the Board's approval of the 2021-2023 LTIP and the 2022-2023 RRP vesting outcome on 23 August 2023, 100 per cent of Rights vested and converted to shares. The shares awarded under the 2021-2023 LTIP remain subject to an additional one-year trading restriction.

3 On 8 August 2024, under forfeiture provisions that apply to the LTIP, the Board determined that all the restricted shares held on behalf of the former CEO in relation to the 2021-2023 LTIP would be forfeited (1,349,000 restricted shares).

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT

COVER LETTER TO THE REMUNERATION REPORT

Dear Shareholder

2023/24 was a year of challenge, change and recovery for Qantas. Operational and reputational issues led to changes in Executive leadership and at Board, and resulted in shareholders voting against our 2023 Remuneration Report. Against this backdrop, the Qantas Board and Management team, under Ms Hudson's leadership, committed to rebuilding trust with our customers and people while also delivering financial performance and maintaining a strong balance sheet. We made progress in getting the balance right and we continue our efforts as set out in this Report.

Understanding reasons for the first strike

The message was clear. Many of our shareholders and their advisors considered that the remuneration outcomes were inappropriate in light of operational performance, governance issues, and the reputational impacts of the actions and decisions leading to the Australian Competition and Consumer Commission (ACCC) proceedings and the Ground Handlers High Court outcome.

The Remuneration Committee has engaged with and listened to the concerns of shareholders and their advisors. We have supported the Board by benchmarking our remuneration structure and have made changes to better align with ASX market practice and shareholder expectations. These are referred to below and detailed further in this Report. We have assisted the Board in finalising the outstanding remuneration outcomes for the 2022/23 financial year and implemented new processes to support the Board in reviewing performance and determining remuneration outcomes for the 2023/24 financial year.

Finalising remuneration consequences for 2022/23

First, we needed to finalise variable remuneration outcomes for the former CEO and affected Executives for 2022/23.

As reported in last year's Remuneration Report, the Board exercised its discretion to reduce the Customer target outcome from 2 out of 20 to zero, and then further reduced the 2022/23 Short Term Incentive Plan (STIP) assessed outcomes by 20 per cent for the Chief Executive Officer (CEO) and direct reports to the CEO (Executive Management) in place during the year ending 30 June 2023. In addition, given the initiation of the ACCC proceedings advised to Qantas on 31 August 2023 and the Ground Handlers High Court finding on 13 September 2023, the Board decided to defer the delivery and final determination of the 2022/23 STIP award. The Board has now reviewed all relevant circumstances to finalise these matters (the Governance Review).

The events that damaged Qantas and its reputation and caused considerable harm to relationships with customers, employees and other stakeholders were due to a number of factors. As part of a settlement with the ACCC, Qantas has admitted to misleading customers in relation to flight cancellation processes and – subject to Federal Court approval – will pay a $100 million penalty. Qantas has also agreed to a $20 million customer remediation program. Penalties and compensation arising from breaches of the *Fair Work Act* in the Ground Handlers High Court finding are still to be determined.

The Board announced on 8 August 2024 that it had determined that the 2022/23 STIP outcome for the former CEO and accountable Executive Management would be reduced by 33 per cent (inclusive of the previously announced 20 per cent reduction). The reduction was implemented in relation to the deferred share component. In addition, under forfeiture provisions that apply to the Long Term Incentive Plan (LTIP), the Board determined that all shares held on behalf of the former CEO in relation to the 2021-2023 LTIP would be forfeited. In reaching these decisions, the Board considered the individual and collective accountability of Executive Management, and in addition, the individual overall accountability and responsibility of the former CEO for the outcomes of the business.

These adjustments result in a total reduction of 2022/23 STIP for accountable current and former Members of the then Group Management Committee (including the former CEO, Executive Management who are Key Management Personnel (KMP), and other direct reports to the CEO) of $4.1 million, and a further reduction of $8.36 million (applying the 30 June 2023 share price of $6.20) in relation to the former CEO's 2021-2023 LTIP.

While there were no findings of deliberate wrongdoing, the Governance Review found that mistakes were made by the Board and Management which contributed to the Group's significant reputational and customer service issues. The remuneration outcomes for the CEO and Executive Management are as noted above. The Board has also taken accountability for its role and the current ongoing Non-Executive Directors who were on the Board at the time will take a 33 per cent reduction to their Directors' base fees in 2024/25.

Acting on shareholder feedback in 2023/24

Secondly, we have already implemented changes in 2023/24 in response to shareholder concerns:

- Governance on share trading and the minimum shareholding requirements of the CEO and Executive Management have been tightened;
- Terms and conditions of the LTIP have been amended to provide for greater exercise of Board discretion, commencing with the 2024-2026 LTIP, consistent with like conditions in the STIP;
- Increased weighting of the Customer component from 20 to 30 per cent in the Group Scorecard;

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (CONTINUED)

- Introduction of an equally weighted third performance measure focused on Reputation in the 2024-2026 LTIP requiring the Group to restore its reputation under the RepTrak survey to a 'Strong to Excellent' rating by the end of the three-year performance period; and
- Enhanced transparency and disclosure in our Remuneration Report, including full transparency on the Group Scorecard performance measures, targets and outcomes.

Changes for 2024/25

In addition to the above, we will also make the following changes in 2024/25:

- Removal of the Individual Performance Factor (IPF) and adoption of a more transparent Balanced Scorecard incorporating both Group and Individual objectives to assess CEO and Executive Management performance; and
- Increasing the proportion of STIP delivered in shares from one-third to 50 per cent, with the vesting of the shares deferred for two years. The additional one-year holding lock has been discontinued.

One of the recommendations of the Governance Review released on 8 August 2024 was an expansion of the charter of the Remuneration Committee to become the People and Remuneration Committee, which will allow the Committee to dedicate time to issues such as employee engagement, talent attraction and retention, and frameworks designed to reinforce desired culture, principles and values. This has been implemented effective 28 August 2024.

Remuneration outcomes in 2023/24

We now turn to this year's remuneration outcomes. 2023/24 was a year of recovery and reset.

We achieved an Underlying PBT of $2.08 billion and delivered a Total Shareholder Return (TSR) of 21.65 per cent.

The Underlying PBT was a strong result, only exceeded in Qantas Group history by the 2022/23 outcome, but from a Group Scorecard perspective was just below our target. Significant effort was dedicated to restoring trust with customers and employees. This took many forms, including delivering on operational performance, finalising 11 Enterprise Agreements, and the design and delivery of key training programs that underpin our strategy to create a safe and inclusive culture and reinforce the critical role of leaders at all layers of the organisation. This included the delivery of Inclusive Leadership Essentials for our 1,400 People Leaders, Frontline Leadership Development across Cabin Crew, Airports, Engineering and Flight Operations and the implementation of our Culturally Inclusive Service Training for customer-facing employees. This work was reflected in lifting our On-Time Performance (OTP), which correlates strongly with our improved Net Promoter Score (NPS) results. We maintained our operational safety record which we continue to hold as our highest priority, but we did not reach our challenging workplace safety improvement targets. Pleasingly, we did make further progress on our climate goals, exceeding our emissions reduction target, and reducing the amount of waste sent to landfill.

Variable remuneration

The overall 2023/24 Group Scorecard result achieved a below target outcome of 99.1 per cent out of a maximum possible outcome of 175 per cent. However, the Board considered that while significant progress has been made on a number of fronts, the result should be adjusted down to a final outcome of 95 per cent to reflect that we are only part way through restoring trust with our key stakeholders. In particular, while the Group achieved NPS scores at or above 'overdrive' level, the Board is conscious that this may not yet be representative of all our customers' experiences.

The Group Scorecard outcome is then modified for the CEO and each member of Executive Management by their IPF. CEO and Executive Management final STIP outcomes ranged from 86 per cent to 105 per cent of target STIP opportunity.

The 2022-2024 LTIP achieved a partial vesting of 86.11 per cent. The Group achieved a relative TSR ranking of 3rd of the 17 airlines in the global airline peer group and a ranking of 36th against the ASX100 peer group.

Changes to KMP

Board renewal during 2023/24 resulted in the retirement of three Non-Executive Directors and the appointment of two new Non-Executive Directors. Chair Richard Goyder will retire on 16 September 2024 and John Mullen will assume the Chair. Other changes to the Executive and Non-Executive KMP are set out in the table on page 35.

We encourage you to read the 2024 Remuneration Report in full and welcome your feedback.

Dr Nora Scheinkestel

Chair, People and Remuneration Committee

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

REMUNERATION REPORT CONTENTS

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

1 KEY MANAGEMENT PERSONNEL

The remuneration of Key Management Personnel (KMP) – the CEO, direct reports to the CEO (Executive Management) and Non-Executive Directors – is disclosed in this Report, including former KMP that ceased employment in 2023/24. KMP is defined as those persons having authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly, including any director (whether Executive or otherwise) of that entity.

Name	Position	Term as KMP
Current Executive KMP		
Vanessa Hudson	CEO (previously Chief Financial Officer and CEO Designate until 5 September 2023)	Full Year
Andrew Glance	CEO Qantas Loyalty	From 1 March 2024
Rob Marcolina	Group Chief Financial Officer	From 6 September 2023
Markus Svensson	CEO Qantas Domestic	From 1 October 2023
Stephanie Tully	CEO Jetstar Group and Jetstar Airways	Full Year
Cameron Wallace	CEO Qantas International and Freight	Full Year
Former Executive KMP		
Alan Joyce	CEO	Ceased 5 September 2023
Andrew David	CEO Qantas Domestic	Ceased 29 September 2023
Olivia Wirth	CEO Qantas Loyalty	Ceased 16 April 2024
Current Non-Executive Directors		
Richard Goyder	Chair	Full Year
John Mullen	Non-Executive Director and Chair-Elect	Commenced 22 April 2024
Belinda Hutchinson	Non-Executive Director	Full Year
Doug Parker	Non-Executive Director	Full Year
Todd Sampson	Non-Executive Director	Full Year
Dr Nora Scheinkestel	Non-Executive Director	Commenced 1 March 2024
Dr Heather Smith	Non-Executive Director	Commenced 24 August 2023
Antony Tyler	Non-Executive Director	Full Year
Former Non-Executive Directors		
Maxine Brenner	Non-Executive Director	Ceased on 22 February 2024
Jacqueline Hey	Non-Executive Director	Ceased on 22 February 2024
Michael L'Estrange	Non-Executive Director	Ceased on 3 November 2023

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

2 RESPONSE TO STRIKE AGAINST THE 2023 REMUNERATION REPORT

Following the strike against our 2023 Remuneration Report, the Board engaged extensively with major shareholders and proxy advisors to understand the key concerns with our remuneration framework, strategy and governance. Set out below is a summary of concerns and the Board's responses:

Concern	Response	Details
Implemented in 2023/24		
The 2022/23 remuneration consequences for the former CEO and Executive Management arising from the impact on Qantas' reputation were not sufficient.	The Board has now finalised and disclosed the remuneration consequences for the former CEO and accountable Executive Management for 2022/23, which included; – a reduction in the 2022/23 STIP outcome for the former CEO and accountable Executive Management by 33 per cent (inclusive of the previously announced 20 per cent reduction), and; – forfeiture of 100 per cent of restricted shares of the former CEO in relation to the 2021-2023 LTIP.	Page 37
CEO remuneration levels are too high.	The remuneration level for the new CEO was rebased to a lower level while still ensuring it is a fair and market competitive package. Base Pay was set 26 per cent lower than the former CEO and 36 per cent lower in terms of Maximum Total Remuneration.	Page 56
CEO performance objectives are not disclosed.	The CEO's performance objectives are disclosed with commentary on performance.	Page 42
STIP targets and performance are not disclosed.	Qantas published a fully transparent Group Scorecard, with performance measures, targets and outcomes.	Page 39
The Group did not appropriately balance Employee, Customer and Shareholder expectations, leading to reputational impacts.	Qantas increased the weighting to Customer measures in the Group Scorecard for 2023/24 to 30 per cent and introduced a Reputation measure in the LTIP.	Pages 39 & 47
The Board has limited discretion on LTIP vesting.	The Board has amended the terms and conditions to increase discretion, commencing with the 2024-2026 LTIP.	Page 48
The former CEO sold a number of shares on-market during his tenure and went below the minimum shareholding guideline.	The Board has enhanced governance of the Minimum Shareholding Guidelines (MSG), tightened approval processes, and implemented rules which do not allow Executives to sell down their holdings below the guideline once they have achieved it (other than to meet any tax obligations or in the event of severe financial hardship).	Page 49
To be implemented in 2024/25		
The Individual Performance Factor (IPF) in the STIP calculation is not common ASX practice. Its application was not differentiated, and was opaque.	The IPF has been removed. A Balanced Scorecard will be used for the CEO and Executive Management that will include a mix of Group financial and non-financial performance measures (Group Scorecard) and individual objectives. The Group Scorecard with targets and outcomes will be disclosed in the Remuneration Report.	Page 50
Many ASX100 companies defer 50 per cent of STIP to shares.	The proportion of STIP deferred into shares has been increased from one third to 50 per cent, deferred for two years, commencing in 2024/25. The additional one-year holding lock has been removed. Ongoing alignment with shareholders is achieved by compliance with the MSG.	Page 50
Not changed		
The relative TSR measures in the LTIP do not have a positive TSR gate to vesting.	Positive TSR gates are not common ASX market practice. The addition of Board discretion in the LTIP Terms and Conditions enables the Board to control vesting outcomes and ensure that they are appropriate.	
Qantas uses two relative TSR measures in the LTIP.	The two relative TSR measures in the LTIP are still considered the appropriate measures. More details are provided on the relative TSR measures in Section 6. A third measure has been added commencing with the 2024-2026 LTIP with the inclusion of Reputation, with all three measures now having an equal one third weighting. The Board has also amended the terms and conditions to increase discretion.	
Post-employment travel benefits for Executives and Non-Executive Directors are not common ASX practice.	A review of airline industry practice was conducted which found that travel benefits are broadly consistent with those provided by competitor airlines.	

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

SUMMARY OF REMUNERATION DECISIONS ON 2022/23 STIP

The Board announced on 8 August 2024 that it had determined that the 2022/23 STIP outcome for all accountable Executive Management would be reduced by 33 per cent (inclusive of the previously announced 20 per cent reduction). The reduction was implemented through a reduction in the deferred share component. In reaching these decisions, the Board considered the individual and collective accountability of members of the Group Management Committee. The Board also took into account their performance in bringing Qantas through the pandemic and the challenges of standing up the airline through that period. The combination of these factors is reflected in the reduction in the 2022/23 STIP.

In addition, under forfeiture provisions that apply to the LTIP, the Board determined that all the restricted shares held on behalf of the former CEO in relation to the 2021-2023 LTIP would be forfeited. This reflects his overall accountability and responsibility as CEO for the outcomes of the business.

These adjustments result in a total reduction of the 2022/23 STIP for accountable current and former Members of the Group Management Committee (including the former CEO and Executive Management) of $4.1 million, and a further reduction of $8.36 million (applying the 30 June 2023 share price of $6.20) in relation to the former CEO's 2021-2023 LTIP.

The impact from a remuneration perspective is set out in the following tables.

Actual Annual Incentive Outcome for 2022/23 – Former CEO

$'000s	Calculated 2022/23 STIP Outcome	33% Downward Adjustment	STIP Award after Adjustment	STIP Cash Bonus[1]	STIP Deferred Shares[2]	Total STIP Received as a % of Maximum Opportunity	Total STIP Forfeited as a % of Maximum Opportunity
Alan Joyce	2,734	(902)	1,832	1,591	241	42%	58%

1 Paid 9 August 2024.
2 Shares awarded under the 2022/23 STIP were allocated to participants on 8 August 2024, and are subject to a one-year deferral period until August 2025 and a further one-year trading restriction until August 2026.

Long Term Incentive Plan Outcome for 2022/23 – Former CEO

	Number of Shares Awarded Under the 2021-2023 LTIP	Number of Shares Forfeited	Value of Shares Forfeited[1] $'000
Alan Joyce	1,349,000	(1,349,000)	8,364

1 Interest in shares, as disclosed in the 2023 Remuneration Report, as at 30 June 2023 multiplied by the Qantas share price of $6.20 at 30 June 2023.

Actual Annual Incentive Outcome for 2022/23 – Executive Management

$'000s	Calculated 2022/23 STIP Outcome	33% Downward Adjustment	STIP Award after Adjustment	STIP Cash Bonus[1]	STIP Deferred Shares[2]	Total STIP Received as a % of Maximum Opportunity	Total STIP Forfeited as a % of Maximum Opportunity
Current Executives							
Vanessa Hudson	1,270	(419)	851	672	179	49%	51%
Rob Marcolina commenced as KMP 6 September 2023	874	(289)	585	462	123	42%	58%
Markus Svensson commenced as KMP 1 October 2023	668	(220)	448	354	94	40%	60%
Stephanie Tully	880	(290)	590	466	124	44%	56%
Former Executives							
Andrew David ceased as KMP 29 September 2023	1,112	(367)	745	588	157	44%	56%
Olivia Wirth ceased as KMP 16 April 2024	963	(318)	645	509	136	45%	55%

1 Paid 9 August 2024.
2 Shares awarded under the 2022/23 STIP were allocated to participants on 8 August 2024, and are subject to a one-year deferral period until August 2025 and a further one-year trading restriction until August 2026.

Directors' Report continued

For the year ended 30 June 2024

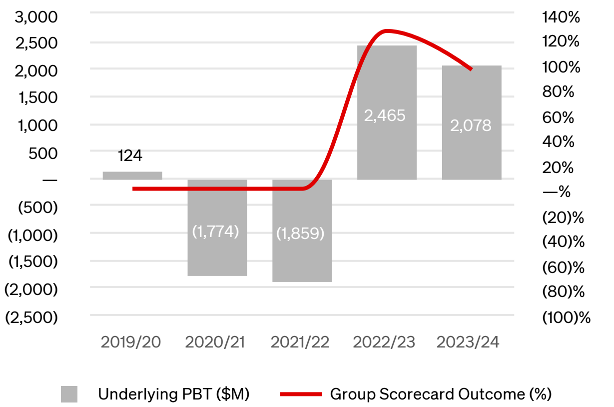
REMUNERATION REPORT (AUDITED) (CONTINUED)

3 OVERVIEW OF THE EXECUTIVE REMUNERATION FRAMEWORK OUTCOMES FOR 2023/24

CEO's 2023/24 STIP outcome	Executive Management STIP outcomes	Vesting of the 2022-2024 LTIP
100% as a % of target or 62% of maximum	**86% to 105%** Range of STIP outcomes as a percentage of target, or 37% to 52% of maximum	**86.11%**

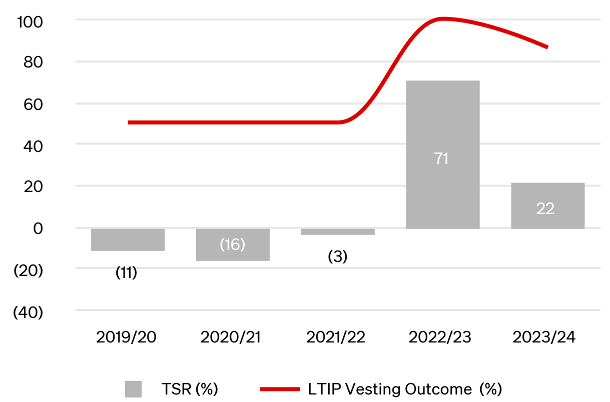
Qantas' incentive awards have historically been strongly tied to financial performance. Prior year incentive plan outcomes show the variability driven by actual performance and/or Board discretion. The 2023/24 STIP outcome reflects a more balanced Scorecard approach. 2022-2024 LTIP outcomes continue to reflect relative TSR outcomes against our two comparator groups.

Underlying Profit Before Tax (PBT) ($M) and Group Scorecard Outcome



1 The Board applied its discretion and determined that the 2019/20 and 2020/21 Group Scorecard Outcome was zero.
2 The Board determined that the STIP would not operate in 2021/22. This was replaced by the Recovery Retention Plan (RRP) which paid out in full.
3 Underlying PBT is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making bodies, being the CEO, Group Leadership Team and the Board, for the purpose of assessing the performance of the Group. Statutory Profit/(Loss) After Tax for 2023/24 was $1,251 million (2023: $1,744 million; 2022: ($860) million; 2021: ($1,692) million; and 2020: ($1,964) million).

Qantas Three-Year Total Shareholder Return (TSR) Performance and LTIP Vesting Outcome

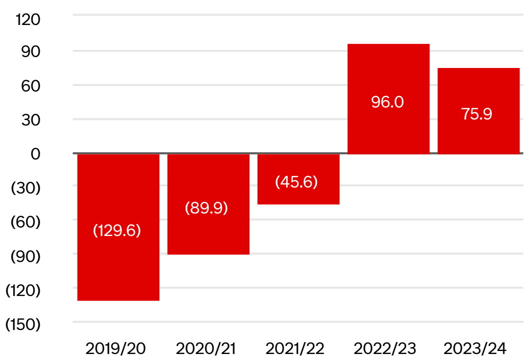


1 TSR Performance applying the LTIP performance test methodology (which uses the average closing share price over the six months preceding the test date of 30 June).

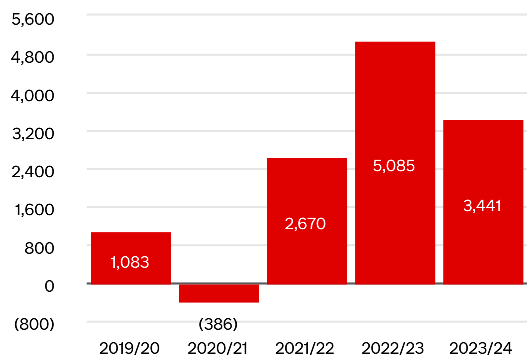
QANTAS' FINANCIAL PERFORMANCE HISTORY

In addition to the Underlying PBT graph above, the following graphs outline a five-year history of key financial metrics:

Statutory Earnings Per Share[1]



Operating Cash Flow ($M)



1 Statutory Basic Earnings/(Loss) Per Share (cents).

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

4 GROUP SCORECARD OUTCOME 2023/24

The 2023/24 Group Scorecard (for the purposes of STIP determination) included the following measures of financial and operational performance which the Board considers to be critical indicators of performance and drivers of shareholder value. The table below summarises performance versus threshold, target and overdrive for each Scorecard category. For the CEO and Executive Management, the Scorecard outcome is supplemented by the IPF which assesses what an individual has achieved and how they went about it (their conduct and behaviours).

Category (Outcome Range)	Weighting	Measures	Targets and Outcome					Comment
			Threshold	Target	Overdrive	Result	Actual Outcome	
Group Financial Measure (0-87.5%)	50%	Underlying PBT ($ billion)	1.9	2.25	2.6	2.08	37.7%	The Underlying PBT less transformation costs result of $2,078 million for 2023/24 was below the target set by the Board.
Customer (0-52.5%)	30%	Net Promoter Score (NPS):					48.7%	Customer satisfaction for Qantas Airlines and Jetstar Domestic was above target as a result of the increased investment and persistent focus on the Customer Recovery Plan during the year.
		Qantas Airlines	13	16	18	20		
		Jetstar Domestic	7	10	13	13		
		Punctuality (months)	8	10	12	11		Qantas Domestic and QantasLink outperformed Virgin's on-time performance rate in 11 out of 12 months, exceeding target.
Operational and Workplace Safety (0-26.25%)	15%	Board's assessment of Operational Safety					7.5%	Operational Safety performance for the year was strong, resulting in full achievement.
		Workplace Safety measures percentage improvement (Events per million hours worked):					0%	We failed to meet Workplace Safety percentage improvement targets across TRIFR and LWCFR. Further details are provided overleaf.
		Total Recordable Injury Frequency rate (TRIFR)	19	16.5	14	21.3		
		Lost Workcase Frequency rate (LWCFR)	10	8.7	7.4	11.2		
Climate (0-5.25%)	5%	CO_2 emissions reductions (tonnes)	28,000	31,600	37,400	32,700	5.2%	The Group delivered emissions reductions totalling 32,700 tonnes CO_2e, exceeding the target of 31,600 tonnes CO_2e.
		Financial contribution from Business to Business (B2B) Offsets and sustainable aviation fuel (SAF)	3.9	4.3	4.7	4.3		The Group delivered $4.3 million in B2B Offsets and SAF programs.
		Waste to landfill reduction:						
		Jetstar Domestic	10	11	12	11		Deployment of inflight recycling at an additional 11 Jetstar Domestic ports.
		Qantas Domestic	5	6	7	6		Deployment of inflight recycling at an additional six Qantas Domestic ports.
		Qantas Domestic campuses	9	10	11	8		8 per cent increase in diversion of on campus waste from landfill did not reach threshold.
2023/24 Group Scorecard Outcome (0-175%)	100%	Scorecard result before Board exercised discretion					99.1%	The Board's view was that significant progress has been made on a number of fronts, tempered by the fact that this was a recovery year for the Group and much remains to be done; as a result, a discretionary discount was applied to the calculated result.
		Scorecard result after Board exercised discretion					95%	
		Scorecard result out of a maximum possible Scorecard outcome					54%	

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Assessment of 2023/24 Group Scorecard Measures

Group Financial Measure	The Underlying PBT result for 2023/24 was $2,078 million, compared to Target of $2,250 million and a 2022/23 outcome of $2,465 million. Underlying PBT reflected an increase in flying activity offset by an unfavourable year-on-year Revenue Airline Seat Kilometre (RASK) performance, largely driven by International as competitor capacity returns to pre-COVID levels, increased investment in Customer initiatives, as well as a decline in Freight markets, particularly in the first half of financial year 2023/24. Group Transformation benefits continue to offset CPI.
Customer	The investment and persistent focus on the Customer Recovery Plan resulted in a significant uplift for Qantas Airline NPS, with both Domestic and International networks seeing improvement over 2023/24, particularly in the last quarter driven by stronger OTP. Jetstar also improved its operational performance through targeted investment while ensuring it remained true to its low-cost DNA. This resulted in both Qantas Airline and Jetstar NPS exceeding target. OTP is a crucial driver of NPS and customer satisfaction. The Group focused on minimising delays and cancellations and on delivering exceptional service at every touchpoint of the customer journey – ensuring consistency and reliability – training and empowering frontline staff to handle and resolve issues effectively.
Operational and Workplace Safety	Operational Safety performance is assessed against outcome-based measures (including operational occurrences that pose a significant threat to the safety of employees and customers) and risk-based lead indicators commonly associated with aviation industry accidents. These measures include mandatory and non-mandatory reporting rates, hard alert rates and technical dispatch reliability. The Qantas Group has delivered strong performance this year equivalent to meeting performance overall, and exceeding performance in hard alert rate and technical dispatch reliability. The Group failed to meet the Workplace Safety percentage improvement targets, which were based off abnormally low rates of injury which occurred during COVID (from much reduced flying), followed by volatility in injury frequency rates during the subsequent recovery. Volatility in both injury claims and hours worked (the measures of injury frequency rate) made it difficult to estimate the impact and the degree of ambition embedded. In addition, improvements in streamlining claims processes resulted in an increased rate of injury conversion to claims. In the targeted improvements for 2023/24 there were actually fewer total injuries recorded by many work groups. The Group has increased confidence in our target setting process for 2024/25 as the volatility has somewhat reduced and the Group has continued to identify opportunities to improve performance.
Climate	The emissions reduction target is met from the use of sustainable aviation fuel (SAF) and operational efficiency initiatives to reduce fuel burn. Operational efficiency emissions reduction was below target, mostly due to lower uptake of key initiatives like single engine taxi out and use of ground power units (GPU) instead of auxiliary power units (APU). SAF volumes, however, delivered a greater level of greenhouse gas emission reduction (~90 per cent) than contracted (80 per cent).[1] The Group met our financial contribution target through business to business (B2B) products involving SAF, such as the SAF Corporate Coalition, and offsets. The SAF Corporate Coalition achieved revenue of $3.3 million (versus target of $4 million) based on 11 corporate members across the two membership tiers. Qantas Future Planet program margin also over delivered versus target ($1 million versus $0.3 million) due to flagship customers Atlas and Australia Post, leading to total program mitigations of $4.3 million in line with target. The Group also achieved our target for waste to landfill reduction through inflight recycling to additional Qantas and Jetstar ports. However, Mascot campus waste diversion performance was below target despite a range of initiatives (e.g. hand dryers replacing paper towels and coffee cup recycling).

1 The target was based on the contracted obligation of a minimum of 80 per cent emissions reduction in the SAF provided, required as part of the deal with the fuel suppliers. The actual SAF provided was certified at a higher emissions reduction level.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Why did Qantas select the performance measures in the 2023/24 Group Scorecard?

Group Financial Measure	Underlying PBT is the primary financial performance measure for the Qantas Group and therefore the primary performance measure under the STIP. Underlying PBT provides meaningful and consistent representation of the underlying performance of the Group.
Customer	Delivering exceptional customer service is key to the overall success of the Group which utilises NPS – a measure of how strongly our customers would promote us – to gauge how we perform. Individual NPS targets are set for Qantas Airlines and Jetstar Domestic. Punctuality is a key contributor to customer satisfaction and is a leading measure to drive NPS. OTP is measured by the Bureau of Infrastructure, Transport and Regional Economics (BITRE), as the number of flights operating on-time (on an on-time departure basis) as a percentage of the total number of flights operated.
Operational and Workplace Safety	Safety is the Group's first priority. The Safety, Health, Environment and Security Committee performs an assessment of both Workplace Safety performance and Operational Safety performance for use in the Group Scorecard. The objective of the Workplace Safety targets is to keep our people safe at work and reduce employee injuries. Targets were set in relation to: – Total Recordable Injury Frequency Rate (TRIFR) – Lost Work Case Frequency Rate (LWCFR) Operational Safety performance is assessed against outcome-based measures (including operational occurrences that pose a significant threat to the safety of employees and customers) and risk-based lead indicators commonly associated with aviation industry accidents, such as flight data trends, technical dispatch reliability and reporting rates. The Board retains an overriding discretion to scale down the STIP outcome (or reduce it to zero) in the event of a material aviation safety incident or in the event where safety outcomes do not meet our expectations. This 'safety override' discretion is in addition to, and does not qualify, the Board's overall discretion over STIP awards.
Climate	Qantas is committed to decarbonisation under our Climate Action Plan (CAP). The Scorecard climate targets are aligned to our interim target of achieving a 25 per cent reduction in net emissions from 2019 levels by 2030 while managing the climate transition in a financially sustainable manner. They are split into three categories: – Emissions reduction from the use of SAF and operational efficiency initiatives to reduce fuel burn – Program mitigation through financial mitigation of the Group's climate transition through business to business (B2B) products involving SAF, such as the SAF Coalition, and offsets – Waste to landfill reduction initiatives.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

APPLICATION OF INDIVIDUAL PERFORMANCE FACTOR TO CEO AND EXECUTIVE MANAGEMENT SCORECARD

The IPF for the CEO was determined by the Board based on its assessment of the CEO's:

- Contribution to achieving the Group Scorecard measures;
- Individual performance against KPIs; and
- Leadership, behaviour, and commitment to good governance.

The KPIs for the CEO covered the following areas:

Culture & Leadership

Ms Hudson undertook renewal of the Executive Team, which included the appointment of a new Chief People Officer, internal promotions to key airline leadership roles, and increasing female representation on the Group Leadership Team. At the same time, she developed clear leadership values and an inclusive culture focused on performance. She commenced a plan to close the gap to frontline team members through visible leadership and established a voice of people survey with demonstrated listening and acting culture.

Customer & Reputation

Ms Hudson has driven clear actions to address customer pain points, including OTP, Loyalty member redemption access, and inflight and digital experience. A voice of customer program has also been embedded across all segments to drive action and continuous improvement. The ACCC legal matter has been progressed to settlement (subject to Federal Court approval) and the penalties and compensation arising from the breaches of the *Fair Work Act* in the Ground Handlers High Court finding are also pending court determination.

Shareholder Focus

Ms Hudson applied disciplined capital allocation, including an on-market share buy-back to the value of $869 million at 30 June 2024, and maintained a strong balance sheet with high liquidity and restructured debt profile with longer tenor.

Enterprise Capability

Under Ms Hudson's leadership, the Group maintained a world-leading operation and safety risk management system. This was further enhanced by the creation of the Chief Risk Officer role with enterprise risk management accountability. Risk appetite assessments have been completed for all key business functions.

Fleet Renewal & Capital Management

The Group's fleet renewal program is key to the Group meeting operational and sustainability targets in the future. Ms Hudson delivered strong execution of the new fleet delivery in 2024, maintaining excellent relationships with aircraft manufacturers and preserving levers for flexibility if needed, and transparently tracked proof points of benefits in investor updates.

Board Assessment

The Board concluded that the CEO had met and exceeded expectations and assessed her IPF at 105 per cent. IPF scores for the rest of the Group Leadership Team (including Executive Management who are KMP and other direct reports to the CEO) ranged between 80 to 110 per cent.

As noted on page 50, 2023/24 will be the last year where an IPF will be used. In 2024/25, the Group will assess performance based on a Balanced Scorecard incorporating Group and Individual performance objectives.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Annual Incentive Outcomes for 2023/24

The following table outlines the 2023/24 STIP maximum opportunity and outcome for the CEO and Executive Management.

$'000s	Total STIP Award	STIP Cash Bonus[1]	STIP Deferred Shares[2]	Total STIP Paid as a % of Target	Total STIP Received as a % of Maximum Opportunity	Total STIP Forfeited as a % of Maximum Opportunity
Current Executives						
Vanessa Hudson	1,541	1,027	514	100%	62%	38%
Andrew Glance[3] commenced as KMP 1 March 2024	335	223	112	90%	37%	63%
Rob Marcolina[3] commenced as KMP 6 September 2023	626	417	209	86%	43%	57%
Markus Svensson[3] commenced as KMP 1 October 2023	663	442	221	100%	50%	50%
Stephanie Tully	734	489	245	105%	52%	48%
Cameron Wallace	616	411	205	90%	45%	55%
Former Executive						
Olivia Wirth[4] ceased as KMP 16 April 2024	579	386	193	95%	48%	52%

1 To be paid in September 2024.
2 Restricted shares allocated on 6 September 2024.
3 The 2023/24 STIP award shown reflects the full award for Mr Glance, Mr Marcolina and Mr Svensson. This differs to the Statutory Remuneration disclosure which includes only the remuneration for the period of time in a KMP role.
4 As a good leaver, Ms Wirth was eligible to receive an award of cash and deferred shares pro-rated for the portion of the performance period employed under the 2023/24 STIP.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

5 LONG TERM INCENTIVE PLAN OUTCOME 2022-2024

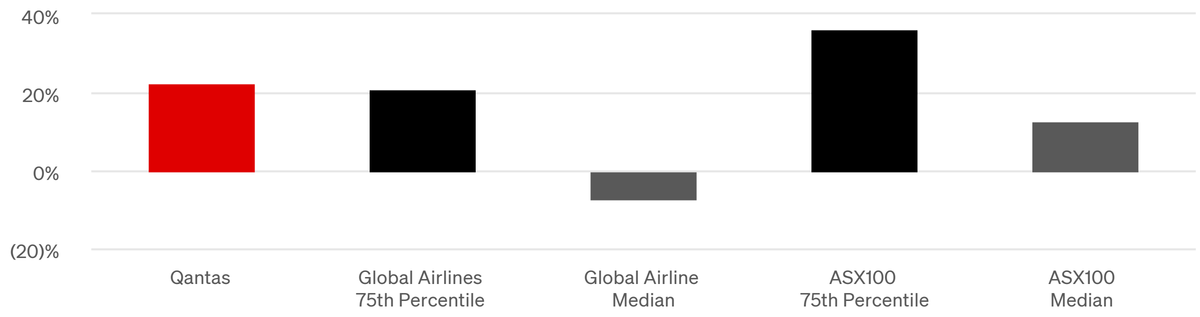
Qantas TSR Performance	Qantas TSR Rank vs Global Airlines	Qantas TSR Rank vs ASX100	Vesting of 2022-2024 LTIP
22%	**3rd**	**36th**	**86.11%**

The three-year performance measures under the 2022-2024 LTIP are Qantas' relative TSR compared to:

- A global airline peer group, and
- ASX100 companies.

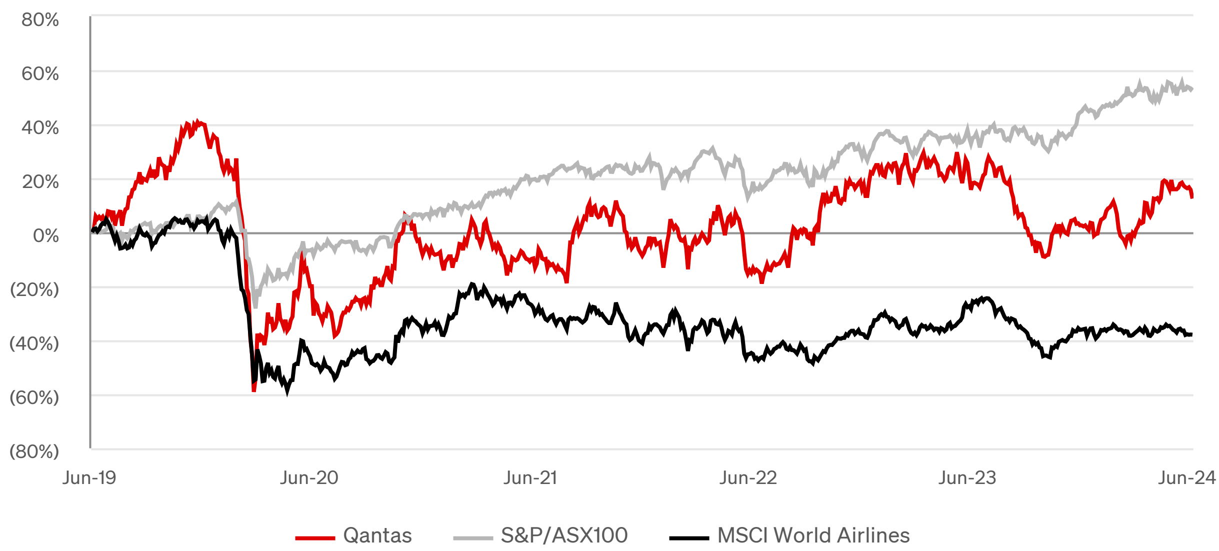
Qantas' TSR performance over the past three years ranked 3rd of companies in the global airline peer group and 36th of companies in the ASX100, resulting in top quartile performance against the global airline peer group and above median performance against the ASX100. Based on this performance, 86.11 per cent of Rights awarded under the 2022-2024 LTIP vested and converted to shares which are subject to a further one-year trading restriction. Further detail is provided in section 6.

Qantas' Three-Year TSR Performance[1] vs Peer Groups (%)



1 TSR performance, applying the LTIP performance test methodology (which uses the average closing share price over the six months preceding the test date of 30 June 2024).

Qantas' Five-Year TSR Performance



Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

6 EXECUTIVE REMUNERATION STRUCTURE FOR 2023/24

Base Pay	
(also referred to as Fixed Annual Remuneration)	Base Pay is a guaranteed salary level, inclusive of superannuation. Base Pay for the CEO and Executive Management is reviewed annually with reference to external market data which best mirrors the size, complexity, and challenges in managing Qantas' businesses. Base Pay (Cash), as disclosed in the remuneration tables, excludes superannuation (which is disclosed as Post-Employment Benefits) but does include salary sacrifice components such as motor vehicles.
Annual Incentive	
STIP Overview	The STIP is the annual incentive plan for the CEO and Executive Management. Each year, Executives may receive an award that is a combination of cash and deferred shares to the extent that the plan's performance conditions are achieved, subject to the exercise of Board discretion.
Calculation of STIP Awards	STIP Awards are calculated as follows: STIP Award = Base Pay X Target Opportunity X Group Scorecard Outcome X Individual Performance Factor
Opportunity Level	Each STIP participant has a Target and Maximum Opportunity expressed as a percentage of Base Pay: **% of Base Pay** / **CEO** / **Executive Management** Target: 100% / 80% Maximum: 160% / 160% The minimum outcome is nil, which would occur if the threshold level of performance is missed on each STIP measure, if an individual's performance does not warrant an award, or if the Board determines that no award be made. Scorecard items are assessed to a potential maximum of 175 per cent, but the STIP participant payouts are capped at 160 per cent as set out in the table above. The Scorecard potential maximum of 175 per cent is being reviewed in 2024/25.
Performance Conditions – Group Scorecard	The Group Scorecard contains a mix of Group financial and non-financial measures. A detailed description of the 2023/24 Group Scorecard measures and outcomes is provided on pages 39 to 41.
Performance Conditions – Individual Performance Factor	An individual's performance is recognised via an IPF. The IPF is a measure of individual performance that assesses: – What an individual has achieved – How they went about it (i.e. their conduct and behaviours). IPFs are generally in the range of 80 to 120 per cent. However, in the case of underperformance, the IPF may be zero. In exceptional circumstances the IPF may be as high as 150 per cent. Details of the CEO's 2024 IPF outcome are provided on page 42.
Board Discretion	Board discretion is a key element of the design of the STIP. While the Scorecard is the primary basis for calculation of the STIP, the Board reserves the right to consider outcomes in the broader context of Qantas' overall performance, the operating environment and non-financial considerations.
Delivery of STIP Awards	Two thirds of the STIP award is paid as a cash bonus, with the remaining one third deferred into Qantas shares. Deferred shares are subject to: – A two-year deferral period, and – A one-year trading restriction which applies both during employment and post-cessation of employment. Shares subject to the trading restriction remain on foot on cessation of employment but are subject to forfeiture.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Cessation of Employment	In general, unless the Board determines otherwise, where an Executive resigns, is terminated for cause or is terminated in other circumstances involving unacceptable performance or conduct, they forfeit any right to participate in that year's STIP and forfeit any shares awarded under prior year STIPs that are subject to a deferral period. For shares subject to the additional trading restriction, forfeiture on cessation of employment does not apply. That is, for any shares awarded under prior year STIPs where the deferral period has been served, but the shares are subject to the additional trading restriction, the Executive retains those shares subject to the additional trading restriction. The additional trading restriction provides the Board with the ability to forfeit vested equity, if required, even after cessation of employment. In other circumstances of termination, unless the Board determines otherwise, for example, retirement, employer-initiated terminations (with no record of poor performance), death or total and permanent disablement: – For the current year STIP, provided the Executive worked for a minimum of six months, the Executive will receive a pro-rated award based on the portion of the performance period that the Executive served and the actual performance against the performance measures (as determined by the Board following the end of the performance period). – For shares awarded under prior year STIPs that are subject to a deferral period, the original deferral period and additional trading restriction continue to apply and these shares are subject to forfeiture.
Disclosure	In addition to required statutory disclosures, Qantas chooses to disclose the full value of each year's STIP award in the Remuneration Outcomes Table on page 51. This involves disclosing both: – The value of cash awards made – The full value of deferred shares that were awarded (notwithstanding that these shares are still subject to a two-year deferral period and a one-year trading restriction). Disclosure of STIP awards in the Statutory Remuneration Table on page 53 is based on the requirements of the *Corporations Act 2001* (Cth) and applicable Australian Accounting Standards. The STIP awards are disclosed as either: – A cash incentive for any cash bonus paid; and/or – A share-based payment for any component awarded in deferred shares. Where share-based STIP awards involve deferral over multiple reporting periods, they are reported against each period in accordance with accounting standards.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Long Term Incentive Plan (LTIP)

LTIP Overview

The LTIP is a four-year plan that involves an upfront award of a fixed number of Rights over Qantas shares. If performance and service conditions are achieved over a three-year period, Rights vest and convert to Qantas shares. The vested shares are then subject to a further one-year trading restriction, during which the shares cannot be traded and are subject to forfeiture.

If the three-year performance conditions or service conditions are not met, the Rights lapse.

Opportunity Level

Each LTIP participant has a Target Opportunity expressed as a percentage of Base Pay:

% of Base Pay	CEO	Executive Management
Target	160%	95%

The number of Rights awarded is the maximum number of Rights that may vest and convert to Qantas shares.

The number of Rights awarded is determined by applying the following formula:

Rights awarded = Base Pay X Target Opportunity ÷ Face Value of Right

Performance Conditions

(2022-2024 and 2023-2025 LTIPs)

The performance conditions and weightings for each of the 2022-2024 LTIP (tested at 30 June 2024) and 2023-2025 LTIP (to be tested at 30 June 2025) are Qantas' relative TSR to:

- A global airline peer group (50 per cent); and
- ASX100 companies (50 per cent).

Qantas' Financial Framework targets top quartile TSR performance relative to global airline peers and ASX100 companies as these provide a comparison of relative shareholder returns relevant to most Qantas investors.

At the end of the performance period, the TSR performance of Qantas and each comparator company is determined based on their average closing share price over the final six months of the three-year performance period.

The vesting scale for both the ASX100 and the global airline peer groups is as follows:

Qantas TSR Performance Relative to Each Peer Group	Vesting Scale
Below 50th percentile	Nil vesting
50th to 75th percentile	Linear Scale: 50 per cent to 100 per cent vesting
Above 75th percentile	100 per cent vesting

The ASX100 peer group comprises those companies that make up the S&P/ASX100 Index at the commencement date of the performance period.

The global airline peer group has been chosen for relevance to investors, including investors based outside Australia, with a primary interest in the aviation industry sector, and has regard to:

- Geography – Airlines in the comparison group represent Qantas' key competitor markets in Europe, North America and Asia as well as Australia and New Zealand.
- Limited government involvement – Substantial government involvement or limited free float can include both financial support and/or restrictions on the operations of competitors.
- Strategy – The airlines represent a combination of different strategies available to airlines. That is, international, domestic, full service and value-based airlines.
- Continuing financial performance – Airlines at risk of bankruptcy or recently relisted following Chapter 11 protection are likely to be outliers in terms of performance and are therefore excluded.

For the 2022-2024 LTIP and the 2023-2025 LTIP the global listed airline peer group comprised AirAsia, Air France/KLM, Air New Zealand, All Nippon Airways, American Airlines, Cathay Pacific, Delta Airlines, Deutsche Lufthansa, easyJet, International Consolidated Airlines Group, Japan Airlines, LATAM Airlines Group, Ryanair, Singapore Airlines, Southwest Airlines, and United Continental.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Conditions **(Commencing with 2024-2026 LTIP)**	Three equally weighted performance conditions have been used in the 2024-2026 LTIP (tested at 30 June 2026): – Relative TSR against a global airline peer group – Relative TSR against ASX100 companies – Reputation as measured against the RepTrak survey (see below) The vesting scale for both the ASX100 and the global airline peer groups remains the same as above. For the 2024-2026 LTIP the global listed airline peer group remains the same, with the addition of Air Canada due to its relevance to investors, with a similar strategic positioning to Qantas, limited government involvement and representing a key market. Reputation was selected as an additional measure for the 2024-2026 LTIP as the public's trust in the Group's brand has deteriorated in recent years. Reputational repair will be a key driver of continuing sustainable financial performance in the future, and its inclusion in the 2024-2026 LTIP is intended to provide an appropriate focus to Executives, and signal the importance of reputational recovery in the long-term success of the Company. Reputation will be measured by an established external provider, RepTrak, based on proven methodologies that will assess the public's trust in our brand. RepTrak classifies companies into five levels of assessed reputation (%): – Excellent (80+) – Strong (70-79) – Average (60-69) – Weak (40-59) – Poor (0-39) Historically, Qantas has consistently enjoyed Strong to Excellent reputation scores. However, in recent periods this has dropped significantly into the Weak range. Qantas will need to return to ratings of Strong or above for the future success of the business. With this in mind, targets for the 2024-2026 LTIP have been set such that vesting will only occur if the Group returns into a reputation range assessed as Strong to Excellent by the end of the performance period. The assessment will seek to ensure that performance improvement is sustained and not achieved as a one-off by considering both monthly and rolling annual performance. The vesting scale for the Reputation measure is as follows:

Qantas Reputation Performance	Vesting Scale
Below Strong (Below 70)	Nil vesting
From Strong to Excellent (70-80)	Linear Scale: 50 per cent to 100 per cent vesting
Above Excellent (Above 80)	100 per cent vesting

Board Discretion	Board discretion was increased in the LTIP from the 2024-2026 LTIP onwards to allow consideration of any other factor which the Board determines is appropriate to take into account.
Trading Restriction	Any shares awarded under the LTIP will be subject to a one-year trading restriction, unless the Board determines otherwise. On cessation of employment shares subject to the trading restriction remain restricted and are subject to forfeiture.
Cessation of Employment	In general, unless the Board determines otherwise, when an Executive resigns, is terminated for cause or is terminated in other circumstances involving unacceptable performance or conduct, any Rights which have not vested will lapse. For any shares awarded under the LTIP that are subject to an additional trading restriction, the Executive will continue to hold those shares and the additional trading restriction continues to apply. These shares are subject to forfeiture. In other circumstances of termination, unless the Board determines otherwise, for example, retirement, employer-initiated terminations (with no record of poor performance), death or total and permanent disablement, Rights will remain on foot on a pro-rata basis and may vest at the end of the performance period, subject to the satisfaction of the relevant performance and service conditions of the LTIP. Any shares allocated following vesting of the LTIP are subject to a one-year trading restriction.
Allocation Methodology	The number of Rights granted to the CEO and Executive Management under the LTIP is calculated on a face value basis and is the maximum that may vest at the end of the performance period.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Change of Control	In the event of a change of control, the Board determines whether the LTIP Rights vest or otherwise.
Disclosure	In addition to the required statutory disclosures, Qantas chooses to disclose the full value of LTIP awards that vest during the year in the Remuneration Outcomes Table on page 51. The full value is equal to the number of Rights vested, multiplied by the Qantas share price at the end of the performance period, even where these shares are subject to an additional one-year trading restriction. The statutory remuneration disclosure amortises the accounting value of LTIP awards over the relevant performance and service period as per the accounting standards. The accounting value for the portion of the LTIP award that relates to market conditions does not have regard to whether performance conditions were achieved; whereas the accounting value for the portion of the LTIP award that relates to non-market conditions (i.e. Reputation measure and service-related conditions) may be reversed if conditions are not achieved.

Other Benefits

Non-Cash Benefits	Non-Cash Benefits, as disclosed in the remuneration tables, includes Travel, Superannuation and Other Long-Term Benefits as described below.
Travel	Travel concessions are provided to all permanent Qantas employees, consistent with prevailing practice in the airline industry. Travel at concessionary prices is on a sub-load basis; that is, it is subject to considerable restrictions and limits on availability. The policy includes specified direct family members or a nominated travel companion or beneficiary. In addition, and also consistent with prevailing practice in the airline industry, the CEO and Executive Management and their eligible beneficiaries are entitled to a number of trips for personal purposes at no cost to the individual. Post-employment travel concessions are also available to all permanent Qantas employees who qualify by achieving a service condition. The CEO and Executive Management and their eligible beneficiaries are also entitled to a number of trips for personal purposes at no cost to the individual after ceasing employment. An estimated present value of these entitlements accrues over the service period of the individual and is disclosed as a Post-Employment Benefit.
Superannuation	Superannuation includes statutory and salary sacrifice superannuation contributions (or superannuation benefits provided through a defined benefit superannuation plan) and is disclosed as a Post-Employment Benefit.
Other Long-Term Benefits	The movement in annual leave and long service leave accruals is included in Other Long-Term Benefits. The accounting value of Other Long-Term Benefits may be negative, for example, where an Executive's annual leave balance decreases as a result of taking more annual leave than they accrued during the year.

Minimum Shareholding Guidelines

Minimum Shareholding Guidelines (MSG)

The following shareholding guidelines were introduced with effect from 1 July 2019:

Individual	Guideline
Chair	1 times Chair Fee
Non-Executive Directors	1 times Base Fee
CEO	1.5 times Base Pay
Executive Management	0.75 times Base Pay

Non-Executive Directors, the CEO and Executive Management have a maximum five-year period from the date of their appointment to the respective role or commencement of this guideline to accumulate the value of their shareholding.

As part of enhancing governance on the MSG, amendments were made in 2023/24 to the effect that, once an Executive has achieved the MSG applicable to their role, they will not be permitted to sell down their holdings below this level (other than to meet any tax obligations or in the event of severe financial hardship).

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

EXECUTIVE REMUNERATION STRUCTURE FOR 2024/25

As set out in section 2, the following changes will be implemented in 2024/25:

- The IPF will be replaced in the STIP with a Balanced Scorecard approach which will consist of a mixture of Group financial and non-financial metrics as well as individual objectives.
- The proportion of the STIP to be delivered in shares will increase to 50 per cent with a two-year deferral period, increasing alignment with shareholders and accelerating achievement of the MSG

As a result, the structure of the Executive Remuneration Framework for 2024/25 will be as follows:

		Year 1	Year 2	Year 3	Year 4	
Base Pay	Fixed Annual Remuneration inclusive of superannuation	100% Cash				
Annual Incentive Also referred to as the Short Term Incentive Plan (STIP)	An annual incentive opportunity assessed through a Balanced Scorecard including: – Group financial and non-financial measures – Individual performance objectives	50% Cash				
		50% Shares	Deferral Period	Deferral Period		Forfeiture applies
		Performance	Restriction	Restriction		Forfeiture applies
Long Term Incentive Also referred to as the Long Term Incentive Plan (LTIP)	Award of Rights Three equally weighted performance measures: – Qantas' three-year TSR performance relative to a global airline peer group – Qantas' three-year TSR performance relative to ASX100 companies – Reputation, as measured by RepTrak. Rights may convert to shares on vesting with a one-year restriction.	Performance Rights	Performance Rights	Performance Rights	Shares	Forfeiture applies
		Performance	Performance	Performance	Restriction	Forfeiture applies

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

7 ACTUAL REMUNERATION OUTCOMES FOR 2023/24

The following table summarises the remuneration decisions and outcomes for the CEO and Executive Management for the year ended 30 June 2024. The remuneration outcomes detailed in this table are useful in understanding current year pay and its alignment with performance, as additional information to the statutory remuneration disclosures.

Actual Remuneration Outcomes Table – CEO and Executive Management[1]

$'000s		Base Pay (Cash)[2]	STIP Cash Bonus[3]	STIP Deferred Award[3]	RRP	LTIP[4,5]	Other Benefits[6]	Termination Benefits	Total
Current Executives									
Vanessa Hudson[7]	**2024**	**1,397**	**1,027**	**514**	**–**	**1,048**	**393**	**–**	**4,379**
CEO from 6 September 2023 CEO Designate and Chief Financial Officer to 5 September 2023	2023	986	672	179	1,628	2,260	250	–	5,975
Andrew Glance[9]	**2024**	**533**	**223**	**112**	**–**	**161**	**112**	**–**	**1,141**
CEO Qantas Loyalty from 1 March 2024	2023	–	–	–	–	–	–	–	–
Rob Marcolina[9]	**2024**	**888**	**417**	**209**	**–**	**456**	**150**	**–**	**2,120**
Group Chief Financial Officer from 6 September 2023	2023	–	–	–	–	–	–	–	–
Markus Svensson[8,9]	**2024**	**1,030**	**442**	**221**	**–**	**237**	**129**	**–**	**2,059**
CEO Qantas Domestic from 1 October 2023	2023	–	–	–	–	–	–	–	–
Stephanie Tully	**2024**	**851**	**489**	**245**	**–**	**406**	**142**	**–**	**2,133**
CEO Jetstar Group	2023	807	466	124	1,197	1,106	174	–	3,874
Cameron Wallace	**2024**	**836**	**411**	**205**	**–**	**–**	**197**	**–**	**1,649**
CEO Qantas International & Freight	2023	69	–	–	–	–	38	–	107
Former Executives[10]									
Alan Joyce[11]	**2024**	**381**	**–**	**–**	**–**	**3,154**	**(115)**	**–**	**3,420**
Former CEO (exited 5 September 2023)	2023	2,145	1,591	241	4,327	6,451	156	–	14,911
Andrew David	**2024**	**256**	**–**	**–**	**–**	**785**	**46**	**–**	**1,087**
Former CEO Qantas Domestic (exited 29 September 2023)	2023	1,026	589	157	1,628	2,259	33	–	5,692
Olivia Wirth[12]	**2024**	**739**	**386**	**193**	**–**	**828**	**121**	**479**	**2,746**
Former CEO Qantas Loyalty (exited 16 April 2024)	2023	868	510	136	1,386	1,919	108	–	4,927
Total	**2024**	**6,911**	**3,395**	**1,699**	**–**	**7,075**	**1,175**	**479**	**20,734**
	2023	5,901	3,828	837	10,166	13,995	759	–	35,486

1 Details of the non-statutory remuneration methodology are explained on pages 45 to 50.
2 Base Pay (Cash) is Base Pay less superannuation contributions. Superannuation is reported in Other Benefits.
3 The full value of STIP awards made to each Executive during each of the 2023/24 and 2022/23 financial years is calculated by adding the STIP Cash Bonus and the STIP Deferred Award. For 2022/23, the Board determined to delay its decision as to whether to approve the vesting of the STIP. On 8 August 2024, the Board announced it had determined that the 2022/23 STIP outcome for the former CEO and accountable Executive Management would be reduced by 33 per cent (inclusive of the previously announced 20 per cent reduction). The reduction was implemented in relation to the deferred share component. As a result, the 2022/23 outcomes have been restated to reflect this outcome.
4 2022-2024 LTIP awards vested in 2023/24 at 86.11 per cent.
5 The number of Rights vested multiplied by the Qantas share price of $5.85 at 30 June 2024 (the end of the 2022-2024 LTIP performance period) (2023: $6.20 at 30 June 2023 for the 2021-2023 LTIP).
6 Other Benefits includes Travel, Superannuation and Other Long-Term Benefits. Travel Benefits included in other benefits relate to travel both during and post employment, and are reported in accordance with the Corporations Regulations and Accounting Standards for non-monetary short-term employee benefits in kind. Remuneration for non-cash travel benefits is measured at the expense to the Group and includes Fringe Benefits Tax (measured with reference to commercial fares), ticket taxes and other incremental costs. This does not include the Commercial value of the flights. Details on Other Benefits are on page 49.
7 Superannuation benefits are provided through a defined benefit superannuation plan. The amount disclosed has been measured in accordance with AASB 119 *Employee Benefits*.
8 Base Pay (Cash) for Mr Svensson includes a one-off retention payment of $226,000 which was put in place prior to his appointment as KMP and was paid in September 2023.
9 The 2023/24 remuneration reflects the full year remuneration for Mr Glance, Mr Marcolina and Mr Svensson. This differs to the Statutory Remuneration disclosure which includes only the remuneration for the period of time in a KMP role for Mr Glance (1 March 2024 to 30 June 2024), Mr Marcolina (6 September 2023 to 30 June 2024) and Mr Svensson (1 October 2023 to 30 June 2024). 2022/23 remuneration is not shown as Mr Glance, Mr Marcolina and Mr Svensson were not in a KMP role.
10 Mr Joyce, Mr David and Ms Wirth ceased as KMP and ceased employment with Qantas on 5 September 2023, 29 September 2023 and 16 April 2024, respectively. Ms Wirth transitioned CEO Loyalty to Mr Glance on 1 March 2024. 2023/24 Remuneration is included up until the termination date.
11 100 per cent of the Rights under the 2021-2023 LTIP (granted on 23 October 2020 to Mr Joyce) vested following the testing of performance hurdles as at 30 June 2023 and the Board's approval of the 2021-2023 LTIP vesting outcome on 23 August 2023. The shares were still subject to trading restrictions until 30 August 2024. The Board determined to forfeit 1,349,000 shares (100 per cent of the shares that vested). As a result, the 2022/23 LTIP outcome has been restated to reflect this outcome.
12 Under the terms of separation, Ms Wirth received contractual termination benefits of six months' Base Pay and was determined by the Board as a good leaver.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Mr Joyce, Mr David and Ms Wirth ceased as KMP and ceased employment on 5 September 2023, 29 September 2023 and 16 April 2024, respectively. Treatment on cessation of employment, as good leavers, under the STIP and LTIP (consistent with the terms and conditions of those plans) was as follows:

- Under the 2023/24 STIP an award of cash and restricted shares pro-rated for the portion of the performance period in which Ms Wirth worked. Shares awarded are subject to the two-year deferral period and the additional one-year trading restriction. Mr Joyce and Mr David did not participate in the 2023/24 STIP.
- Under the 2022-2024 LTIP, Rights that vested were pro-rated for the portion of the performance period in which Mr Joyce, Mr David and Ms Wirth were employed. Shares allocated following vesting of the LTIP are subject to a one-year trading restriction.
- Under the 2023-2025 LTIP, Rights continue to remain on foot on a pro-rata basis for the portion of the performance period in which Mr Joyce, Mr David and Ms Wirth were employed, and may vest and convert to shares at the end of the performance period subject to achievement of the original LTIP performance conditions. Any shares allocated following vesting of the LTIP will be subject to a one-year trading restriction. For Ms Wirth, the same treatment applies for the 2024-2026 LTIP.

Actual Remuneration Outcomes Table – 2022/23 Reconciliation for Alan Joyce

In August 2023, the Board determined it would not approve the vesting of the former CEO's award under the 2022/23 STIP and instead would delay its decision as to whether to approve the vesting of this award until it had further information. The Board also determined that the 2022/23 STIP outcome should be adjusted to reflect a zero achievement of the Customer outcome (down from 2 per cent), an IPF of 100 per cent, and then subject to a further 20 per cent downward adjustment.

On 8 August 2024, the Board announced that it had determined that the 20 per cent downward adjustment to the 2022/23 STIP be increased to 33 per cent. As a result, the former CEO's final 2022/23 STIP award was $1,831,914, delivered as $1,591,330 cash and $240,584 as deferred shares. The adjustment was implemented through a reduction in the deferred share component (which is subject to forfeiture where the Board determines the performance or conduct of a participant has been deficient in any respect).

The Board also determined, having regard to the events of 2023 and the former CEO's performance and conduct, to forfeit 100 per cent of the 2021-2023 LTIP that vested in 2023, that were held as restricted shares by the Share Plan Trustee. This consisted of 1,349,000 restricted shares with a value of $8,363,800 (at the 30 June 2023 share price of $6.20).

The table below provides a reconciliation of these outcomes and a restatement of 2022/23 Actual Remuneration Outcome.

$'000s	2022/23 (2023 Annual Report)	2022/23 STIP (Withheld)	2022/23 (Forfeitures)	2022/23 (Percentage Reduction of Initial Award)	2022/23 Actual Remuneration Outcome (Restated)
Base Pay	2,145	–	–	–	2,145
2022/23 STIP[1]	–	2,734	(902)	33%	1,832
Base Pay + STIP Total	**2,145**	**2,734**	**(902)**	**–**	**3,977**
RRP	**4,327**	**–**	**–**	**–**	**4,327**
2018-2020 LTIP[2]	2,130	–	–	–	2,130
2019-2021 LTIP[2]	2,018	–	–	–	2,018
2020-2022 LTIP[2]	2,303	–	–	–	2,303
2021-2023 LTIP	8,364	–	(8,364)	100%	–
LTIP Total	**14,815**	**–**	**(8,364)**	**–**	**6,451**
Other[3]	**156**	**–**	**–**	**–**	**156**
Total	**21,443**	**2,734**	**(9,266)**	**–**	**14,911**

1 The Annual Incentive numbers provided are a total of Cash and Shares component of the 2022/23 STIP for the purposes of the reconciliation.
2 After agreeing in previous years to defer the decision on vesting of Rights awarded under the 2018-2020 LTIP, 2019-2021 LTIP and 2020-2022 LTIP the former CEO elected to convert these Rights to Shares in August 2023.
3 Includes statutory superannuation contributions, travel benefits and movements in annual leave and long service leave accruals.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

8 STATUTORY REMUNERATION DISCLOSURES FOR 2023/24

The statutory remuneration disclosures for the year ended 30 June 2024 are detailed below. These are prepared in accordance with *Corporations Act 2001 (Cth)*, Corporations Regulations and Australian Accounting Standards and differ from the 2023/24 Actual Remuneration Outcomes on page 51. The differences arise due to the accounting treatment of share-based payments for the STIP and LTIP.

Statutory Remuneration Table – CEO and Executive Management

			Incentive Plan – Accounting Accrual					Other Benefits					
				Equity-Settled Share-Based Payments									
$'000s		Base Pay (Cash)[1,2]	STIP Cash Bonus[1]	STIP Deferred Shares[1]	RRP Rights	LTIP Rights	Sub-Total	Non-Cash Benefits[1,3]	Post-Employment Benefits[4]	Termin-ation Benefits	Other Long-Term Benefits[5]	Sub-Total	Total
Current Executives													
Vanessa Hudson[6]	**2024**	**1,397**	**1,022**	**168**	**145**	**929**	**3,661**	**55**	**238**	**–**	**100**	**393**	**4,054**
CEO from 6 September 2023 CEO Designate and Chief Financial Officer to 5 September 2023	2023	986	677	107	872	845	3,487	43	185	–	22	250	3,737
Andrew Glance[7]	**2024**	**241**	**74**	**35**	**–**	**41**	**391**	**–**	**49**	**–**	**7**	**56**	**447**
CEO Qantas Loyalty from 1 March 2024	2023	–	–	–	–	–	–	–	–	–	–	–	–
Rob Marcolina[7]	**2024**	**737**	**337**	**44**	**–**	**253**	**1,371**	**70**	**62**	**–**	**10**	**142**	**1,513**
Group Chief Financial Officer from 6 September 2023	2023	–	–	–	–	–	–	–	–	–	–	–	–
Markus Svensson[7]	**2024**	**617**	**328**	**41**	**–**	**139**	**1,125**	**28**	**60**	**–**	**(13)**	**75**	**1,200**
CEO Qantas Domestic from 1 October 2023	2023	–	–	–	–	–	–	–	–	–	–	–	–
Stephanie Tully	**2024**	**851**	**486**	**81**	**107**	**369**	**1,894**	**97**	**67**	**–**	**(22)**	**142**	**2,036**
CEO Jetstar Group	2023	518	293	47	402	214	1,474	131	46	–	(22)	155	1,629
Cameron Wallace[8]	**2024**	**836**	**411**	**65**	**–**	**129**	**1,441**	**149**	**67**	**–**	**36**	**252**	**1,693**
CEO Qantas International & Freight	2023	69	–	–	–	–	69	21	33	–	5	59	128
Former Executives[9]													
Alan Joyce[10]	**2024**	**381**	**133**	**(384)**	**826**	**763**	**1,719**	**22**	**38**	**–**	**(175)**	**(115)**	**1,604**
Former CEO (exited 5 September 2023)	2023	2,145	1,458	625	3,304	4,231	11,763	17	51	–	88	156	11,919
Andrew David	**2024**	**256**	**(5)**	**(81)**	**145**	**189**	**504**	**25**	**7**	**–**	**14**	**46**	**550**
Former CEO Qantas Domestic (exited 29 September 2023)	2023	1,026	593	237	872	895	3,623	31	56	–	(54)	33	3,656
Olivia Wirth	**2024**	**739**	**382**	**248**	**124**	**592**	**2,085**	**99**	**63**	**479**	**(41)**	**600**	**2,685**
Former CEO Qantas Loyalty (exited 16 April 2024)	2023	868	514	81	742	723	2,928	76	56	–	(24)	108	3,036
Total	**2024**	**6,055**	**3,168**	**217**	**1,347**	**3,404**	**14,191**	**545**	**651**	**479**	**(84)**	**1,591**	**15,782**
	2023	5,612	3,535	1,097	6,192	6,908	23,344	319	427	–	15	761	24,105

1 Short-term employee benefits include Base Pay (cash), STIP cash bonus and Non-Cash Benefits. For 2022/23, the Board determined to delay its decision as to whether to approve the vesting of the STIP. On 8 August 2024, the Board announced it had determined that the 2022/23 STIP outcome for the former CEO and accountable Executive Management would be reduced by 33 per cent (inclusive of the previously announced 20 per cent reduction). The reduction was implemented in relation to the deferred share component. Adjustments are recognised within Statutory Remuneration for 2024 in accordance with accounting standards.
2 Base Pay (Cash) is Base Pay less superannuation contributions. Superannuation is reported in Post-Employment Benefits.
3 Non-Cash Benefits include the value of travel benefits while employed and other minor benefits. Non-Cash Benefits for travel benefits are reported in accordance with the Corporations Regulations and Accounting Standards for non-monetary short-term employee benefits in kind. Remuneration for non-cash travel benefits is measured at the expense to the Group and includes Fringe Benefits Tax (measured with reference to commercial fares), ticket taxes and other incremental costs.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

4 Post-Employment Benefits includes superannuation and an accrual for post-employment travel of $32,000 for Mr Joyce, $78,000 for Ms Hudson and $40,000 for each other Executive (where applicable) (2023: $26,000 for Mr Joyce, $64,000 for Ms Hudson and $30,000 for each other Executive). Non-cash benefits for post-employment travel are reported in accordance with the Corporations Regulations and Accounting Standards for non-monetary employee benefits in kind with the remuneration accrual measured as the present value of the expense to the Group of providing this future benefit and includes Fringe Benefits Tax (measured with reference to commercial fares), ticket taxes and other incremental costs.

5 Other Long-Term Benefits include movement in annual leave and long service leave balances. The accounting value of Other Long-Term Benefits may be negative; for example, where an Executive's annual leave balance decreases as a result of taking more annual leave than they accrue during the current year.

6 Superannuation benefits are provided through a defined benefit superannuation plan. The amount disclosed has been measured in accordance with AASB 119 *Employee Benefits*.

7 2023/24 remuneration reflects the period of time in a KMP role for Mr Glance (1 March 2024 to 30 June 2024), Mr Marcolina (6 September 2023 to 30 June 2024) and Mr Svensson (1 October 2023 to 30 June 2024).

8 Non-Cash Benefits for Mr Wallace includes the amortised accounting value for the one-off equity grant (as an equity-settled share-based payment) to replace forfeited incentives as a result of joining Qantas that were subject to a vesting event occurring. A change to this arrangement effectively resulted in no equity settlement being required and the award being cancelled. Notwithstanding the cancellation of the award, the accounting standards require the full expense to be recognised.

9 Mr Joyce, Mr David and Ms Wirth ceased as a KMP and ceased employment with Qantas on 5 September 2023, 29 September 2023 and 16 April 2024, respectively. As good leavers, the former Executives were eligible to receive an award of cash and restricted shares pro-rated for the portion of the performance period employed under the 2022/23 STIP. Ms Wirth was eligible to receive an award of cash and restricted shares pro-rated for the portion of the performance period employed under the 2023/24 STIP. Rights under the 2022-2024 LTIP that vested were pro-rated for the portion of the performance period in which Mr Joyce, Mr David and Ms Wirth were employed. Shares allocated following the vesting of the 2022-2024 LTIP are subject to a one-year trading restriction. Rights under the 2023-2025 LTIP for Mr Joyce, Mr David and Ms Wirth and 2024-2026 LTIP for Ms Wirth continue to remain on foot on a pro-rata basis for the portion of the performance period in which Mr Joyce, Mr David and Ms Wirth were employed, consistent with the terms and conditions of the plan as a good leaver. The Rights may vest and convert to shares at the end of the performance period subject to achievement of the original respective performance conditions. Any shares allocated following vesting of the LTIP will be subject to a one-year trading restriction.

10 The Board has determined to forfeit 100 per cent of the shares that vested to Mr Joyce under the 2021-2023 LTIP that were subject to a one-year trading restriction. Under Australian Accounting Standards, the Statutory Remuneration amount recognised in relation to the 2021-2023 LTIP cannot be adjusted for this forfeiture notwithstanding that Mr Joyce receives no benefit. As such, the Statutory Remuneration amount reported over financial years 2020/21, 2021/22, 2022/23 and 2023/24 included a cumulative $4,141,430 of remuneration (1,349,000 Rights at Fair Value of $3.07 per Right, with a reported actual outcomes value of $8,363,800 at the 30 June 2023 share price of $6.20) for Mr Joyce in relation to the 2021-2023 LTIP where, as a result of the forfeiture determination of the Board, Mr Joyce will receive no benefit.

A reconciliation of the CEO's Statutory Remuneration Disclosures to the Actual Remuneration Outcome is detailed below.

CEO's Statutory Remuneration Disclosure to Actual Remuneration Outcome for 2023/24

Reconciliation	($'000)	Description
Statutory Remuneration Disclosure	**4,054**	
Accounting Value of STIP, LTIP and RRP awards		The Statutory Remuneration Disclosure includes the accounting value of share-based payments. Accounting standards require share-based payments to be amortised over the relevant performance and service periods. The accounting value for awards under the LTIP do not have regard to whether performance conditions were achieved.
– Less: Accounting value for STIP awards	(168)	
– Less: Accounting value for LTIP share awards	(929)	
– Less: Accounting value for RRP share awards	(145)	
– Add: Accounting adjustment for cash bonus for 2022/23 STIP Award	5	
Current year STIP share awards and vesting of LTIP awards		In a year where STIP share awards are made or awards under the LTIP vest, the Remuneration Outcomes disclosure includes:
– Add: 2023/24 STIP awards	514	– The full value of shares awarded under the 2023/24 STIP (even though these awards are still subject to a two-year deferral period).
– Add: 2022-2024 LTIP – vesting	1,048	– The full value of the shares that vested under the 2022-2024 LTIP applying the 30 June 2024 Qantas share price. The shares are subject to an additional one-year trading restriction.
Actual Remuneration Outcome – Total	**4,379**	

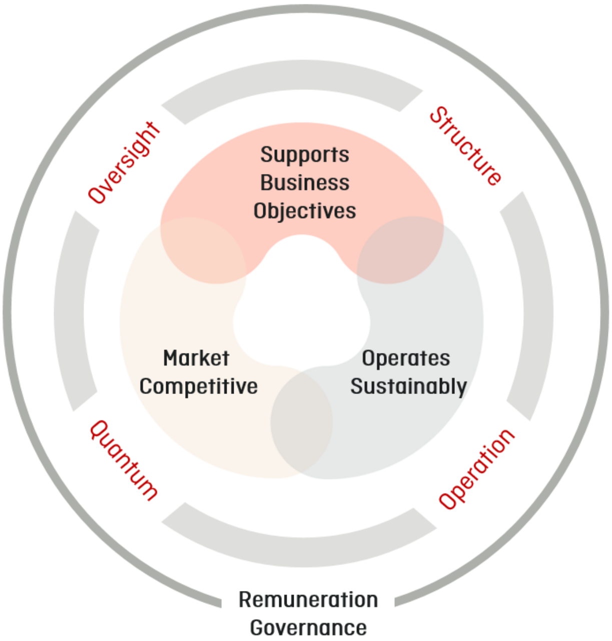
Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

9 REMUNERATION GOVERNANCE

The objectives of, and approach to, Qantas' Executive Remuneration Framework are to:



- **Support Business Objectives** by:
  - Encouraging the pursuit of growth and the success of Qantas
  - Aligning with Qantas' purpose, values, strategy and risk appetite
  - Aligning with shareholder requirements.
- **Operate Sustainably** by:
  - Encouraging the sound management of financial and non-financial risks
  - Encouraging good conduct and discouraging misconduct
  - Considering cost and reputational factors and complying with relevant laws and regulations.
- **Be Market Competitive** to attract, motivate and appropriately reward a capable Management team.

These objectives can only be achieved by the Board applying a robust and rigorous approach to remuneration governance and effectiveness across the areas of oversight, structure, operation and quantum.

The Board's Governance Review revealed opportunities to improve the scope and function of remuneration governance at Qantas. As a result of this review – which also encompassed the annual review of the Remuneration Committee's Charter – the scope of the Committee was expanded effective 28 August 2024 to become the People and Remuneration Committee (the Committee), with its objectives and responsibilities amended to include oversight of additional people-related matters, including organisational culture and conduct, employee engagement, industrial relations, diversity and inclusion, and the recruitment and employment framework for Executive Management.

Remuneration Governance Roles

The Board	People and Remuneration Committee	Safety, Health, Environment and Security Committee	Audit Committee	The Board's independent remuneration consultant Ernst & Young (EY)[1]
Approves the overall remuneration framework.	Establishes, reviews and makes recommendations on the overall Qantas Remuneration Framework, remuneration levels and incentive plans for the Group. It also provides oversight of Group strategies in relation to people, conduct and culture matters, including employee engagement, diversity and inclusion and industrial relations strategy.	Provides reports to the People and Remuneration Committee regarding safety performance as it relates to Executive reward outcomes.	Provides reports to the People and Remuneration Committee regarding Executive behaviour, conduct, and execution of responsibilities in line with defined audit standards.	Provides market insights and benchmarking on remuneration practices.

1 During 2023/24, EY continued as the People and Remuneration Committee's remuneration consultant. The People and Remuneration Committee has established protocols in relation to the appointment and use of remuneration consultants to support compliance with the *Corporations Act 2001* (Cth), which are incorporated into the terms of engagement with EY. The People and Remuneration Committee did not seek, nor receive, a formal remuneration recommendation (as defined in the *Corporations Act 2001* (Cth)) during 2023/24.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

10 SUMMARY OF KEY CONTRACT TERMS AS AT 30 JUNE 2024

Contract Details	Vanessa Hudson[1]	Andrew Glance[2]	Rob Marcolina[2]	Markus Svensson[2]	Stephanie Tully[2]	Cameron Wallace[2]
Base Pay	$1,600,000	$750,000	$925,000	$850,000	$878,000	$853,000
Pay Mix per						
– STIP Target[3]	100%	80%	80%	80%	80%	80%
– LTIP Target[3,4]	160%	95%	95%	95%	95%	95%
	An annual benefit of trips for these Executives and eligible beneficiaries during employment[5], at no cost to the individual, is as follows:					
	4 long-haul 12 short-haul	2 long-haul 6 short-haul	2 long-haul 6 short-haul	2 long-haul 6 short-haul	2 long-haul 6 short-haul	2 long-haul 6 short-haul
	The same benefit is provided for use post-employment, based on the period of service in an Executive Management role within the Qantas Group.					
Notice	Employment may be terminated by either the Executive or Qantas by providing six months' written notice.[6] Each Executive's contract includes a provision that limits any termination payment to the statutory limit prescribed under the *Corporations Act 2001* (Cth).					
Severance	A severance payment of six months' Base Pay applies where termination is initiated by Qantas other than for cause.[6]					

1 Target Remuneration Mix for the CEO for 2023/24 was Base Pay 28 per cent, STIP 28 per cent, and LTIP (on a face value basis) 44 per cent.
2 Target Remuneration Mix for Executive Management for 2023/24 was Base Pay 36 per cent, STIP 29 per cent, and LTIP (on a face value basis) 35 per cent.
3 Opportunity expressed as a percentage of Base Pay.
4 Rights are awarded on a face value basis and are the maximum number of Rights that may vest and convert to Qantas shares.
5 These benefits are not cumulative and lapse if they are not used during the calendar year in which the entitlements arise.
6 Other than for misconduct or unsatisfactory performance.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

11 EQUITY INSTRUMENTS

Shares Awarded Under the Short Term Incentive Plan

There were no shares awarded under the STIP and no previously awarded shares were vested or forfeited in the 2022/23 or 2023/24 financial years. There were no outstanding balances of unvested shares awarded under the STIP as at 30 June 2024. Shares in relation to the Board decision on the outcome of the 2022/23 STIP were allocated on 8 August 2024, and 2023/24 STIP share were allocated on 6 September 2024; as a result, these shares, will be included in the 2025 Remuneration Report disclosures.

Rights Awarded Under the Long Term Incentive Plan

The following table details Rights awarded under the LTIP that are subject to performance hurdles that are yet to be tested, and tested Rights that have not yet converted into shares.

		Number of Rights						
Long Term Incentive Plan		1 July	Commenced as KMP	Granted[1,2]	Vested and Transferred[3]	Lapsed/ Forfeited	Ceased Employment[4]	30 June[5]
Current Executives								
Vanessa Hudson	**2024**	**796,000**	**–**	**335,000**	**(364,500)**	**–**	**–**	**766,500**
	2023	722,000	–	223,500	(74,750)	(74,750)	–	796,000
Andrew Glance	**2024**	**n/a**	**102,500**	**–**	**–**	**–**	**–**	**102,500**
commenced as KMP 1 March 2024	2023	n/a	n/a	n/a	n/a	n/a	–	n/a
Rob Marcolina	**2024**	**n/a**	**388,000**	**70,000**	**(200,500)**	**–**	**–**	**257,500**
commenced as KMP 6 September 2023	2023	n/a	n/a	n/a	n/a	n/a	–	n/a
Markus Svensson	**2024**	**n/a**	**97,500**	**60,500**	**–**	**–**	**–**	**158,000**
commenced as KMP 1 October 2023	2023	n/a	n/a	n/a	n/a	n/a	–	n/a
Stephanie Tully	**2024**	**345,500**	**–**	**134,500**	**(178,500)**	**–**	**–**	**301,500**
	2023	–	259,000	86,500	–	–	–	345,500
Cameron Wallace	**2024**	**–**	**–**	**130,500**	**–**	**–**	**–**	**130,500**
	2023	n/a	–	–	–	–	–	–
Former Executives								
Alan Joyce[6]	**2024**	**5,189,000**	**–**	**–**	**(1,040,500)**	**(1,819,434)**	**(2,329,066)**	**–**
ceased as KMP 5 September 2023	2023	4,291,000	–	898,000	–	–	–	5,189,000
Andrew David[7]	**2024**	**796,000**	**–**	**–**	**(364,500)**	**(182,701)**	**(248,799)**	**–**
ceased as KMP 29 September 2023	2023	752,000	–	223,500	(89,750)	(89,750)	–	796,000
Olivia Wirth[8]	**2024**	**676,000**	**–**	**147,000**	**(309,500)**	**(196,327)**	**(317,173)**	**–**
ceased as KMP 16 April 2024	2023	638,500	–	190,000	(76,250)	(76,250)	–	676,000

1 Rights under the 2024-2026 LTIP were granted on 3 November 2023 to Ms Hudson (following approval by shareholders at the 2023 AGM) and other Executives and will be tested against the performance hurdles as at 30 June 2026. The number of Rights granted was determined using the face value of a Right on 30 June 2023 of $6.20, being the start of the performance period. The fair value of a Right on the grant date was $3.13 per Right.

2 Rights under the 2023-2025 LTIP were granted on 21 November 2022 to Mr Joyce (following approval by shareholders at the 2022 AGM) and other Executives and will be tested against the performance hurdles as at 30 June 2025. The number of Rights granted was determined using the face value of a Right on 30 June 2022 of $4.47, being the start of the performance period. The fair value of a Right on the grant date was $4.24 per Right.

3 100 per cent of Rights under the 2021-2023 LTIP (granted on 23 October 2020 to Mr Joyce and 11 September 2020 for other Executives) vested following the testing of performance hurdles as at 30 June 2023 and the Board's approval of the 2021-2023 LTIP vesting outcome on 23 August 2023.The shares awarded upon vesting of the LTIP were subject to an additional one-year trading restriction and are detailed in the Equity Holdings and Transactions table.

4 Mr Joyce, Mr David and Ms Wirth ceased as KMP and ceased employment on 5 September 2023, 29 September 2023 and 16 April 2024, respectively. The Rights that continued to remain on foot on a pro-rata basis for the portion of the performance period employed at the time of ceasing as KMP are included in the balance of Rights on cessation of employment. Any shares allocated following vesting of the respective LTIPs will be subject to a one-year trading restriction.

5 Rights under the 2022-2024 LTIP (granted on 5 November 2021 to Mr Joyce and 17 September 2021 for other Executives) are included in the 30 June 2024 balance. The number of Rights granted was determined using the face value of a Right on 30 June 2021 of $4.66, being the start of the performance period. The fair value of a Right on the grant date was $3.85 for Mr Joyce and $3.895 per Right for other Executives. 86.11 per cent of these Rights vested following the testing of performance hurdles as at 30 June 2024 and the Board's approval of the 2022-2024 LTIP vesting outcome on 28 August 2024. The shares awarded to Executive Management upon vesting of the LTIP remain subject to an additional one-year trading restriction.

6 626,110 Rights under the 2022-2024 LTIP remained on foot and were tested at 30 June 2024. 353,956 Rights under the 2023-2025 LTIP continue to remain on foot and may vest and convert to shares at the end of the performance period subject to achievement of the original performance conditions. On 8 August 2024, the Board determined to forfeit 100 per cent of the 2021-2023 LTIP shares that vested to Mr Joyce. The total number of shares forfeited was 1,349,000 and is included in the balance of Rights on cessation of employment.

7 155,810 Rights under the 2022-2024 LTIP remained on foot and were tested at 30 June 2024. 92,989 Rights under the 2023-2025 LTIP continue to remain on foot and may vest and convert to shares at the end of the performance period subject to achievement of the original performance conditions. The total number of Rights was included in the balance of Rights on cessation of employment.

8 164,421 Rights under the 2022-2024 LTIP remained on foot and were tested at 30 June 2024. 113,722 Rights under the 2023-2025 LTIP and 39,030 Rights under the 2024-2026 LTIP continue to remain on foot and may vest and convert to shares at the end of the performance period subject to achievement of the original performance conditions. The total number of Rights was included in the balance of Rights on cessation of employment.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Rights Awarded Under the Recovery Retention Plan

The following table details Rights awarded under the RRP that were tested and converted into Shares.

Recovery Retention Plan		Number of Rights						
		1 July	Commenced as KMP	Granted	Vested and Transferred	Lapsed/ Forfeited	Ceased Employment	30 June[1]
Current Executives								
Vanessa Hudson	**2024**	**262,500**	**–**	**–**	**(262,500)**	**–**	**–**	**–**
	2023	262,500	–	–	–	–	–	262,500
Andrew Glance commenced as KMP 1 March 2024	**2024**	**n/a**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	n/a	n/a	n/a	n/a	n/a	–	n/a
Rob Marcolina commenced as KMP 6 September 2023	**2024**	**n/a**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	n/a	n/a	n/a	n/a	n/a	–	n/a
Markus Svensson commenced as KMP 1 October 2023	**2024**	**n/a**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	n/a	n/a	n/a	n/a	n/a	–	n/a
Stephanie Tully	**2024**	**193,000**	**–**	**–**	**(193,000)**	**–**	**–**	**–**
	2023	–	193,000	–	–	–	–	193,000
Cameron Wallace	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	–	–	–	–	–	–	–
Former Executives								
Alan Joyce ceased as KMP 5 September 2023	**2024**	**698,000**	**–**	**–**	**(698,000)**	**–**	**–**	**–**
	2023	–	–	698,000	–	–	–	698,000
Andrew David ceased as KMP 29 September 2023	**2024**	**262,500**	**–**	**–**	**(262,500)**	**–**	**–**	**–**
	2023	262,500	–	–	–	–	–	262,500
Olivia Wirth ceased as KMP 16 April 2024	**2024**	**223,500**	**–**	**–**	**(223,500)**	**–**	**–**	**–**
	2023	223,500	–	–	–	–	–	223,500

1 100 per cent of the Rights under the 2022-2023 RRP (granted on 4 November 2023 to Mr Joyce (following approval at the 2022 AGM) and 9 June 2022 for other Executives) vested following the testing of performance hurdles as at 30 June 2023 and the Board's approval of the vesting outcome on 23 August 2023.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Equity Holdings and Transactions

Executive Management or their related parties directly, indirectly or beneficially held shares in the Qantas Group as detailed in the table below. It also shows each individual's shareholding and corresponding progress against their Minimum Shareholding Guideline at 30 June 2024.

Key Management Personnel - Executives	Interest in Shares 1 July 2023	Commenced as KMP	Rights Converted to Shares[1]	Other Changes[2]	Ceased Employment	Interest in Shares 30 June 2024	Value of Shares[3] $'000	Progress Against Minimum Shareholding Guideline[4]
Current Executives								
Vanessa Hudson	**191,251**	–	627,000	–	–	**818,251**	**4,787**	Meets
Andrew Glance[5] commenced as KMP 1 March 2024	**n/a**	111,725	–	–	–	**111,725**	**654**	On track
Rob Marcolina commenced as KMP 6 September 2023	**n/a**	364,530	200,500	–	–	**565,030**	**3,305**	Meets
Markus Svensson commenced as KMP 1 October 2023	**n/a**	90,000	–	–	–	**90,000**	**527**	On track
Stephanie Tully	**34,750**	–	371,500	(125,000)	–	**281,250**	**1,645**	Meets
Cameron Wallace	**23,750**	–	–	–	–	**23,750**	**139**	On track
Former Executives								
Alan Joyce[6] ceased as KMP 5 September 2023	**490,243**	–	1,738,500	–	(2,228,743)	**–**	**–**	n/a
Andrew David[7] ceased as KMP 29 September 2023	**90,668**	–	627,000	(353,168)	(364,500)	**–**	**–**	n/a
Olivia Wirth[7] ceased as KMP 16 April 2024	**76,250**	–	533,000	(299,750)	(309,500)	**–**	–	n/a

1 Shares awarded upon vesting of the 2021-2023 LTIP were allocated on 20 September 2023 and remained subject to an additional one-year trading restriction until 30 August 2024.
2 Other Changes include shares purchased, sold and forfeited.
3 The interest in shares at 30 June 2024 multiplied by the Qantas share price of $5.85 at 30 June 2024.
4 The CEO and Executive Management have a maximum five-year period from the later of the date of their appointment to their respective role or 1 July 2019 to accumulate the value of their shareholding.
5 The indirect holding includes deferred shares awarded to Mr Glance prior to commencing as a KMP and are subject to restriction periods until after the release of the 2023/24 full-year financial results and the 2024/25 full-year financial results.
6 Mr Joyce ceased as KMP on 5 September 2023.
7 Mr David and Ms Wirth ceased as KMP on 29 September 2023 and 16 April 2024, respectively. The shares awarded upon vesting of the 2021-2023 LTIP remained subject to an additional one-year trading restriction until 30 August 2024.

Other than share-based payment compensation, all equity instrument transactions between the Executive Management (including their related parties) and Qantas during the year have been on an arm's length basis.

Directors’ Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Performance Remuneration Affecting Future Periods

The fair value of share-based payments granted is amortised over the service period. Therefore, remuneration in respect of these awards may be reported in future years. The following table summarises the maximum value of the awards that will be reported in the statutory remuneration tables in future years, assuming all performance conditions are met. The minimum value of these awards is nil should performance conditions not be satisfied.

	Future Expense by Plan						Future Expense by Financial Year			
Executives	STIP Awards		LTIP Awards							
$'000	2022-2023	2023-2024	2022-2024	2023-2025	2024-2026	Total	2025	2026	2027	Total
Vanessa Hudson	66	350	43	349	717	**1,525**	891	552	82	**1,525**
Andrew Glance[1]	26	76	7	63	64	**236**	149	76	11	**236**
Rob Marcolina	45	141	19	152	150	**507**	322	163	22	**507**
Markus Svensson	35	152	10	79	129	**405**	237	146	22	**405**
Stephanie Tully	46	167	17	135	288	**653**	382	236	35	**653**
Cameron Wallace	–	141	–	–	279	**420**	194	194	32	**420**

1 The future expense includes deferred shares awarded to Mr Glance under the Manager Incentive Plan, the annual incentive plan for the broader Management group, prior to commencing as a KMP. The deferred shares are subject to restriction periods until after the release of the 2023/24 full-year financial results and the 2024/25 full-year financial results.

12 NON-EXECUTIVE DIRECTOR FEES

Non-Executive Director fees are determined within an aggregate Non-Executive Directors’ fee pool limit. An annual total fee pool of $3 million (excluding industry standard travel entitlements received) was approved by shareholders at the 2016 AGM. Total Non-Executive Directors’ remuneration (excluding industry standard travel entitlements received) for the year ended 30 June 2024 was $2.42 million (2023: $2.18 million), which is within the approved annual fee pool. Non-Executive Directors’ remuneration reflects the responsibilities of Non-Executive Directors, with fees benchmarked against Non-Executive Director fees of ASX50 companies. For 2023/24, fees were unchanged and no increases are proposed for 2024/25.

As referenced in the Remuneration Committee Chair’s letter in response to the customer and brand impacts of the events of last year, current ongoing Non-Executive Directors who were on the Board at the time (Mr Goyder, Ms Hutchinson, Mr Sampson and Mr Tyler) will take a 33 per cent reduction to their Directors’ base fees in 2024/25. Mr Goyder will retire as Chair on 16 September 2024.

	Board		Committees[1]	
	Chair[2]	Member	Chair	Member
Board Fees	$610,000	$167,500	$74,250	$32,500

1 The committees are the Audit Committee, Remuneration Committee and the Safety, Health, Environment and Security Committee. The Board also has a Nomination Committee but no fees are received for serving on or chairing the Nominations Committee.
2 The Chair does not receive any additional fees for serving on or chairing any Board committee.

Non-Executive Directors do not receive any performance-related remuneration. Non-Executive Directors are paid a travel allowance when travelling on international journeys of greater than six hours to attend Board and committee meetings or Board-related activities requiring the participation of all Directors.

A Non-Executive Director Fee Sacrifice Share Acquisition Plan is offered to Non-Executive Directors whereby the Non-Executive Director can elect to sacrifice a percentage of their Board or Board and committee fees in return for a grant of Rights to the equivalent value of the same number of Qantas ordinary shares. Each Right granted will convert automatically to one fully-paid Qantas ordinary share at the conversion date, which is six months from the grant date, subject to remaining as a Non-Executive Director on the conversion date. The plan is designed to provide Non-Executive Directors the opportunity to build their shareholding to achieve (and if desired, exceed) the Minimum Shareholding Guideline in a tax effective manner which further aligns their interests with the interests of shareholders. Fees elected to be sacrificed in return for a grant of Rights continue to be reported as Base Pay in the remuneration disclosures. The plan was paused for the 1 March 2024 to 31 August 2024 Participation Period, having regard to the finalisation and impending disclosure of the ‘Classic Plus Flight Rewards’ Qantas Loyalty redemptions product.

All Non-Executive Directors and eligible beneficiaries receive travel entitlements. The Chair and eligible beneficiaries are each entitled to four long-haul trips and 12 short-haul trips each calendar year and all other Non-Executive Directors and eligible beneficiaries are each entitled to three long-haul trips and nine short-haul trips each calendar year. These flights are not cumulative and lapse if they are not used during the calendar year in which the entitlement arises. Post-employment, the Chair and eligible beneficiaries are each entitled to two long-haul trips and six short-haul trips for each year of service, and all other Non-Executive Directors and eligible beneficiaries are each entitled to one long-haul trip and three short-haul trips for each year of service. Benchmarking of airline industry practice was conducted in 2023/24 which found that these travel benefits are broadly consistent with those provided by competitor airlines.

The accounting value of the travel benefit is captured in the remuneration table (as a Non-Cash Benefit for travel during the year and as a Post-Employment Benefit).

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration for 2023/24 – Non-Executive Directors

$'000		Short-Term Employee Benefits: Base Pay (Cash)[1]	Short-Term Employee Benefits: Non-Cash Benefits[2]	Sub-Total	Post-Employment Benefits: Superannuation	Post-Employment Benefits: Travel[3]	Post-Employment Benefits: Sub-Total	Total
Current Non-Executive Directors								
Richard Goyder	**2024**	**603**	**106**	**709**	**7**	**34**	**41**	**750**
Chair	2023	604	117	721	6	23	29	750
John Mullen[4]	**2024**	**35**	**–**	**35**	**4**	**10**	**14**	**49**
Non-Executive Director and Chair-Elect	2023	–	–	–	–	–	–	–
Belinda Hutchinson	**2024**	**253**	**76**	**329**	**22**	**10**	**32**	**361**
Non-Executive Director	2023	256	78	334	18	11	29	363
Doug Parker[5]	**2024**	**295**	**–**	**295**	**–**	**10**	**10**	**305**
Non-Executive Director	2023	30	–	30	–	11	11	41
Todd Sampson	**2024**	**212**	**68**	**280**	**21**	**10**	**31**	**311**
Non-Executive Director	2023	214	34	248	19	11	30	278
Dr Nora Scheinkestel[4]	**2024**	**82**	**2**	**84**	**9**	**10**	**19**	**103**
Non-Executive Director	2023	–	–	–	–	–	–	–
Dr Heather Smith[4]	**2024**	**150**	**13**	**163**	**16**	**10**	**26**	**189**
Non-Executive Director	2023	–	–	–	–	–	–	–
Antony Tyler[5]	**2024**	**299**	**–**	**299**	**–**	**10**	**10**	**309**
Non-Executive Director	2023	292	6	298	–	11	11	309
Former Non-Executive Directors								
Maxine Brenner[6]	**2024**	**135**	**47**	**182**	**15**	**10**	**25**	**207**
Non-Executive Director	2023	210	161	371	22	11	33	404
Jacqueline Hey[6]	**2024**	**160**	**31**	**191**	**17**	**10**	**27**	**218**
Non-Executive Director	2023	249	32	281	24	11	35	316
Michael L'Estrange[6]	**2024**	**72**	**31**	**103**	**8**	**–**	**8**	**111**
Non-Executive Director	2023	210	7	217	22	11	33	250
Total	**2024**	**2,296**	**374**	**2,670**	**119**	**124**	**243**	**2,913**
	2023	2,065	435	2,500	111	100	211	2,711

1 Base Pay (Cash) includes any amounts that the Non-Executive Director elects to salary sacrifice in return for a grant of Rights under the Non-Executive Director Fee Sacrifice Share Acquisition Plan.
2 Non-Cash Benefits include the value of travel benefits while employed. Non-Cash Benefits for travel benefits are reported in accordance with the Corporations Regulations and Accounting Standards for non-monetary short-term benefits in kind. Remuneration for non-cash travel benefits is measured at the expense to the Group and includes Fringe Benefits Tax (measured with reference to commercial fares), ticket taxes and other incremental costs.
3 Non-cash benefits for post-employment travel are reported in accordance with the Corporations Regulations and Accounting Standards for non-monetary employee benefits in kind with the remuneration accrual measured as the present value of the expense to the Group of providing this future benefit and includes Fringe Benefits Tax (measured with reference to commercial fares), ticket taxes and other incremental costs.
4 2023/24 remuneration reflects the period served by Mr Mullen (from 22 April 2024 to 30 June 2024), Dr Scheinkestel (from 1 March 2024 to 30 June 2024) and Dr Smith (from 22 August 2023 to 30 June 2024) as Non-Executive Directors.
5 Mr Parker and Mr Tyler received a travel allowance of $72,000 and $57,000 during 2023/24 (2022/23: $12,000 and $50,000), respectively. This amount is included in Base Pay (Cash).
6 Ms Brenner and Ms Hey retired as Directors on 22 February 2024 and Mr L'Estrange retired as a Director on 3 November 2023.

Directors' Report continued

For the year ended 30 June 2024

REMUNERATION REPORT (AUDITED) (CONTINUED)

Equity Holdings and Transactions

Non-Executive Director KMP or their related parties directly, indirectly or beneficially held shares in the Qantas Group as detailed in the table below. It also shows each individual's shareholding and corresponding progress against their Minimum Shareholding Guideline at 30 June 2024.

Key Management Personnel – Non-Executive Directors	Interest in Shares as at 30 June 2023	Commenced as NED	Conversion of Rights to Ordinary Shares[1]	Other Changes[2]	Ceased as Director	Interest in Shares as at 30 June 2024	Value of Shares[3] $'000	Progress Against Minimum Shareholding Guideline[4]
Richard Goyder	**211,062**	–	29,684	–	–	**240,746**	1,408	Meets
John Mullen[5]	**n/a**	–	–	–	–	**–**	–	–
Belinda Hutchinson	**63,457**	–	13,494	–	–	**76,951**	450	Meets
Doug Parker	**–**	–	–	100,000	–	**100,000**	585	Meets
Todd Sampson	**40,087**	–	5,532	–	–	**45,619**	267	Meets
Dr Nora Scheinkestel	**n/a**	9,058	–	–	–	**9,058**	53	On track
Dr Heather Smith	**n/a**	–	–	10,000	–	**10,000**	59	On track
Antony Tyler	**52,000**	–	–	–	–	**52,000**	304	Meets
Former Non-Executive Directors								
Maxine Brenner	**39,498**	–	–	–	(39,498)	**–**	–	–
Jacqueline Hey	**64,827**	–	–	–	(64,827)	**–**	–	–
Michael L'Estrange	**33,945**	–	–	–	(33,945)	**–**	–	–

1 Ordinary shares issued upon conversion of Rights acquired under the Non-Executive Director Fee Sacrifice Share Acquisition Plan.
2 Other Changes includes shares purchased and sold.
3 The interest in shares at 30 June 2024 multiplied by the Qantas share price of $5.85 at 30 June 2024.
4 Non-Executive Directors have a maximum five-year period from the later of the date of their appointment to the respective role or 1 July 2019 to accumulate the value of their shareholding.
5 Mr Mullen as a recent appointee has yet to commence accumulating a shareholding.

Rights Acquired Under the Non-Executive Director Fee Sacrifice Share Acquisition Plan

The following table details Rights acquired under the Non-Executive Director Fee Sacrifice Share Acquisition Plan by Non-Executive Director KMP or their related parties:

Key Management Personnel – Non-Executive Directors	Interest in Rights as at 30 June 2023	Acquired by Fee Sacrifice[1]	Converted to Ordinary Shares[2]	Interest in Rights as at 30 June 2024
Richard Goyder	**14,492**	15,192	(29,684)	**–**
John Mullen	**n/a**	–	–	**–**
Belinda Hutchinson	**6,515**	6,979	(13,494)	**–**
Doug Parker	**–**	–	–	**–**
Todd Sampson	**2,652**	2,880	(5,532)	**–**
Dr Nora Scheinkestel	**n/a**	–	–	**–**
Dr Heather Smith	**n/a**	–	–	**–**
Antony Tyler	**–**	–	–	**–**
Former Non-Executive Directors				
Maxine Brenner	**–**	–	–	**–**
Jacqueline Hey	**–**	–	–	**–**
Michael L'Estrange	**–**	–	–	**–**

1 Number of Rights acquired under the Non-Executive Director Fee Sacrifice Share Acquisition Plan. Rights were acquired on 1 September 2023 applying a fair value of $6.0227 per Right. The plan was paused from 1 March 2024.
2 Rights acquired on 3 March 2023 (fair value of $6.3138 per Right) converted to restricted ordinary shares on 28 August 2023 and Rights acquired on 1 September 2023 (fair value of $6.0227 per Right) converted to restricted ordinary shares on 29 February 2024.

All equity instrument transactions between the Non-Executive Director KMP, including their related parties, and Qantas during the year have been on an arm's length basis.

Loans and Other Transactions with Key Management Personnel

No KMP or their related parties held any loans from the Qantas Group during or at the end of the year ended 30 June 2024 or prior year. A number of KMPs and their related parties have transactions with the Qantas Group. All transactions are conducted on normal commercial arm's length terms.

Directors' Report continued

For the year ended 30 June 2024

ENVIRONMENTAL OBLIGATIONS

The Qantas Group's operations are subject to a range of Commonwealth, State, Territory and international environmental legislation. The Qantas Group is committed to environmental sustainability with high standards for environmental performance. The Board places particular focus on the environmental aspects of its operations through the Safety, Health, Environment and Security Committee, which assists the Board with fulfilling its strategy, policy, systems oversight, monitoring and corporate governance responsibilities with regard to environmental matters, including compliance with legal and regulatory obligations and risk management.

The Directors are satisfied that the Qantas Group Management System Standard underpins the management of the Qantas Group's environmental exposures and environmental performance, including compliance obligations. The Directors are also satisfied that appropriate monitoring procedures are in place to ensure compliance with the Group Management System Standard. Any significant environmental incidents are reported to the Board through the Safety, Health, Environment and Security Committee.

INDEMNITIES AND INSURANCE

Under the Qantas Constitution, Qantas indemnifies, to the extent permitted by law, each Director and Company Secretary of Qantas against any liability incurred by that person as an officer of Qantas.

The Directors and the Company Secretaries listed on pages 28 to 29 and individuals who formerly held any of these positions have the benefit of the indemnity in the Qantas Constitution. Members of Qantas' Executive Management team and certain former Members of the Executive Management team have the benefit of an indemnity to the fullest extent permitted by law and as approved by the Board. In respect of non-audit services, KPMG, Qantas' auditor, has the benefit of an indemnity to the extent KPMG reasonably relies on any information provided by Qantas which is false, misleading or incomplete. No amount has been paid under any of these indemnities during 2023/24 or to the date of this Report.

During the year, Qantas paid a premium for Directors' and Officers' liability insurance policies, which cover all Directors and Officers of the Qantas Group. Details of the nature of the liabilities covered, and the amount of the premiums paid in respect of the Directors' and Officers' insurance policies, are not disclosed, as disclosure is prohibited under the terms of the contracts.

NON-AUDIT SERVICES

During the year, Qantas' auditor, KPMG, performed certain other services in addition to its statutory duties. The Directors are satisfied that:

a. The non-audit services provided during 2023/24 by KPMG as the external auditor were compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth)

b. Any non-audit services provided during 2023/24 by KPMG as the external auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:
   - KPMG services have not involved partners or staff acting in a managerial or decision-making capacity within the Qantas Group or being involved in the processing or originating of transactions
   - KPMG non-audit services have only been provided where Qantas is satisfied that the related function or process will not have a material bearing on the audit procedures
   - KPMG partners and staff involved in the provision of non-audit services have not participated in associated approval or authorisation processes
   - A description of all non-audit services undertaken by KPMG and the related fees has been reported to the Board to ensure complete transparency in relation to the services provided
   - The declaration required by section 307C of the *Corporations Act 2001* (Cth) confirming independence has been received from KPMG.

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is included on page 64.

Details of the amounts paid to KPMG for audit and non-audit services provided during the year are set out in Note 27 to the Financial Statements.

Directors' Report continued

For the year ended 30 June 2024

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 (CTH)

To: The Directors of Qantas Airways Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Qantas Airways Limited for the financial year ended 30 June 2024, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* (Cth) in relation to the audit, and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG
Sydney
12 September 2024

Julian McPherson
Partner

Rounding

Qantas is a company of a kind referred to in Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in this Directors' Report and the Financial Report have been rounded to the nearest million dollars unless otherwise stated.

Signed pursuant to a Resolution of the Directors:

Richard Goyder
Chair
12 September 2024

Vanessa Hudson
Chief Executive Officer
12 September 2024

Financial Report

For the year ended 30 June 2024

Consolidated Income Statement

For the year ended 30 June 2024

	Notes	2024 $M	2023 $M
REVENUE AND OTHER INCOME			
Net passenger revenue		18,903	16,923
Net freight revenue		1,211	1,380
Other revenue and income	4(B)	1,825	1,512
Revenue and other income		**21,939**	**19,815**
EXPENDITURE			
Salaries, wages and other benefits		4,777	4,261
Aircraft operating variable		4,839	3,996
Fuel		5,316	4,555
Depreciation and amortisation	5	1,773	1,762
Share of net (profit)/loss of investments accounted for under the equity method	14	(4)	44
Net gain on disposal of assets	6	(18)	(4)
Other	7	3,171	2,512
Expenditure		**19,854**	**17,126**
Statutory profit before income tax expense and net finance costs		**2,085**	**2,689**
Finance income	8	117	138
Finance costs	8	(318)	(355)
Net finance costs	8	**(201)**	**(217)**
Statutory profit before income tax expense		**1,884**	**2,472**
Income tax expense	9	(633)	(728)
Statutory profit for the year		**1,251**	**1,744**
Attributable to:			
Members of Qantas		1,255	1,746
Non-controlling interests		(4)	(2)
Statutory profit for the year		**1,251**	**1,744**
EARNINGS PER SHARE ATTRIBUTABLE TO MEMBERS OF QANTAS			
Statutory Earnings Per Share (cents)	3	**75.9**	**96.0**
Diluted Earnings Per Share (cents)	3	**75.1**	**93.0**

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	2024 $M	2023 $M
Statutory profit for the year	**1,251**	**1,744**
Items that were or may be subsequently reclassified to profit or loss		
Effective portion of changes in fair value of cash flow hedges, net of tax	84	(79)
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax[1]	(76)	(232)
Net changes in hedge reserve for time value of options, net of tax	60	(111)
Foreign currency translation of controlled entities	(3)	(17)
Foreign currency translation of investments accounted for under the equity method	15	5
Items that will not subsequently be reclassified to profit or loss		
Defined benefit actuarial losses, net of tax	(61)	(103)
Fair value gains/(losses) on investments, net of tax	3	(12)
Other comprehensive income/(loss) for the year	**22**	**(549)**
Total comprehensive income for the year	**1,273**	**1,195**
Attributable to:		
Members of Qantas	1,277	1,197
Non-controlling interests	(4)	(2)
Total comprehensive income for the year	**1,273**	**1,195**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

[1] These amounts were allocated to revenue of $24 million (2023: $17 million), fuel expenditure of ($133) million (2023: ($348) million) and income tax expense of $33 million (2023: $99 million) in the Consolidated Income Statement.

Consolidated Balance Sheet

As at 30 June 2024

	Notes	2024 $M	2023 $M
CURRENT ASSETS			
Cash and cash equivalents	21(A)	1,718	3,171
Receivables	11	1,124	1,046
Lease receivables	16(B)	10	10
Other financial assets	26(B), (C)	261	222
Inventories	12	343	290
Assets classified as held for sale	13	45	38
Income tax receivables	9(D)	21	–
Other	19	457	328
Total current assets		**3,979**	**5,105**
NON-CURRENT ASSETS			
Receivables	11	11	5
Lease receivables	16(B)	48	52
Other financial assets	26(B), (C)	192	151
Investments accounted for under the equity method	14	39	25
Property, plant and equipment	15	13,558	11,849
Right of use assets	16(A)	1,315	1,303
Intangible assets	17	638	687
Deferred tax assets	18	–	367
Other	19	784	810
Total non-current assets		**16,585**	**15,249**
Total assets		**20,564**	**20,354**
CURRENT LIABILITIES			
Payables		2,908	2,732
Revenue received in advance	20	6,722	6,662
Interest-bearing liabilities	21(B)	208	799
Lease liabilities	16(C)	392	581
Other financial liabilities	26(B), (C)	41	51
Provisions	22	1,473	1,272
Total current liabilities		**11,744**	**12,097**
NON-CURRENT LIABILITIES			
Revenue received in advance	20	1,879	2,010
Interest-bearing liabilities	21(B)	4,827	4,370
Lease liabilities	16(C)	1,164	976
Other financial liabilities	26(B), (C)	33	311
Provisions	22	424	580
Deferred tax liabilities	18	199	–
Total non-current liabilities		**8,526**	**8,247**
Total liabilities		**20,270**	**20,344**
Net assets		**294**	**10**
EQUITY			
Issued capital	23(A)	1,317	2,186
Treasury shares	23(B)	(62)	(106)
Reserves		324	200
Accumulated losses		(1,290)	(2,275)
Equity attributable to members of Qantas		**289**	**5**
Non-controlling interests		5	5
Total equity		**294**	**10**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

30 June 2024 $M	Issued Capital	Treasury Shares	Employee Compensation Reserve	Hedge Reserve	Foreign Currency Translation Reserve	Other Reserves[1]	Accumulated Losses	Non-controlling Interests	Total Equity
Balance as at 1 July 2023	**2,186**	**(106)**	**259**	**(50)**	**3**	**(12)**	**(2,275)**	**5**	**10**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR									
Statutory profit for the year	–	–	–	–	–	–	1,255	(4)	1,251
Other comprehensive income/(loss)									
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	84	–	–	–	–	84
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	–	–	–	(76)	–	–	–	–	(76)
Net changes in hedge reserve for time value of options, net of tax	–	–	–	60	–	–	–	–	60
Foreign currency translation of controlled entities	–	–	–	–	(3)	–	–	–	(3)
Foreign currency translation of investments accounted for under the equity method	–	–	–	–	15	–	–	–	15
Defined benefit actuarial losses, net of tax	–	–	–	–	–	(61)	–	–	(61)
Fair value gains on investments, net of tax	–	–	–	–	–	3	–	–	3
Total other comprehensive income for the year	**–**	**–**	**–**	**68**	**12**	**(58)**	**–**	**–**	**22**
Total comprehensive income for the year	**–**	**–**	**–**	**68**	**12**	**(58)**	**1,255**	**(4)**	**1,273**
Recognition of effective cash flow hedges on capitalised assets, net of tax	–	–	–	(9)	–	–	–	–	(9)
Transactions with owners in their capacity as owners									
On-market share buy-back	(869)	–	–	–	–	–	–	–	(869)
Revaluation of put option over non-controlling interest	–	–	–	–	–	69	–	–	69
Purchase of non-controlling interest in controlled entity	–	–	–	–	–	211	(205)	4	10
Treasury shares acquired	–	(288)	–	–	–	–	–	–	(288)
Share-based payments expense	–	–	69	–	–	–	–	–	69
Shares vested and transferred to employees/ Rights unvested and lapsed	–	332	(238)	–	–	–	(65)	–	29
Total transactions with owners in their capacity as owners	**(869)**	**44**	**(169)**	**–**	**–**	**280**	**(270)**	**4**	**(980)**
Balance as at 30 June 2024	**1,317**	**(62)**	**90**	**9**	**15**	**210**	**(1,290)**	**5**	**294**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

[1] Other Reserves as at 30 June 2024 includes the defined benefit reserve of $217 million and the fair value reserve of ($7) million.

Consolidated Statement of Changes in Equity continued

For the year ended 30 June 2024

30 June 2023 $M	Issued Capital	Treasury Shares	Employee Compensation Reserve	Hedge Reserve	Foreign Currency Translation Reserve	Other Reserves[1]	Accumulated Losses	Non-controlling Interests	Total Equity
Balance as at 1 July 2022	**3,186**	**(8)**	**81**	**394**	**15**	**159**	**(4,024)**	**7**	**(190)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR									
Statutory profit for the year	–	–	–	–	–	–	1,746	(2)	1,744
Other comprehensive (loss)/income									
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	(79)	–	–	–	–	(79)
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	–	–	–	(232)	–	–	–	–	(232)
Net changes in hedge reserve for time value of options, net of tax	–	–	–	(111)	–	–	–	–	(111)
Foreign currency translation of controlled entities	–	–	–	–	(17)	–	–	–	(17)
Foreign currency translation of investments accounted for under the equity method	–	–	–	–	5	–	–	–	5
Defined benefit actuarial losses, net of tax	–	–	–	–	–	(103)	–	–	(103)
Fair value losses on investments, net of tax	–	–	–	–	–	(12)	–	–	(12)
Total other comprehensive loss for the year	**–**	**–**	**–**	**(422)**	**(12)**	**(115)**	**–**	**–**	**(549)**
Total comprehensive income for the year	**–**	**–**	**–**	**(422)**	**(12)**	**(115)**	**1,746**	**(2)**	**1,195**
Recognition of effective cash flow hedges on capitalised assets, net of tax	–	–	–	(22)	–	–	–	–	(22)
Transactions with owners in their capacity as owners									
On-market share buy-back	(1,000)	–	–	–	–	–	–	–	(1,000)
Revaluation of put option over non-controlling interest	–	–	–	–	–	(56)	–	–	(56)
Treasury shares acquired	–	(104)	–	–	–	–	–	–	(104)
Share-based payments expense	–	–	188	–	–	–	–	–	188
Shares vested and transferred to employees/ Rights unvested and lapsed	–	6	(10)	–	–	–	3	–	(1)
Total transactions with owners in their capacity as owners	**(1,000)**	**(98)**	**178**	**–**	**–**	**(56)**	**3**	**–**	**(973)**
Balance as at 30 June 2023	**2,186**	**(106)**	**259**	**(50)**	**3**	**(12)**	**(2,275)**	**5**	**10**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

[1] Other Reserves as at 30 June 2023 includes the defined benefit reserve of $278 million, the put option reserve of ($280) million and the fair value reserve of ($10) million.

Consolidated Cash Flow Statement

For the year ended 30 June 2024

	Notes	2024 $M	2023 $M
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		23,153	21,555
Cash payments to suppliers and employees		(19,549)	(16,356)
Interest received		116	128
Interest paid (interest-bearing liabilities)		(158)	(186)
Interest paid (lease liabilities)	16(C)	(77)	(65)
Dividends received from investments accounted for under the equity method	14	5	12
Australian income taxes paid	9(D)	(45)	–
Foreign income taxes paid		(4)	(3)
Net cash inflow from operating activities	**28**	**3,441**	**5,085**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangible assets		(2,673)	(2,563)
Interest paid and capitalised on qualifying assets	8	(88)	(31)
Proceeds from disposal of property, plant and equipment, net of costs		90	11
Payments for investments held at fair value		(5)	–
Payments for acquisition of non-controlling interest in subsidiary		(211)	–
Proceeds from disposal of shares in investments accounted for under the equity method		–	33
Payments for investments accounted for under the equity method	14	–	(75)
Net cash outflow from investing activities		**(2,887)**	**(2,625)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for share buy-back		(852)	(1,000)
Payments for treasury shares		(292)	(103)
Proceeds from interest-bearing liabilities, net of costs	21(D)	1,011	826
Repayments of interest-bearing liabilities	21(D)	(1,176)	(1,669)
Repayments of lease liabilities	16(C)	(708)	(690)
Proceeds from lease receivables		10	8
Payments for aircraft security deposits		(3)	–
Net cash outflow from financing activities		**(2,010)**	**(2,628)**
Net decrease in cash and cash equivalents held		**(1,456)**	**(168)**
Cash and cash equivalents at the beginning of the year		3,171	3,343
Effects of exchange rate changes on cash and cash equivalents		3	(4)
Cash and cash equivalents at the end of the year	**21(A)**	**1,718**	**3,171**

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2024

1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(A) REPORTING ENTITY

Qantas Airways Limited (Qantas) is a for-profit company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX) and which is subject to the operation of the *Qantas Sale Act 1992* (Cth).

The Consolidated Financial Statements for the year ended 30 June 2024 comprises Qantas and its controlled entities (together referred to as the Qantas Group or the Group) and the Qantas Group's interest in investments accounted for under the equity method.

The Consolidated Financial Statements of Qantas for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 12 September 2024.

i. Statement of Compliance

The Consolidated Financial Statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth). The Consolidated Financial Statements also complies with International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) Interpretations adopted by the International Accounting Standards Board (IASB).

ii. Basis of Preparation

The Consolidated Financial Statements have been prepared on a going concern basis, which assumes the Group will be able to meet its obligations as and when they fall due. The Consolidated Financial Statements are presented in Australian dollars, which is the functional and presentation currency of the Qantas Group, and have been prepared on the basis of historical cost except in accordance with relevant accounting policies where assets and liabilities are stated at their fair values in the following material items in the Consolidated Balance Sheet:

- Investments and derivatives at fair value through profit and loss, and investments at fair value through other comprehensive income are measured at fair value
- Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell
- Net defined benefit asset is measured at the fair value of plan assets less the present value of the defined benefit obligation
- Put option liability over relevant non-controlling interests is measured at the present value of the estimated redemption amount. Changes in the value of the put option liability are recognised in Other Reserves.

The Group is of a kind referred to in Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with that Instrument, all financial information presented has been rounded to the nearest million dollars, unless otherwise stated.

Where applicable, comparative balances have been reclassified to align with current year presentation.

(B) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Consolidated Financial Statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. It also requires the exercise of judgement in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, as appropriate to the particular circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In preparing this Report, areas of judgements made by Management in the application of Australian Accounting Standards that have a significant effect on the Consolidated Financial Statements and estimates with a significant risk of material adjustment in future periods are included in the following notes:

- Note 26(C)/Note 35(C) – Derivatives and Hedging Instruments
- Note 29 – Superannuation
- Note 33 – Contingent Liabilities and Legal Provisions
- Note 35(D) – Summary of Material Accounting Policies (Revenue Recognition)
- Note 22/Note 35(O) – Summary of Material Accounting Policies (Provisions).

1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(B) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Impact of climate change on financial reporting

The Group recognises that human-induced climate change is a significant issue for the aviation industry and is committed to supporting the aims of the Paris Climate Agreement to limit warming to well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.

In 2019, the Group announced its commitment to achieving net zero emissions by 2050 and capping net emissions at 2019 levels. In March 2022, the Group announced new interim targets as part of the Climate Action Plan (CAP), including:

- 25 per cent reduction in net emissions from 2019 levels by 2030
- 10 per cent Sustainable Aviation Fuel (SAF) in fuel mix by 2030.

The Qantas Group's long-term strategy acknowledges the potential impact of climate change and resource constraints on the business. Climate-related risks and opportunities are also addressed in the Qantas Group's Sustainability Report 2024.

Three pillars support the achievement of the Group's interim targets as detailed in the CAP:

- Sustainable operations: Focused on reducing emissions by optimising fuel burn through flying and engineering procedures, airspace design and management, aircraft performance and flight planning. Removing single-use plastics across our product offering and diverting general waste, generated by our domestic operations, from landfill.
- Sustainable Aviation Fuels (SAF): Working with governments, industry and businesses to develop a commercial-scale, competitive SAF industry in Australia. This includes supporting the establishment of new supply chains and relies on creating SAF from various biomass sources such as used cooking oil, energy crops, agricultural residues or waste materials that can reduce emissions on a lifecycle basis, typically by up to around 80 per cent. It also includes advancing non-biogenic, synthetic SAF produced with carbon dioxide, green hydrogen and significant amounts of renewable electricity using power-to-liquid technology pathways.
- Carbon offsets: Offsetting emissions by investing in high-quality, high-integrity Australian and international projects with nature and community co-benefits, including those led by Traditional Owners.

The Group's Financial Plan incorporates estimates of known future impacts on the Group of meeting the interim targets (as detailed in the CAP), including the financial impact within cash flow projections of the increased cost of carbon offsetting and SAF (together with estimated recovery through revenue) and capital expenditure to introduce more fuel-efficient aircraft.

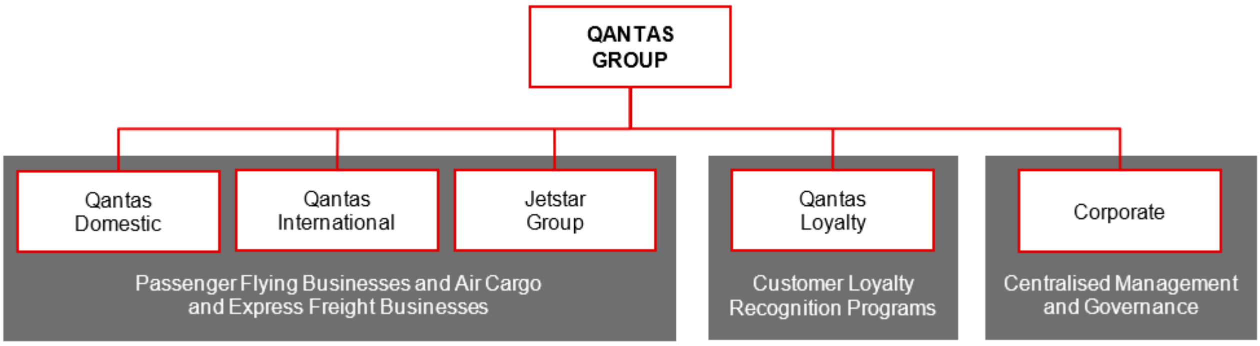
In preparing the Consolidated Financial Statements, the medium- and long-term cash flow impacts of meeting the interim targets in the CAP have been considered in key estimates, including:

- The estimates of future cash flows used in impairment assessments of the Group's Cash Generating Units (CGUs)
- The assessment of the useful lives of aircraft identified in the Group fleet plan to be retired as part of the introduction of more fuel-efficient aircraft.

2 OPERATING SEGMENTS, UNDERLYING PROFIT BEFORE TAX AND RETURN ON INVESTED CAPITAL

(A) OPERATING SEGMENTS

The Qantas Group comprises the following operating segments:



i. Underlying EBIT

Underlying EBIT is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making bodies (CODM), being the Chief Executive Officer, Group Leadership Team and the Board of Directors, for the purpose of assessing the performance of Qantas Domestic, Qantas International, Jetstar Group, and Qantas Loyalty operating segments. The primary reporting measure of the Corporate segment is Underlying PBT, as net finance costs are managed centrally and are not allocated to the Qantas Domestic, Qantas International, Jetstar Group or Qantas Loyalty operating segments. Underlying EBIT is calculated as Underlying PBT as outlined below (refer to Note 2(B)) but excluding the impact of net finance costs.

Notes to the Financial Statements continued

For the year ended 30 June 2024

2 OPERATING SEGMENTS, UNDERLYING PROFIT BEFORE TAX AND RETURN ON INVESTED CAPITAL (CONTINUED)

(A) OPERATING SEGMENTS (CONTINUED)

ii. Analysis by Operating Segment

2024 $M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty	Corporate	Unallocated/ Eliminations[1]	Consolidated
REVENUE AND OTHER INCOME							
External segment revenue and other income	6,831	8,205	4,776	2,455	12	(340)	21,939
Inter-segment revenue and other income	410	461	146	118	–	(1,135)	–
Total segment revenue and other income	**7,241**	**8,666**	**4,922**	**2,573**	**12**	**(1,475)**	**21,939**
Share of net profit/(loss) of investments accounted for under the equity method	10	10	(16)	–	–	–	4
Underlying EBITDA[2]	**1,636**	**1,315**	**910**	**532**	**(256)**	**(85)**	**4,052**
Depreciation and amortisation	(575)	(757)	(413)	(21)	(7)	–	(1,773)
Reversal of impairment/(impairment)	2	(2)	–	–	–	–	–
Underlying EBIT	**1,063**	**556**	**497**	**511**	**(263)**	**(85)**	**2,279**
Net finance costs					(201)		(201)
Underlying PBT					**(464)**		**2,078**
ROIC %[3]							**57.9%**

2023 $M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty	Corporate	Unallocated/ Eliminations[1]	Consolidated
REVENUE AND OTHER INCOME							
External segment revenue and other income	6,497	7,493	4,097	2,043	9	(324)	19,815
Inter-segment revenue and other income	483	256	138	146	–	(1,023)	–
Total segment revenue and other income	**6,980**	**7,749**	**4,235**	**2,189**	**9**	**(1,347)**	**19,815**
Share of net (loss)/profit of investments accounted for under the equity method	5	5	(54)	–	–	–	(44)
Underlying EBITDA[2]	**1,936**	**1,592**	**759**	**500**	**(205)**	**(137)**	**4,445**
Depreciation and amortisation	(665)	(686)	(355)	(49)	(7)	–	(1,762)
Impairment	(1)	–	–	–	–	–	(1)
Underlying EBIT	**1,270**	**906**	**404**	**451**	**(212)**	**(137)**	**2,682**
Net finance costs					(217)		(217)
Underlying PBT					**(429)**		**2,465**
ROIC %[3]							**103.6%**

1 Unallocated/Eliminations represents unallocated businesses of the Qantas Group that are not considered to be reportable segments and consolidation elimination entries. It also includes the impact of discount rate changes on provisions (refer to Note 7) and changes in presentation of income/expenses where the determination of whether the Group is acting as principal or agent is made on consolidation. Unallocated/Eliminations also includes the recognition of the Recovery Boost bonus for EBA-covered employees announced in June 2022 and the Recovery Retention bonuses announced in February 2022 expensed in accordance with relevant Accounting Standards.
2 Underlying EBITDA represents underlying earnings before income tax expense, depreciation, amortisation, net finance costs and reversal of impairment/(impairment).
3 ROIC % represents Return on Invested Capital (ROIC) EBIT divided by Average Invested Capital. Refer to Note 2(C).

Passenger revenue primarily arises within the Qantas Domestic, Qantas International and Jetstar Group segments. Freight revenue primarily arises within Qantas International, except when belly space is utilised in Qantas Domestic and Jetstar Group.

Marketing revenue and redemption revenue in relation to the issuance and redemption of Qantas Points is recognised within the Qantas Loyalty segment. Marketing revenue on inter-segment Qantas Point issuances is eliminated on consolidation. Redemption revenue arising from Qantas Group flight redemptions is recognised within Net Passenger Revenue on consolidation. The inter-segment arrangements with Qantas Loyalty are designed not to derive a net profit from inter-segment Qantas Point issuances and redemptions.

Redemption revenue in relation to products provided by suppliers outside the Group, such as Qantas Marketplace redemptions and other carrier redemptions, is recognised within Revenue in the Consolidated Income Statement net of related costs, as the Group is an agent. For the purposes of segment reporting, the Qantas Loyalty segment reports these redemptions on a gross basis. Adjustments are made within consolidation eliminations to present these redemptions on a net basis at a Group level within Other Revenue and Income.

Notes to the Financial Statements continued

For the year ended 30 June 2024

2 OPERATING SEGMENTS, UNDERLYING PROFIT BEFORE TAX AND RETURN ON INVESTED CAPITAL (CONTINUED)

(B) UNDERLYING PROFIT BEFORE TAX (UNDERLYING PBT) AND RECONCILIATION TO STATUTORY PROFIT BEFORE TAX

Underlying PBT is a non-statutory measure and is the primary reporting measure used by the CODM bodies for the purpose of assessing the performance of the Group. The objective of measuring and reporting Underlying PBT is to provide a meaningful and consistent representation of the underlying performance of each operating segment and the Qantas Group.

Items which are identified by Management and reported to the CODM bodies as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period.

Items not included in Underlying PBT primarily result from revenues or expenses outside the ordinary course of business relating to business activities in other reporting periods, Recovery Plan restructuring costs, transactions involving investments, gains/losses on sale and/or impairments of assets and other transactions.

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX	Note	2024 $M	2023 $M
Underlying PBT		**2,078**	**2,465**
Items not included in Underlying PBT			
– Legal provisions and related costs	33(B)	(198)	–
– Recovery Plan restructuring costs		–	5
– Net gain on disposal of assets		4	2
Total items not included in Underlying PBT		**(194)**	**7**
Statutory Profit Before Income Tax Expense		**1,884**	**2,472**

In the 2023/24 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Legal provisions and related costs	($128) million for the announced ACCC settlement (compensation and penalties) and related costs and ($70) million for an increase in provisions in relation to the ground handling outsourcing Federal Court case (refer to Note 33(B)), recognised in Other Expenditure.
Net gain on disposal of assets	The net gain on disposal of assets of $4 million arose from the disposal of Perth Airport assets.

The 2022/23 financial year included the following items:

Item outside of Underlying PBT	Description
Recovery Plan restructuring costs	$5 million primarily relates to the reversal of a redundancy provision previously recognised.
Net gain on disposal of assets	The net gain on disposal of assets of $2 million arose from the sale of the Group's investment in Helloworld Travel Ltd (ASX: HLO).

(C) RETURN ON INVESTED CAPITAL

Return on Invested Capital (ROIC %) is a non-statutory measure and is the primary financial return measure of the Group. ROIC % is calculated as Return on Invested Capital EBIT (ROIC EBIT) divided by Average Invested Capital.

i. ROIC EBIT AND ROIC %

ROIC EBIT is derived by adjusting Underlying EBIT for the year to exclude leased aircraft depreciation under AASB 16 *Leases* (AASB 16) and to include notional depreciation for these aircraft to account for them as if they were owned.

In addition, for non-aircraft leases, ROIC EBIT is reduced for the full lease payments rather than depreciation under AASB 16 to account for these items as a service cost. The objective of these adjustments is to show an EBIT result which is indifferent to the financing or ownership structure of aircraft assets and that treats non-aircraft leases as a service cost rather than a debt repayment.

Notes to the Financial Statements continued

For the year ended 30 June 2024

2 OPERATING SEGMENTS, UNDERLYING PROFIT BEFORE TAX AND RETURN ON INVESTED CAPITAL (CONTINUED)

(C) RETURN ON INVESTED CAPITAL (CONTINUED)

	2024 $M	2023 $M
Underlying EBIT	**2,279**	**2,682**
Add back: Lease right of use depreciation under AASB 16	295	320
Less: Notional depreciation[1]	(91)	(131)
Less: Cash expenses for non-aircraft leases[2]	(243)	(228)
ROIC EBIT	**2,240**	**2,643**
Average Invested Capital for the year ended 30 June	**3,869**	**2,552**
ROIC %[3]	**57.9%**	**103.6%**

1 For calculating ROIC, capitalised leased aircraft are included in the Group's Invested Capital at the AUD market value (referencing Aircraft Value Analysis Company (AVAC)) at the date of commencing operations at the prevailing AUD/USD rate. This value is depreciated notionally in accordance with the Group's accounting policies, with the calculated depreciation reported above as notional depreciation.
2 Cash expenses for non-aircraft leases are net of rental income from subleases.
3 ROIC % represents Return on Invested Capital (ROIC) EBIT divided by Average Invested Capital. Refer to Note 2(C)ii.

ii. Average Invested Capital

The objective of the Group's Financial Framework is to show Invested Capital which is indifferent to financing or ownership structures of aircraft assets (leased versus owned). Invested Capital includes the net assets of the business other than cash, lease receivables, interest-bearing liabilities, other financial assets/liabilities and tax balances as well as lease liabilities and right of use assets (for leased aircraft, property and other assets) as measured under AASB 16.

To account for the capital invested in leased aircraft, Invested Capital includes an amount representing the capitalised value of leased aircraft assets as if they were owned. Invested Capital includes the full capital held in leased aircraft, which is a non-statutory adjustment, as in accordance with AASB 16 right of use assets are only measured with reference to the lease term.

Average Invested Capital is equal to the average of the monthly Invested Capital for the year.

Invested Capital	2024 $M	2023 $M
Receivables (current and non-current)	1,135	1,051
Inventories	343	290
Other assets (current and non-current)	1,241	1,138
Investments accounted for under the equity method	39	25
Property, plant and equipment	13,558	11,849
Intangible assets	638	687
Assets classified as held for sale	45	38
Payables	(2,908)	(2,732)
Provisions (current and non-current)	(1,897)	(1,852)
Revenue received in advance (current and non-current)	(8,601)	(8,672)
Capitalised aircraft leased assets[1]	982	1,409
Invested Capital as at 30 June	**4,575**	**3,231**
Average Invested Capital for the year ended 30 June	**3,869**	**2,552**

1 For calculating ROIC, all statutory aircraft lease balances and provisions related to leased aircraft are adjusted to represent the capitalised value of leased aircraft, as if they were owned. Capitalised leased aircraft are included in the Group's Invested Capital at the AUD market value (referencing AVAC) at the date of commencing operations at the prevailing AUD/USD rate. This value is notionally depreciated in accordance with the Group's accounting policies, with the calculated depreciation reported in ROIC EBIT as notional depreciation. The carrying value of leased aircraft (AUD market value less accumulated notional depreciation) and an adjustment to exclude aircraft lease return provisions is reported within Invested Capital as capitalised aircraft leased assets.

Notes to the Financial Statements continued

For the year ended 30 June 2024

3 EARNINGS PER SHARE

	2024 cents	2023 cents
Statutory Earnings Per Share[1]	**75.9**	**96.0**
Diluted Earnings Per Share[2]	**75.1**	**93.0**

1 Weighted average number of shares used in Statutory Earnings Per Share calculation of 1,653 million (June 2023: 1,818 million) excludes unallocated treasury shares.
2 Weighted average number of shares used in Diluted Earnings Per Share calculation of 1,670 million (June 2023: 1,877 million) excludes unallocated treasury shares and is adjusted for the effects of all dilutive potential ordinary shares.

	2024 $M	2023 $M
Statutory profit attributable to members of Qantas	**1,255**	**1,746**

NUMBER OF SHARES	2024 Number M	2023 Number M
Issued shares as at 1 July	1,724	1,886
Shares bought back[1]	(156)	(162)
Issued shares as at 30 June	**1,568**	**1,724**
Weighted average number of shares for the year[1]	**1,659**	**1,824**

1 This includes 2.9 million shares ($17 million) that were purchased during the 2023/24 financial year but not settled until July 2024.

4 REVENUE AND OTHER INCOME

(A) REVENUE AND OTHER INCOME BY GEOGRAPHIC AREA

	2024 $M	2023 $M
Net passenger and freight revenue		
Australia	14,924	13,785
Overseas	5,190	4,518
Total net passenger and freight revenue	**20,114**	**18,303**
Other revenue and income	1,825	1,512
Total revenue and other income	**21,939**	**19,815**

Net passenger and freight revenue is attributed to a geographic region based on the point of sale, or where not directly available, on a pro-rata basis. Other revenue and income is not allocated to a geographic region as it is impractical to do so.

(B) OTHER REVENUE AND INCOME

	2024 $M	2023 $M
Frequent Flyer marketing revenue and other Qantas Loyalty businesses[1]	1,122	868
Qantas Marketplace and other redemption revenue[1,2]	94	79
Third-party services revenue	286	271
Other revenue and income	323	294
Total other revenue and income	**1,825**	**1,512**

1 Where the Group acts as an agent for Qantas Loyalty redemptions, an adjustment is made within consolidation eliminations to present these redemptions on a net basis.
2 Qantas Marketplace and other redemption revenue excludes redemptions on Qantas Group flights, which are reported as net passenger revenue in the Consolidated Income Statement.

Notes to the Financial Statements continued

For the year ended 30 June 2024

5 DEPRECIATION AND AMORTISATION

	Notes	2024 $M	2023 $M
Property, plant and equipment	15	1,429	1,351
Right of use assets	16(A)	295	320
Intangible assets	17	49	91
Total depreciation and amortisation		**1,773**	**1,762**

6 NET GAIN ON DISPOSAL OF ASSETS

	2024 $M	2023 $M
Net gain on disposal of property, plant and equipment	(20)	(2)
Net loss on disposal of inventory	2	–
Net gain on disposal of investment/associates	–	(2)
Total net gain on disposal of assets	**(18)**	**(4)**

The net gain on disposal of property, plant and equipment in the 2023/24 financial year includes a net gain of ($4) million arising from the disposal of Perth Airport assets.

In the 2022/23 financial year, the Group recognised a net gain on disposal of investments/associates of ($2) million that arose from the sale of the Group's investment in Helloworld Travel Ltd (ASX: HLO).

7 OTHER EXPENDITURE

	2024 $M	2023 $M
Technology and digital	672	541
Commissions and other selling costs	608	577
Capacity hire (excluding lease components)	508	410
Hotel, holiday and tour-related costs	277	138
Marketing and advertising	195	188
Property occupancy and utility expenses	140	127
Discretionary bonuses to Non-Executive employees	11	67
Impact of discount rate changes on provisions	3	(34)
Impairment of assets and related costs	–	1
Redundancy and related costs	7	4
ACCC settlement and related costs	128	–
Other	622	493
Total other expenditure	**3,171**	**2,512**

Notes to the Financial Statements continued

For the year ended 30 June 2024

8 NET FINANCE COSTS

	Notes	2024 $M	2023 $M
FINANCE INCOME			
Interest income on financial assets measured at amortised cost		115	135
Unwind of discount on other assets and receivables		2	3
Total finance income		**117**	**138**
FINANCE COSTS			
Interest expense on financial liabilities measured at amortised cost		(276)	(264)
Interest expense on lease liabilities	16(C)	(77)	(65)
Interest paid and capitalised on qualifying assets[1]	15	88	31
Total finance costs on financial liabilities		**(265)**	**(298)**
Unwind of discount on provisions and other liabilities			
Employee benefits provisions		(32)	(24)
Other liabilities and provisions		(21)	(33)
Total unwind of discount on other liabilities and provisions		**(53)**	**(57)**
Total finance costs		**(318)**	**(355)**
Net finance costs		**(201)**	**(217)**

1 The borrowing costs are capitalised using a 4.9 per cent interest rate (2023: 3.7 per cent).

9 INCOME TAX

(A) INCOME TAX RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

	2024 $M	2023 $M
Current income tax expense		
Current income tax – Australia	(24)	–
Current income tax – foreign	–	–
Total current income tax expense	**(24)**	**–**
Deferred income tax expense		
Origination and reversal of temporary differences	(132)	(121)
Net utilisation of tax losses	(472)	(485)
Utilisation of prepaid income tax instalments	–	(117)
Current year deferred income tax expense	**(604)**	**(723)**
Benefit of tax offsets	(5)	(5)
Total deferred income tax expense	**(609)**	**(728)**
Total income tax expense in the Consolidated Income Statement	**(633)**	**(728)**

(B) RECONCILIATION BETWEEN INCOME TAX EXPENSE AND STATUTORY PROFIT BEFORE INCOME TAX

	2024 $M	2023 $M
Statutory profit before income tax expense	**1,884**	**2,472**
Income tax expense using the domestic corporate tax rate of 30 per cent	(565)	(742)
Adjusted for:		
Differences in income/(loss) from investments accounted for under the equity method	–	(16)
Utilisation of previously unrecognised tax losses for foreign branches	–	4
(Losses not recognised)/utilisation of previously unrecognised losses for controlled entities	(4)	7
Non-deductible ACCC penalty	(30)	–
Recognition of previously unrecognised losses for branches and controlled entities	8	22
Other net non-deductible items	(42)	(4)
Over provision from prior periods	–	1
Income tax expense	**(633)**	**(728)**

Notes to the Financial Statements continued

For the year ended 30 June 2024

9 INCOME TAX (CONTINUED)

(C) INCOME TAX (EXPENSE)/BENEFIT RECOGNISED DIRECTLY IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2024 $M	2023 $M
Income tax on:		
Cash flow hedges	(26)	190
Defined benefit actuarial losses	26	44
Fair value (gains)/losses on investments	(1)	4
Income tax (expense)/benefit recognised directly in the Consolidated Statement of Comprehensive Income	**(1)**	**238**

(D) RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX RECEIVABLES

	2024 $M	2023 $M
Income tax expense	**(633)**	**(728)**
Adjusted for temporary differences:		
Receivables	(5)	(88)
Inventories	–	2
Investments accounted for under the equity method	–	(1)
Property, plant and equipment and intangible assets	99	75
Right of use assets	–	105
Payables	3	(2)
Revenue received in advance	(42)	(2)
Interest-bearing liabilities	(43)	64
Lease liabilities	(6)	(86)
Other financial assets/(liabilities)	2	(1)
Provisions	48	1
Other items	76	54
Temporary differences	**132**	**121**
Benefit of tax offsets	5	5
Tax on taxable income before utilisation of tax losses	**(496)**	**(602)**
Tax losses utilised against current taxable income	480	507
Tax losses recognised through the Consolidated Income Statement	(8)	(22)
Prepaid tax instalments utilised	–	117
Tax on taxable income after utilisation of tax losses and prepaid tax instalments	**(24)**	**–**
Tax instalments paid	45	–
Income tax receivables	**21**	**–**

(E) PILLAR TWO MINIMUM EFFECTIVE TAX RATE REFORM

The Organisation for Economic Cooperation and Development (OECD) introduced Global Anti-Base Erosion (GloBE) Rules at the end of 2021 and released technical guidance for a new global minimum tax framework (Pillar Two) to ensure that multinational enterprises with a consolidated worldwide annual turnover exceeding €750 million would be subject to a minimum 15 per cent effective tax rate.

To provide transitional relief for Pillar Two tax compliance and administrative burden, the OECD has also introduced a framework for Transitional Safe Harbours applicable to the Transitional Period covering fiscal years 2025 to 2027.

In several of the countries in which the Qantas Group operates, legislation on Pillar Two has been enacted and in Australia, Exposure Draft legislation for Pillar Two and Explanatory Materials have been released for consultation.

The Qantas Group continues to evaluate how the draft legislation will apply to its operations. While it is not yet possible to reliably estimate the potential tax exposure under Pillar Two, based on its initial assessment, the Qantas Group does not expect any material top-up tax adjustment during the transitional period 2025 to 2026. Noting, the impact of Article 8 within Australia's Double Tax Treaties results in almost all of the Group's profits being taxed in Australia where the corporate tax rate is 30 per cent.

Notes to the Financial Statements continued

For the year ended 30 June 2024

9 INCOME TAX (CONTINUED)

(E) PILLAR TWO MINIMUM EFFECTIVE TAX RATE REFORM (CONTINUED)

As it is difficult to assess whether Pillar Two will give rise to additional temporary differences, whether deferred tax assets and liabilities need to be remeasured and which tax rate should be applied when calculating deferred tax, in June 2023, the AASB issued an amendment *AASB 2023-2 Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules*. The amendment provides a temporary mandatory exemption from deferred tax accounting related to Pillar Two. The Qantas Group has applied the exemption in its Consolidated Financial Statements for the year ended 30 June 2024.

10 DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

(A) DIVIDENDS DECLARED AND PAID

During the year ended 30 June 2024, the Group did not declare or pay any dividends.

(B) OTHER SHAREHOLDER DISTRIBUTIONS

During the year ended 30 June 2024, the Group completed on-market buy-backs totalling $869 million of the $500 million share buy-back that was announced in August 2023 and an additional $400 million announced in February 2024. The Group purchased 156 million ordinary shares on issue at the average price of $5.57.

The remaining $31 million of the total $900 million buy-back has been completed in the first half of financial year 2024/25. In August 2024, the Directors announced a further on-market share buy-back of up to $400 million.

(C) FRANKING ACCOUNT

	2024 $M	2023 $M
Total franking account balance at 30 per cent	27[1]	1

1 The franking account balance for the Group as at 30 June 2024 is $27 million (which comprises $48 million closing balance as at 30 June 2024, adjusted for Australian income tax receivable of $21 million).

The above amount represents the balance of the franking account as at 30 June, after taking into account adjustments for:

- Franking credits that will arise from the payment of income tax payable for the current year
- Franking debits that will arise from the receipt of income tax receivable for the current year
- Franking credits that will arise from the receipt of dividends recognised as receivables at the year end
- Franking credits that may be prevented from being distributed in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits and net assets to declare dividends.

11 RECEIVABLES

	2024 $M			2023 $M		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	1,056	–	1,056	876	–	876
Less: provision for expected credit losses	(5)	–	(5)	(1)	–	(1)
Total trade receivables	**1,051**	**–**	**1,051**	**875**	**–**	**875**
Sundry receivables	73	11	84	171	5	176
Total receivables	**1,124**	**11**	**1,135**	**1,046**	**5**	**1,051**

	2024 $M	2023 $M
The ageing of trade receivables, net of provision for expected credit losses at 30 June was:[1]		
Not past due	907	763
Past due 1-30 days	111	88
Past due 31-120 days	24	17
Past due 121 days or more	9	7
Total trade receivables	**1,051**	**875**

1 The Group assesses at each reporting date whether the carrying value of financial assets is impaired. Where necessary, a provision for expected credit losses (ECL) is recognised, depending on whether there has been a significant increase in credit risk, including risk of default occurring since initial recognition. Refer to Note 35(G) for the Group's accounting policy.

Notes to the Financial Statements continued

For the year ended 30 June 2024

12 INVENTORIES

	2024 $M	2023 $M
Engineering expendables	291	240
Consumables stores	49	50
Other inventories	3	–
Total inventories	**343**	**290**

13 ASSETS CLASSIFIED AS HELD FOR SALE

2024 $M	Opening Net Book Value	Transferred from Property, Plant and Equipment	Disposals	Reversal of Impairment/ (Impairment)	Closing Net Book Value
Aircraft and engines	38	31	(26)	2	45
Total assets classified as held for sale	**38**	**31**	**(26)**	**2**	**45**

2023 $M	Opening Net Book Value	Transferred from Property, Plant and Equipment	Disposals	Reversal of Impairment/ (Impairment)	Closing Net Book Value
Aircraft and engines	1	21	–	16	38
Total assets classified as held for sale	**1**	**21**	**–**	**16**	**38**

The balance as at 30 June 2024 and 30 June 2023 relates to aircraft and related assets being retired as part of the fleet renewal program. The fair value measurement for property, plant and equipment classified as held for sale has been categorised under the fair value hierarchy as Level 2. Refer to Note 35(C) for a definition of the fair value hierarchy.

14 INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

Ownership interest in investments accounted for under the equity method[1]

	June 2024 %	June 2023 %
Airport Co-ordination Australia Pty Ltd	41	41
Fiji Resorts Pte Limited	21	21
Hallmark Aviation Services L.P.	49	49
HT & T Travel Philippines, Inc.	28	28
Holiday Tours and Travel (Thailand) Ltd.	37	37
Holiday Tours and Travel Vietnam Co. Ltd.	–	37
Holiday Tours and Travel (GSA) Ltd.	37	37
Jetstar Japan Co. Ltd.	33	33
PT Holidays Tours & Travel	37	37

1 Based on voting rights.

	Notes	2024 $M	2023 $M
Balance as at 1 July		**25**	**57**
Cash additions		–	75
Non-cash additions		–	9
Dividends received		(5)	(12)
Share of net profit/(loss)		4	(44)
Share of reserves and other movements		5	1
Transfer to provisions	22	10	(32)
Disposal of investments[1]		–	(29)
Balance as at 30 June		**39**	**25**

1 The Group recognised the disposal of investments of ($29) million in the 2022/23 financial year from the sale of the Group's investment in Helloworld Travel Ltd ASX: HLO).

Notes to the Financial Statements continued

For the year ended 30 June 2024

15 PROPERTY, PLANT AND EQUIPMENT

	2024 $M			2023 $M		
	At Cost	Accumulated Depreciation and Impairment	Net Book Value	At Cost	Accumulated Depreciation and Impairment	Net Book Value
Freehold land	9	–	9	9	–	9
Buildings	229	(190)	39	229	(188)	41
Leasehold improvements	984	(841)	143	1,032	(891)	141
Plant and equipment	1,313	(916)	397	1,285	(956)	329
Aircraft and engines	24,493	(14,619)	9,874	22,698	(13,833)	8,865
Aircraft spare parts	1,264	(605)	659	1,122	(595)	527
Aircraft deposits	2,437	–	2,437	1,937	–	1,937
Total property, plant and equipment	**30,729**	**(17,171)**	**13,558**	**28,312**	**(16,463)**	**11,849**

2024 $M	Opening Net Book Value	Cash Additions[1]	Disposals	Transfers[2]	Transferred (to)/from Assets Classified as Held for Sale	Depreciation	Impairment	Other[3]	Closing Net Book Value
Freehold land	9	–	–	–	–	–	–	–	9
Buildings	41	–	–	–	–	(2)	–	–	39
Leasehold improvements	141	29	–	–	–	(27)	–	–	143
Plant and equipment	329	125	–	4	(2)	(54)	–	(5)	397
Aircraft and engines	8,865	1,001	(7)	1,347	(29)	(1,260)	–	(43)	9,874
Aircraft spare parts	527	214	–	9	–	(86)	(2)	(3)	659
Aircraft deposits	1,937	1,392	–	(869)	–	–	–	(23)	2,437
Total property, plant and equipment	**11,849**	**2,761**	**(7)**	**491**	**(31)**	**(1,429)**	**(2)**	**(74)**	**13,558**

2023 $M	Opening Net Book Value	Cash Additions[1]	Disposals	Transfers[2]	Transferred (to)/from Assets Classified as Held for Sale	Depreciation	Impairment	Other[3]	Closing Net Book Value
Freehold land	9	–	–	–	–	–	–	–	9
Buildings	43	–	–	–	–	(2)	–	–	41
Leasehold improvements	171	13	–	(15)	–	(28)	–	–	141
Plant and equipment	269	99	(2)	7	–	(46)	–	2	329
Aircraft and engines	7,966	682	–	1,455	(22)	(1,226)	(17)	27	8,865
Aircraft spare parts	447	135	–	(3)	1	(49)	–	(4)	527
Aircraft deposits	1,319	1,665	–	(1,041)	–	–	–	(6)	1,937
Total property, plant and equipment	**10,224**	**2,594**	**(2)**	**403**	**(21)**	**(1,351)**	**(17)**	**19**	**11,849**

1 Cash additions includes capitalised interest of $88 million (2023: $31 million).
2 Transfers includes transfers between categories of property, plant and equipment, transfers from/(to) other balance sheet accounts and transfers of leased aircraft from right of use assets following the completion of lease buyouts.
3 Other includes non-cash movements and movements in accrued payments for property, plant and equipment (2024: ($51) million, 2023: $41 million).

(A) AIRCRAFT BY GEOGRAPHIC AREA

Aircraft supporting the Group's global operations are primarily located in Australia, with the exception of two A380 aircraft, which are currently in storage overseas awaiting maintenance ahead of return to service. In addition, there are 11 A320 aircraft which are based in Singapore to support Jetstar Asia's operations, along with seven A320 New Zealand-based aircraft to support Jetstar New Zealand's domestic and Trans-Tasman markets.

Notes to the Financial Statements continued

For the year ended 30 June 2024

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(B) SECURED ASSETS

Certain aircraft and engines act as security against related financing facilities. Under the terms of certain financing facilities entered into by the Qantas Group, the underwriters of these agreements have a fixed charge over certain aircraft and engines to the extent that debt has been issued directly to those underwriters. The total carrying amount of assets under pledge is $3,945 million (2023: $3,885 million).

(C) CAPITAL EXPENDITURE COMMITMENTS

The Group's capital expenditure commitments as at 30 June 2024 are $21,494 million (2023: $14,646 million). The Group has certain rights within its aircraft purchase contracts which can defer the capital expenditure commitments.

The Group's capital expenditure commitments are predominantly denominated in US dollars. Commitments reported above are translated to the Group's Australian dollar presentational currency at the 30 June 2024 closing exchange rate of $0.67 (2023: $0.68).

16 LEASES

(A) RIGHT OF USE ASSETS

	2024 $M			2023 $M		
	At Cost	Accumulated Depreciation and Impairment	Net Book Value	At Cost	Accumulated Depreciation and Impairment	Net Book Value
Aircraft	1,130	(691)	439	2,117	(1,596)	521
Property	2,168	(1,353)	815	1,896	(1,197)	699
Other	317	(256)	61	315	(232)	83
Total right of use assets	**3,615**	**(2,300)**	**1,315**	**4,328**	**(3,025)**	**1,303**

2024 $M	Opening Net Book Value	Additions/ Modifications/ Remeasurements	Transfers[1]	Depreciation	Other[2]	Closing Net Book Value
Aircraft	521	423	(418)	(100)	13	439
Property	699	272	–	(171)	15	815
Other	83	3	(1)	(24)	–	61
Total right of use assets	**1,303**	**698**	**(419)**	**(295)**	**28**	**1,315**

2023 $M	Opening Net Book Value	Additions/ Modifications/ Remeasurements	Transfers[1]	Depreciation	Other[2]	Closing Net Book Value
Aircraft	355	645	(338)	(144)	3	521
Property	565	219	–	(138)	53	699
Other	37	84	–	(38)	–	83
Total right of use assets	**957**	**948**	**(338)**	**(320)**	**56**	**1,303**

1 Transfers includes transfers of new leases to lease receivables where the Group is a sub-lessor (2024: ($1) million, 2023: nil) and transfers of aircraft to property, plant and equipment relating to completed aircraft lease buyouts during the year (2024: ($418) million, 2023: ($338) million).
2 Other movements include foreign exchange movements and changes in the measurement of make good assets.

(B) LEASE RECEIVABLES

	2024 $M			2023 $M		
	Current	Non-current	Total	Current	Non-current	Total
Lease receivable[1]	10	48	58	10	52	62
Total	**10**	**48**	**58**	**10**	**52**	**62**

1 The Group has subleased property and aircraft and classified the subleases as finance leases. The subleased portion of the right of use asset was derecognised and the Group recognised a finance lease receivable (net investment in the finance lease). The interest income recognised on the net investment in the finance lease was $2 million (2023: $2 million).

Notes to the Financial Statements continued

For the year ended 30 June 2024

16 LEASES (CONTINUED)

(C) LEASE LIABILITIES

	2024 $M			2023 $M		
	Current	Non-current	Total	Current	Non-current	Total
Aircraft	120	315	435	359	168	527
Property	240	803	1,043	190	738	928
Other	32	46	78	32	70	102
Total lease liabilities[1]	**392**	**1,164**	**1,556**	**581**	**976**	**1,557**

1 In addition to the lease liabilities recognised above, committed undiscounted lease payments for non-cancellable lease contracts which have not commenced as at 30 June 2024 are $65 million (2023: $34 million). The amounts will be recognised in lease liabilities and right of use assets when the lease commences.

2024 $M	Opening Balance	Additions/ Modifications/ Remeasurements[1]	Lease Repayments[2]	Interest	Foreign Exchange	Other[3]	Closing Balance
Aircraft	527	423	(530)	16	(1)	–	435
Property	928	272	(219)	57	4	1	1,043
Other	102	3	(36)	4	4	1	78
Total lease liabilities	**1,557**	**698**	**(785)**	**77**	**7**	**2**	**1,556**

2023 $M	Opening Balance	Additions/ Modifications/ Remeasurements[1]	Lease Repayments[2]	Interest	Foreign Exchange	Other[3]	Closing Balance
Aircraft	375	645	(515)	12	9	1	527
Property	837	219	(191)	48	(1)	16	928
Other	60	84	(49)	5	1	1	102
Total lease liabilities	**1,272**	**948**	**(755)**	**65**	**9**	**18**	**1,557**

1 During the 2023/24 financial year, the Group recognised lease modifications relating to agreements to buyout leased aircraft. This resulted in a lease liability modification and repayment of $409 million (2022/23: $322 million) recognised in financing cash flows.
2 Lease repayments of $785 million (2023: $755 million) includes $708 million (2023: $690 million) principal repayments and $77 million (2023: $65 million) interest repayments. The 2023 lease repayments include deferred lease repayments of $2 million from financial year 2020/21.
3 Other movements include modifications to subleases which has resulted in corresponding increases to lease liabilities and finance lease receivables.

(D) RECOGNISED WITHIN OTHER EXPENSES IN THE CONSOLIDATED INCOME STATEMENT

	2024 $M	2023 $M
Lease expense for short-term leases	14	6
Variable lease expenses not included in lease liabilities[1]	40	58

1 Recognised in other expenditure — capacity hire.

17 INTANGIBLE ASSETS

	2024 $M			2023 $M		
	At Cost	Accumulated Depreciation and Impairment	Net Book Value	At Cost	Accumulated Depreciation and Impairment	Net Book Value
Goodwill	270	–	270	270	–	270
Airport landing slots	35	–	35	35	–	35
Software	1,283	(1,149)	134	1,523	(1,345)	178
Brand names and trademarks	32	–	32	32	–	32
Customer contracts/relationships	19	(7)	12	19	(6)	13
Contract intangible assets	171	(16)	155	171	(12)	159
Total intangible assets	**1,810**	**(1,172)**	**638**	**2,050**	**(1,363)**	**687**

Notes to the Financial Statements continued

For the year ended 30 June 2024

17 INTANGIBLE ASSETS (CONTINUED)

2024 $M	Opening Net Book Value	Cash Additions	Acquisition of Controlled Entities	Amortisation	Closing Net Book Value
Goodwill	270	–	–	–	270
Airport landing slots	35	–	–	–	35
Software	178	–	–	(44)	134
Brand names and trademarks	32	–	–	–	32
Customer contracts/relationships	13	–	–	(1)	12
Contract intangible assets	159	–	–	(4)	155
Total intangible assets	**687**	**–**	**–**	**(49)**	**638**

2023 $M	Opening Net Book Value	Cash Additions	Acquisition of Controlled Entities[1]	Amortisation	Closing Net Book Value
Goodwill	270	–	–	–	270
Airport landing slots	35	–	–	–	35
Software	263	–	–	(85)	178
Brand names and trademarks	40	–	(8)	–	32
Customer contracts/relationships	7	–	8	(2)	13
Contract intangible assets	163	–	–	(4)	159
Total intangible assets	**778**	**–**	**–**	**(91)**	**687**

1 The fair value of the assets acquired in financial year 2021/22 were subject to the completion of an independent valuation. This was finalised in financial year 2022/23, resulting in a transfer of $8 million between categories of intangible assets.

18 DEFERRED TAX (LIABILITIES)/ASSETS

	2024 $M	2023 $M
Deferred tax (liabilities)/assets	**(199)**	**367**

(A) RECONCILIATION OF DEFERRED TAX ASSETS

2024 $M	Opening Balance	Recognised in the Consolidated Income Statement	Recognised in Other Comprehensive Income	Other	Closing Balance
Receivables	(7)	5	–	–	(2)
Inventories	(15)	–	–	–	(15)
Property, plant and equipment and intangible assets	(1,408)	(99)	–	–	(1,507)
Right of use assets	(410)	–	–	–	(410)
Payables	13	(3)	–	–	10
Revenue received in advance	973	42	–	–	1,015
Interest-bearing liabilities	(183)	43	–	–	(140)
Lease liabilities	467	6	–	–	473
Other financial assets/(liabilities)	(82)	(2)	(27)	–	(111)
Provisions	559	(48)	–	–	511
Other items	(34)	(76)	26	29[1]	(55)
Tax value of recognised tax losses	494	(472)	–	10[2]	32
Total deferred tax assets/(liabilities)	**367**	**(604)**	**(1)**	**39**	**(199)**

1 An increase in deferred tax asset of $29 million relating to share-based payments recognised in retained earnings.
2 A net deferred tax asset of $10 million referable to tax losses transferred from the acquisition of the non-controlling interest of TAD Holdco Pty Limited and its subsidiaries (TripADeal).

Notes to the Financial Statements continued

For the year ended 30 June 2024

18 DEFERRED TAX (LIABILITIES)/ASSETS (CONTINUED)

(A) RECONCILIATION OF DEFERRED TAX ASSETS (CONTINUED)

2023 $M	Opening Balance	Recognised in the Consolidated Income Statement	Recognised in Other Comprehensive Income	Other	Closing Balance
Receivables	(114)	88	–	19	(7)
Inventories	(13)	(2)	–	–	(15)
Investments accounted for under the equity method	(1)	1	–	–	–
Property, plant and equipment and intangible assets	(1,333)	(75)	–	–	(1,408)
Right of use assets	(305)	(105)	–	–	(410)
Payables	11	2		–	13
Revenue received in advance	971	2	–	–	973
Interest-bearing liabilities	(119)	(64)	–	–	(183)
Lease liabilities	381	86	–	–	467
Other financial assets/(liabilities)	(277)	1	194	–	(82)
Provisions	560	(1)	–		559
Other items	(23)	(54)	44	(1)[1]	(34)
Tax value of prepaid tax instalments	136	(117)	–	(19)	–
Tax value of recognised tax losses	979	(485)	–	–	494
Total deferred tax assets	**853**	**(723)**	**238**	**(1)**	**367**

1 An increase in deferred tax liability of ($1) million relating to share-based payments recognised in retained earnings.

(B) QANTAS GROUP CARRIED FORWARD TAX LOSSES

	2024 $M	2023 $M
Total tax losses brought forward as at 1 July	**(494)**	**(979)**
Tax losses utilised against current taxable income[1]	480	507
Tax losses recognised through Equity[2]	(10)	–
Tax losses recognised through the Consolidated Income Statement[3]	(8)	(22)
Tax losses carried forward to be utilised in future years	**(32)**	**(494)**

1 For the 2023/24 financial year, tax losses utilised against current taxable income is comprised of $472 million Australian tax losses and $8 million New Zealand tax losses (2023: $507 million Australian tax losses).
2 A deferred tax asset of $10 million has been recognised for income tax losses not available to be used in the 2023/24 financial year, which is expected to be recovered in future periods, referable to the acquisition of the non-controlling interest of TAD Holdco Pty Limited and its subsidiaries (TripADeal).
3 A deferred tax asset of $8 million was recognised in the 2023/24 financial year, which is expected to be recovered in future periods, referable to New Zealand (2023: $22 million deferred tax asset).

(C) UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets have not been recognised with respect to the following items:

	2024 $M	2023 $M
Tax losses – New Zealand	9	16
Tax losses – Singapore	54	60
Tax losses – Hong Kong	22	24
Total unrecognised deferred tax assets	**85**	**100**

19 OTHER ASSETS

		2024 $M			2023 $M		
	Note	Current	Non-current	Total	Current	Non-current	Total
Prepayments		357	128	485	251	160	411
Net defined benefit asset	29(B)	–	332	332	–	399	399
Other assets[1]		100	324	424	77	251	328
Total		**457**	**784**	**1,241**	**328**	**810**	**1,138**

1 Other assets include incremental costs of obtaining a contract. Refer to Note 35(D)vii. for the Group's accounting policy.

Notes to the Financial Statements continued

For the year ended 30 June 2024

20 REVENUE RECEIVED IN ADVANCE

	2024 $M			2023 $M		
	Current	Non-current	Total	Current	Non-current	Total
Unavailed passenger revenue[1]	4,637	–	4,637	4,992	–	4,992
Unredeemed Frequent Flyer revenue	1,599	1,729	3,328	1,311	1,869	3,180
Other revenue received in advance	486	150	636	359	141	500
Total revenue received in advance	**6,722**	**1,879**	**8,601**	**6,662**	**2,010**	**8,672**

1 Unavailed passenger revenue relates to sales to passengers in advance of the date of passenger travel. The balance includes tickets with a travel date subsequent to year end and tickets which have been transferred to a travel credit (other than Qantas COVID credits). Qantas COVID credits that remained outstanding as at 30 June 2024 are recognised as Payables due to the change in terms and conditions announced in August 2023 effective from 31 December 2023.

21 NET ON BALANCE SHEET DEBT

(A) CASH AND CASH EQUIVALENTS

	2024 $M	2023 $M
Cash and cash at call balances	898	1,204
Short-term money market securities and term deposits	820	1,967
Total cash and cash equivalents	**1,718**	**3,171**

Cash and cash equivalents comprise cash balances, cash at call, short-term money market securities and term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Short-term money market securities of $220 million (2023: $292 million) held by the Qantas Group are pledged as collateral under the terms of certain operational financing facilities when underlying unsecured limits are exceeded. The collateral cannot be sold or repledged in the absence of default by the Qantas Group.

(B) INTEREST-BEARING LIABILITIES

	2024 $M			2023 $M		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans – secured	179	792	971	177	971	1,148
Bank loans – unsecured	–	402	402	–	402	402
Other loans – secured	29	1,965	1,994	373	1,330	1,703
Other loans – unsecured	–	1,668	1,668	249	1,667	1,916
Total interest-bearing liabilities	**208**	**4,827**	**5,035**	**799**	**4,370**	**5,169**

Certain current and non-current interest-bearing liabilities relate to specific financing of aircraft and engines and are secured by the aircraft to which they relate (refer to Note 15(B)).

(C) UNDRAWN FACILITIES

As at 30 June 2024, the Group has committed undrawn facilities of $1,000 million (2023: $1,196 million).

(D) ANALYSIS OF CHANGES IN NET ON BALANCE SHEET DEBT

2024 $M	Opening Balance	Debt Repayment	Debt Drawdown	Foreign Exchange, Mark-to-Market and Non-Cash Movements	Shareholder Distributions	Treasury Share Purchases	Other Net Cash Movement	Closing Balance
Interest-bearing liabilities	5,169	(1,176)	1,011	31	–	–	–	**5,035**
Fair value of hedges related to debt	–	–	–	(6)	–	–	–	**(6)**
Cash	(3,171)	1,176	(1,011)	(3)	852	292	147	**(1,718)**
Net on balance sheet debt	**1,998**	**–**	**–**	**22**	**852**	**292**	**147**	**3,311**

Notes to the Financial Statements continued

For the year ended 30 June 2024

21 NET ON BALANCE SHEET DEBT (CONTINUED)

(D) ANALYSIS OF CHANGES IN NET ON BALANCE SHEET DEBT (CONTINUED)

2023 $M	Opening Balance	Debt Repayment	Debt Drawdown	Foreign Exchange, Mark-to-Market and Non-Cash Movements	Shareholder Distributions	Treasury Share Purchases	Other Net Cash Movement	Closing Balance
Interest-bearing liabilities	5,960	(1,669)	826	52	–	–	–	5,169
Fair value of hedges related to debt	–	–	–	–	–	–	–	–
Cash	(3,343)	1,669	(826)	4	1,000	103	(1,778)	(3,171)
Net on balance sheet debt	**2,617**	**–**	**–**	**56**	**1,000**	**103**	**(1,778)**	**1,998**

22 PROVISIONS

	2024 $M			2023 $M		
	Current	Non-current	Total	Current	Non-current	Total
Annual leave	461	–	461	434	–	434
Long service leave	364	53	417	353	44	397
Other employee provisions (including redundancies)	161	–	161	188	–	188
Total employee benefits	**986**	**53**	**1,039**	**975**	**44**	**1,019**
Onerous contracts	5	–	5	7	–	7
Make good on leased assets	99	229	328	170	386	556
Insurance, legal and other[1]	383	142	525	120	150	270
Total other provisions	**487**	**371**	**858**	**297**	**536**	**833**
Total provisions	**1,473**	**424**	**1,897**	**1,272**	**580**	**1,852**

1 Insurance, legal and other includes a provision for the ACCC settlement for compensation, penalties and related costs and a provision for the decision of the Federal Court of Australia that determined Qantas had contravened the adverse action provisions of the *Fair Work Act* in outsourcing the remainder of Qantas' ground handling function in 2020 (refer to Note 33(B)).

Reconciliations of the movements of each class of provision, other than employee benefits, are set out below:

2024 $M	Opening Balance	Provisions Made	Provisions Utilised/ Reversed	Unwind of Discount	Discount Rate Changes	Transfers from Investments in Associates	Other/FX	Closing Balance
Onerous contracts	7	–	(2)	–	–	–	–	5
Make good on leased assets	556	79	(320)	14	(1)	–	–	328
Insurance, legal and other	270	325	(85)	5	–	10	–	525
Total other provisions	**833**	**404**	**(407)**	**19**	**(1)**	**10**	**–**	**858**

23 CAPITAL

(A) ISSUED CAPITAL

	2024 $M	2023 $M
Opening balance: 1,724,454,680 (1 July 2022: 1,886,044,698) ordinary shares, fully paid	2,186	3,186
Shares bought back during the year: 156,194,284 (June 2023: 161,590,018) ordinary shares[1]	(869)	(1,000)
Closing balance: 1,568,260,396 (2023: 1,724,454,680) ordinary shares	**1,317**	**2,186**

1 This includes 2.9 million shares ($17 million) that were purchased during the 2023/24 financial year but not settled until July 2024.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of wind-up, Qantas ordinary shareholders rank after all creditors and are fully entitled to any residual proceeds on liquidation.

(B) TREASURY SHARES

Treasury shares consist of shares held in trust for Qantas employees in relation to equity compensation plans. As at 30 June 2024, 9,923,157 (2023: 16,703,789) shares were held in trust and classified as treasury shares.

Notes to the Financial Statements continued

For the year ended 30 June 2024

23 CAPITAL (CONTINUED)

(C) CAPITAL MANAGEMENT

The Qantas Group's Financial Framework is designed to achieve top quartile Total Shareholder Return relative to the ASX100 and global airline peers. The Framework's key elements are to:

- Maintain an optimal capital structure that minimises the cost of capital by holding an appropriate level of Net Debt. The appropriate level of Net Debt reflects the Qantas Group's size, measured by Invested Capital. This is consistent with investment grade credit metrics
- Deliver ROIC that exceeds the weighted average cost of capital through the cycle
- Make disciplined capital allocation decisions between reinvestment, debt reduction and distribution of surplus capital to shareholders while maintaining an optimal capital structure.

Surplus capital is determined on a forward-looking basis, which is the difference between the projected Net Debt position and the target Net Debt position.

The Qantas Group maintains access to a broad range of debt markets, both secured and unsecured. The Qantas Group maintains a prudent liquidity policy that ensures adequate coverage of liquidity requirements while considering a range of adverse scenarios.

	Note	Metrics	2024	2023
Net Debt[1]		$3.9B to $4.9B[2]	$4.11B	$2.89B
Return on Invested Capital (%)	2(C)	ROIC > WACC	57.9 per cent	103.6 per cent
Net capital expenditure[3]			$3,148M	$2,666M
Shareholder distributions[4]			$869M	$1,000M

1 Net Debt is a non-statutory measure. It includes net on balance sheet debt and capitalised aircraft lease liabilities under the Group's Financial Framework. Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over the lease term on a principal and interest basis. The residual value of the capitalised aircraft lease liability denominated in a foreign currency is translated at the long-term exchange rate.

2 Target Net Debt range of $3.9 billion to $4.9 billion is based on the 12-month average Invested Capital of $3.9 billion as at 30 June 2024. The Target Net Debt range for the 2022/23 financial year was $3.7 billion to $4.6 billion, which is based on the average Invested Capital of $2.6 billion as at 30 June 2023.

3 Net capital expenditure is a non-statutory measure which is equal to net investing cash outflows included in the Consolidated Cash Flow Statement of $2,887 million (2023: $2,625 million) and the impact to Invested Capital from the acquisitions/disposals of leased aircraft of $261 million (2023: $41 million).

4 During the year ended 30 June 2024, the Group completed on-market buy-backs totalling $869 million, which were announced in August 2023 and February 2024. The Group purchased 156 million ordinary shares on issue at the average price of $5.57.

24 IMPAIRMENT OF ASSETS AND RELATED COSTS

(A) IMPAIRMENT TESTING OF CASH GENERATING UNITS

i. Identification of CGUs

The identification of an asset's CGU is a key judgement in performing an impairment test. CGUs are the lowest identifiable group of assets that generate largely independent cash inflows and are determined based on how performance is monitored and how decisions to acquire and dispose of the Group's assets and operations are made.

The identified CGUs by operating segment for the 2023/24 financial year are outlined in the table below:

Operating Segment	CGUs Identified
Qantas Domestic	Qantas Domestic CGU
Qantas International	Qantas International CGU Qantas Freight CGU
Jetstar Group	Jetstar Australia/New Zealand CGU Jetstar Asia CGU Jetstar Japan CGU
Qantas Loyalty	Qantas Loyalty CGU TripADeal CGU

ii. Impairment Assessment

An assessment is made at the end of each reporting period as to whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset where possible, otherwise, the recoverable amount of the CGU to which the asset belongs shall be determined.

Value in use is the present value of the future cash inflows expected to be derived from an asset or CGU.

Notes to the Financial Statements continued

For the year ended 30 June 2024

24 IMPAIRMENT OF ASSETS AND RELATED COSTS (CONTINUED)

(A) IMPAIRMENT TESTING OF CASH GENERATING UNITS (CONTINUED)

ii. Impairment Assessment (continued)

Fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less the incremental costs directly attributed to disposal.

Where the carrying value of the asset exceeds its recoverable amount, the carrying amount of the asset is reduced to its recoverable amount through the recognition of an impairment loss.

Impairment assessment of CGUs

The impairment test for CGUs includes the allocation of assets to identified CGUs and the determination of the recoverable amount of the CGU based on its value in use. Outlined below are the significant assumptions applied in the determination of the recoverable amount.

Significant Assumption	How It Was Determined
Calculation of recoverable amount	The recoverable amounts of CGUs were determined based on their value in use. The value in use was determined by discounting the future cash flows forecast in the Financial Plan.
Net assets	Net assets excluding cash and cash equivalents, interest-bearing liabilities and deferred tax assets/ liabilities within CGUs and any items that have been tested for impairment individually.
Cash flows – Group Financial Plan	Cash flows were projected based on the Board-approved Financial Plan. Cash outflows include capital and maintenance expenditure for the purchase of aircraft and other property, plant and equipment. These cash outflows do not include capital expenditure that enhances the current performance of assets or capital expenditure relating to assets that commence operation beyond the terminal year. The Group's Financial Plan incorporates estimates of the future impact on the Group of meeting the interim targets in the Group's Climate Action Plan, including the financial impact within cash flow projections of the increased cost of carbon offsetting and SAF (together with recovery through revenue). For the purposes of performing an impairment test, a terminal value has been been estimated. Cash flows to determine the terminal value were extrapolated using a constant growth rate of 2.5 per cent per annum, which does not exceed the long-term average growth rate for the industry.
Discount rate	A pre-tax discount rate of 10 per cent per annum has been used in discounting the projected cash flows of the CGUs, reflecting the long-term average pre-tax Weighted Average Cost of Capital (WACC) of the Qantas Group (2023: 10 per cent per annum).
Sensitivity to significant changes in assumptions	*Sensitivity to changes in assumptions (CGUs other than Jetstar CGUs in Asia)* The terminal year in the impairment test has the most material impact on the determination of the recoverable amount and the surplus between the recoverable amount and carrying value of CGUs. The earlier years in the Financial Plan, while impacting the measurement of the recoverable amount, do not materially impact the surplus identified. Reasonably possible changes in the Financial Plan and discount rates are unlikely to result in impairment of the CGUs. The terminal value cash flow is in excess of the break-even cash flow and reasonably possible changes in this assumption do not result in impairment. *Sensitivity to changes in assumptions (Jetstar CGUs in Asia)* The Group recognised impairment in the Jetstar Asia CGU of Goodwill and indefinite lived intangible assets in the 2019/20 financial year and of property, plant and equipment and right of use assets in the 2020/21 financial year. The impairments were allocated to individual assets to the extent that the assets were not reduced below their individual fair value less costs of disposal. Goodwill and indefinite lived intangible assets have been fully impaired, and property, plant and equipment and right of use assets have been impaired to individual fair value less costs of disposal. Any allocation of CGU impairment should not reduce the asset below its individual fair value less costs of disposal. As a result, any additional impairment would only be recognised if there was a reduction in the individual fair value less costs of disposal of the individual assets. Reasonably possible changes in the individual fair value less costs of disposal of individual assets are not expected to result in material impairment.

Notes to the Financial Statements continued

For the year ended 30 June 2024

24 IMPAIRMENT OF ASSETS AND RELATED COSTS (CONTINUED)

(B) CARRYING VALUE OF GOODWILL AND INDEFINITE LIVED INTANGIBLE ASSETS

The following CGUs have goodwill and other intangible assets with indefinite useful lives as follows:

	2024 $M	2023 $M
Goodwill		
Qantas Domestic CGU	14	14
Qantas Loyalty CGU	68	68
TripADeal CGU	48	48
Qantas Freight CGU	49	49
Jetstar Australia/New Zealand CGU	91	91
Total goodwill	**270**	**270**
Other intangible assets with indefinite useful lives		
TripADeal CGU	32	32
Qantas International CGU	35	35
Total other intangible assets with indefinite useful lives	**67**	**67**

(C) RESULTS OF THE GROUP'S IMPAIRMENT TEST

No impairment or impairment reversal was recognised in any of the Group's CGUs during the year ended 30 June 2024 (2023: nil). No impairment or impairment reversal relating to other assets was recognised during the 2023/24 financial year (2023: $1 million).

25 SHARE-BASED PAYMENTS

The Group provides benefits to Executives of the Group in the form of share-based payments, whereby Executives render services in exchange for Rights over shares. Additionally, the Recovery Retention Plan was announced in the second half of the 2021/22 financial year and includes share-based payments to eligible employees (both Non-Executive and Executive). The total equity-settled share-based payment expense for the year was $69 million (2023: $188 million). Further details regarding the operation of equity plans are outlined in the Remuneration Report from pages 32 to 62.

(A) LONG TERM INCENTIVE PLAN (LTIP)

Generally, participation in the LTIP is limited to Senior Executives of the Qantas Group in key roles or other participants who have been identified as high potential Executives. All Rights are redeemable on a one-for-one basis for Qantas shares, subject to the achievement of performance hurdles. Dividends are not payable on Rights. For more information on the operation of the LTIP, see pages 47 to 49.

Performance Rights Reconciliation	2024 Number of Rights	2023 Number of Rights
Rights outstanding as at 1 July	19,862,880	18,262,972
Rights granted during the year[1]	2,631,000	4,273,500
Rights forfeited during the year	(2,198,664)	(380,758)
Rights vested and converted to shares during the year	(10,440,449)	(1,143,343)
Rights lapsed during the year	(1,040,500)	(1,149,491)
Rights outstanding as at 30 June	**8,814,267**	**19,862,880**
Rights exercisable as at 30 June	**–**	**–**

1 2,606,500 Rights in relation to 2024-2026 LTIP and 24,500 Rights in relation to 2023-2025 LTIP (2023: 4,273,500 Rights in relation to 2023-2025 LTIP).

The Rights outstanding as at 30 June 2024 included 3,392,899 Rights under the 2022-2024 LTIP. 2,917,279 Rights vested and converted to shares and 475,620 Rights forfeited following the testing of performance hurdles as at 30 June 2024 and after applying service conditions and the Board's approval of the 2022-2024 LTIP vesting outcome on 28 August 2024. The shares awarded to Executive Management upon vesting of the LTIP remain subject to an additional one-year trading restriction.

The Rights outstanding as at 30 June 2023 included 9,559,480 Rights under the 2021-2023 LTIP. 9,399,949 Rights vested and converted to shares and 159,531 Rights forfeited following the testing of performance hurdles as at 30 June 2023 and after applying service conditions and the Board's approval of the 2021-2023 LTIP vesting outcome on 23 August 2023. The shares awarded to Executive Management upon vesting of the LTIP remain subject to an additional one-year trading restriction. On 8 August 2024, under forfeiture provisions that apply to the LTIP, the Board determined that all the restricted shares held on behalf of the former CEO in relation to the 2021-2023 LTIP would be forfeited (1,349,000 restricted shares).

Notes to the Financial Statements continued

For the year ended 30 June 2024

25 SHARE-BASED PAYMENTS (CONTINUED)

(A) LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)

The Rights outstanding as at 30 June 2023 included 687,000 Rights under the 2018-2020 LTIP, 651,000 Rights under the 2019-2021 LTIP and 743,000 Rights under the 2020-2022 LTIP relating to the former CEO (Mr Joyce). After agreeing in previous years to defer the decision of vesting Rights awarded under these plans, the former CEO (Mr Joyce) elected to convert these Rights to shares in August 2023. The following Rights vested and converted to shares 343,500 (2018-2020 LTIP), 325,500 (2019-2021 LTIP) and 371,500 (2020-2022 LTIP) and the following Rights lapsed 343,500 (2018-2020 LTIP), 325,500 (2019-2021 LTIP) and 371,500 (2020-2022 LTIP) in August 2023.

i. Fair Value Calculation

The estimated value of Rights granted was determined at grant date using a Monte Carlo model. The weighted average fair value of Rights granted during the year was $3.13 (2023: $4.24).

Inputs into the Models	2024 3 November 2023 2024-2026 LTIP	2023 4 November 2022 2023-2025 LTIP
Rights granted	2,606,500	4,298,000
Closing share price	$5.18	$5.97
Expected volatility	30.0%	30.0%
Dividend yield	3.8%	2.4%
Risk-free interest rate	4.3%	3.4%

The expected volatility was determined having regard to the historical volatility of Qantas shares and the implied volatility on exchange traded options. The risk-free rate was the yield on an Australian Government Bond at the grant date matching the remaining useful lives of the plans. The yield is converted into a continuously compounded rate in the model. The expected life assumes immediate exercise after vesting.

(B) SHORT TERM INCENTIVE PLAN (STIP)

For details on the operation of the STIP see pages 45 to 46. There were nil awards of Qantas shares made during the year ended 30 June 2024 (2023: nil). On 8 August 2024, following the Board's decision of the outcome of the 2022/23 STIP, 261,619 shares were awarded and allocated in relation to the 2022/23 STIP. Shares awarded under the 2022/23 STIP were delivered to participants as deferred shares subject to a one-year deferral period on these shares until August 2025 and a further one-year trading restriction until August 2026.

During the 2023/24 financial year, share-based payment expense in relation to the STIP was recognised but no deferred shares were awarded. Deferred shares in relation to the 2023/24 STIP will be awarded in the 2024/25 financial year following approval by the Board.

(C) MANAGER INCENTIVE PLAN (MIP)

The MIP is the annual incentive plan for the broader Management group. Each year, to the extent that the plan's performance conditions are achieved, this group may receive an award that is a combination of cash and restricted shares. The Scorecard performance outcomes are the same as those for STIP. For the Scorecard performance outcomes, refer to the details of the operation of the STIP on pages 45 to 46. The CEO retains discretion over any awards made under the MIP. There were 9,453,520 awards of Qantas shares made during the year ended 30 June 2024 (2023: nil). Deferred shares in relation to the 2023/24 MIP will be awarded in the 2024/25 financial year.

(D) RECOVERY RETENTION PLAN (RRP)

The Recovery and Retention Plan was announced in the second half of the 2021/22 financial year and includes a grant of Rights to eligible employees (both Non-Executive and Executive) subject to both performance and service conditions. All Rights are redeemable on a one-for-one basis for Qantas shares, subject to the achievement of performance hurdles. Dividends are not payable on Rights.

Performance Rights Reconciliation	2024 Number of Rights	2023 Number of Rights
Rights outstanding as at 1 July	42,175,404	42,931,072
Rights granted during the year	–	1,518,750
Rights forfeited during the year	(410,546)	(2,274,418)
Rights vested and converted to shares during the year	(41,764,858)	–
Rights outstanding as at 30 June	**–**	**42,175,404**
Rights exercisable as at 30 June	**–**	**–**

As at 30 June 2024, there are no remaining rights outstanding relating to this plan.

Notes to the Financial Statements continued

For the year ended 30 June 2024

25 SHARE-BASED PAYMENTS (CONTINUED)

(D) RECOVERY RETENTION PLAN (RRP) (CONTINUED)

i. Fair Value Calculation

The estimated value of Rights granted was determined at grant date using a simplification of the Black-Scholes option pricing formula. The weighted average fair value of Rights granted during 2023 was $5.92. Dividends are not payable on Rights.

Inputs into the Models	2023 4 November 2022
Rights granted	1,518,750
Weighted average share value	$5.96
Dividend yield	0.9%

26 FINANCIAL RISK MANAGEMENT

(A) RISKS

The Qantas Group is subject to financial risks, which are an inherent part of the operations of an airline. The Qantas Group manages these risk exposures using various financial instruments and governed by a set of policies approved by the Board. The Qantas Group's policy is not to enter into, issue or hold derivative financial instruments for speculative trading purposes.

The Qantas Group uses different methods to assess and manage different types of financial risk to which it is exposed. These methods include correlations between risk types, sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis and sensitivity analysis for liquidity and credit risk. A summary of these risks has been presented below:

Risk	Nature of Risk	Management of Risk
Liquidity risk	Difficulty in meeting financial liability obligations.	Remaining within optimal capital structure, targeting a minimum liquidity level, ensuring long-term commitments are managed, maintaining access to a variety of additional funding sources and managing maturity profiles.
Interest rate risk	Fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates.	Floating versus fixed rate debt framework, interest rate swaps, forward rate agreements and options.
Foreign exchange risk	Fluctuations in the fair value of future cash flows or assets/liabilities denominated in a currency other than AUD because of changes in foreign exchange rates.	Forward foreign exchange contracts, currency options, cross-currency swaps and designation of non-derivative foreign currency liabilities in a cash flow hedge relationship.
Fuel price risk	Exposure of future AUD fuel to unfavourable USD-denominated price movements and foreign exchange movements.	**USD price** – options and swaps on jet kerosene, gas oil and crude oil. **Foreign exchange risk** – foreign exchange contracts and currency options.
Credit risk	Potential loss from a transaction in the event of a default by a counterparty during the term or on settlement of a transaction.	**Trade debtor counterparties** – use of International Air Transport Association (IATA) clearing mechanism which undertakes its own credit review of members, and stringent credit policies where the Group provides credit to customers directly. **Other financial asset counterparties** – transact only with counterparties that have acceptable credit ratings and counterparty limits.

i. Liquidity Risk

Nature of the risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities.

Liquidity risk management
The Qantas Group manages liquidity risk by targeting a minimum liquidity level, ensuring long-term commitments are managed with respect to forecast available cash inflows, maintaining access to a variety of additional funding sources, including commercial paper and standby facilities, managing maturity profiles and maintaining an unencumbered pool of assets. Qantas may from time to time seek to purchase and retire outstanding debt through cash purchases in open market transactions, privately negotiated transactions or otherwise. Any such repurchases would depend on prevailing market conditions, liquidity requirements and possibly other factors.

Notes to the Financial Statements continued

For the year ended 30 June 2024

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) RISKS (CONTINUED)

i. Liquidity Risk (continued)

The Qantas Group has maintained a prudent liquidity policy during the 2023/24 financial year, ensuring adequate coverage of liquidity requirements while considering a range of adverse scenarios. As at 30 June 2024, the Group's total sources of liquidity were greater than $10 billion, including $1.7 billion of cash and cash equivalents, $1.0 billion in committed undrawn facilities and an unencumbered asset base of $7.5 billion, including 64 per cent of the Group's fleet, spare engines and other assets. The unencumbered asset base includes aircraft valuations based on AVAC as at 30 June 2024.

The following table summarises the contractual timing of cash flows, including estimated interest payments, of financial liabilities and derivative instruments. The contractual amount assumes current interest rates and foreign exchange rates. The amounts disclosed in the table are undiscounted.

2024 $M	Less Than 1 Year	2 to 3 Years	4 to 5 Years	More Than 5 Years	Total
Financial liabilities					
Payables	2,908	–	–	–	2,908
Lease liabilities[1]	392	556	357	496	1,801
Bank loans – secured[2]	244	441	342	152	1,179
Bank loans – unsecured[2]	24	49	49	424	546
Other loans – secured[2]	137	273	453	2,092	2,955
Other loans – unsecured[2]	66	425	596	917	2,004
Net other financial assets/liabilities – outflows/(inflows)[3]	(39)	(2)	(2)	(6)	(49)
Total financial liabilities	**3,732**	**1,742**	**1,795**	**4,075**	**11,344**

2023 $M	Less Than 1 Year	2 to 3 Years	4 to 5 Years	More Than 5 Years	Total
Financial liabilities					
Payables	2,732	–	–	–	2,732
Lease liabilities[1]	581	507	307	472	1,867
Bank loans – secured[2]	276	536	447	558	1,817
Bank loans – unsecured[2]	23	45	45	445	558
Other loans – secured[2]	412	432	244	523	1,611
Other loans – unsecured[2]	322	133	411	1,461	2,327
Net other financial assets/liabilities – outflows/(inflows)[3]	(16)	333	–	–	317
Total financial liabilities	**4,330**	**1,986**	**1,454**	**3,459**	**11,229**

1 This represents the Group's contractual undiscounted cash flows relating to leases.
2 Recognised financial liability maturity values are shown pre-hedging.
3 Excluding equity investments but includes the undiscounted estimate of the put option liability (2024: nil, 2023: $333 million).

ii. Interest Rate Risk

Nature of the risk
Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Qantas Group has exposure to movements in interest rates arising from its portfolio of interest rate sensitive assets and liabilities, which are predominantly in AUD and USD currencies. These principally include corporate debt, leases and cash.

Management of interest rate risk
The Qantas Group manages interest rate risk by using a floating versus fixed rate debt framework. The relative mix of fixed and floating interest rate funding is managed by using interest rate swaps, forward rate agreements and options. As at 30 June 2024, interest-bearing liabilities amounted to $5,035 million (2023: $5,169 million).

The fixed/floating split is 44 per cent and 56 per cent respectively (2023: 52 per cent and 48 per cent). The Group manages its exposure to interest rate risk with reference to the Group's Financial Framework where the fixed/floating ratio is measured against Net Debt. The Group's Net Debt is a non-statutory measure and includes on balance sheet debt, cash and capitalised aircraft lease liabilities. The ratio of fixed/floating on Net Debt is 63 per cent and 37 per cent respectively, which assumes cash is treated as floating (2023: 100 per cent and nil per cent). As at 30 June 2024, other financial assets and liabilities, including derivative financial instruments relating to debt obligations and future interest payments, were $6 million (asset) (2023: nil). These are recognised at fair value.

Notes to the Financial Statements continued

For the year ended 30 June 2024

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) RISKS (CONTINUED)

ii. Interest Rate Risk (continued)

Sensitivity to interest rate risk

$M	Profit/(Loss) Before Tax		Equity (Before Tax)[1]	
	2024	2023	2024	2023
100bps increase in interest rates[2,3]				
Variable rate interest-bearing instruments (net of cash)	(16)	3	–	–
100bps decrease in interest rates[2,3]				
Variable rate interest-bearing instruments (net of cash)	16	(2)	–	–

1 Equity (Before Tax) does not include sensitivity recognised in Profit/(Loss) Before Tax.
2 Sensitivity analysis of financial instruments assume hedge designations as at 30 June 2024 remain unchanged.
3 Sensitivity analysis excludes impact of discount rate movements on provisions.

Under AASB 16, interest rate movements on lease liabilities are treated as modifications against the corresponding right of use asset and lease liability. As such, there is no immediate impact to the Consolidated Income Statement or Other Comprehensive Income and as a result, interest rate movements on lease liabilities are not included as an interest rate sensitivity.

iii. Foreign Exchange Risk

Nature of the risk
Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. The Group operates internationally and is exposed to foreign exchange risk, primarily the USD currency. The source and nature of this risk arises from operations, capital expenditure and revaluation risk. The revaluation risk primarily exists in interest-bearing liabilities, lease liabilities and other financial assets and liabilities. The Group hedges foreign exchange risk with the objective of minimising volatility of the Australian currency cost of highly probable forecast purchases and disposals of property, plant and equipment and other revenue and operating expenditures.

Management of foreign exchange risk
Forward foreign exchange contracts and currency options are used to hedge a portion of net foreign currency exposures in accordance with Qantas Group policy. Net foreign currency exposures, including foreign currency purchases and disposals of property, plant and equipment, may be hedged out to two years within specific parameters. Any hedging outside these parameters requires approval by the Board. For the year ended 30 June 2024, other financial assets and liabilities, including derivative financial instruments relating to the hedging of future capital expenditure, totalled $12 million (net asset) (2023: $15 million (net asset)) and those relating to the hedging of future operating expenditure payments were nil (2023: nil). These are recognised at fair value.

Non-derivative financial liabilities, including interest-bearing liabilities designated in a cash flow hedge relationship to hedge forecast foreign currency revenue. These interest-bearing liabilities have a maturity between one and 12 years. To the extent a foreign exchange gain or loss is incurred, and the cash flow hedge is deemed effective, this is deferred until the revenue is realised. As at 30 June 2024, total unrealised foreign exchange gains on hedges of revenue designated to non-derivative financial liabilities was $2 million (2023: $3 million losses).

Sensitivity to foreign exchange risk

$M	Profit Before Tax		Equity (Before Tax)[1]	
	2024	2023	2024	2023
20% movement in foreign exchange risk[2,3]				
20% (2023: 20%) USD depreciation	(44)	–	(133)	(137)
20% (2023: 20%) USD appreciation	44	–	198	222
20% (2023: 20%) JPY depreciation	–	–	(9)	(10)
20% (2023: 20%) JPY appreciation	–	–	9	10

1 Equity (Before Tax) does not include sensitivity recognised in Profit/(Loss) Before Tax.
2 Sensitivity analysis assumes hedge designations as at 30 June 2024 remain unchanged. Movements disclosed in the sensitivity analysis are impacted by the Group's hedge strategy and the hedge instruments used. Sensitivity analysis on foreign currency pairs of 20 per cent represent reasonable volatility in market conditions.
3 Sensitivity analysis includes foreign currency interest-bearing liabilities, lease liabilities and derivatives designated in a hedge relationship and excludes foreign currency receivables and non-fuel payables.

Notes to the Financial Statements continued

For the year ended 30 June 2024

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) RISKS (CONTINUED)

iv. Fuel Price Risk

Nature of the risk
Exposure of future AUD fuel costs to unfavourable USD-denominated price and foreign exchange movements.

Management of future AUD fuel costs risk
The Qantas Group uses options and swaps on jet kerosene, gas oil and crude oil to hedge exposure to movements in the USD price of aviation fuel. The Group considers the crude component to be a separately identifiable and measurable component of aviation fuel. In identifying this component, the Group considers long-term correlation levels between crude hedging products and underlying jet fuel exposure. The foreign exchange risk in the total fuel cost is separately hedged using foreign exchange contracts and currency options. Hedging is conducted in accordance with Qantas Group policy. Fuel consumption out to two years may be hedged within specific parameters, with any hedging outside these parameters requiring approval by the Board. For the year ended 30 June 2024, other financial assets and liabilities included fuel and foreign exchange derivatives totalling $202 million (net asset) (2023: $97 million (net asset)). These are recognised at fair value.

Sensitivity to foreign exchange and fuel price risk

	Profit Before Tax		Equity (Before Tax)[1]	
$M	2024	2023	2024	2023
20% movement in AUD fuel costs[2]				
20% (2023: 20%) USD depreciation, 20% (2023: 20%) increase per barrel in fuel indices	–	–	212	31
20% (2023: 20%) USD appreciation, 20% (2023: 20%) decrease per barrel in fuel indices	–	–	253	248

1 Equity (Before Tax) does not include sensitivity recognised in Profit/(Loss) Before Tax.
2 Sensitivity analysis of financial instruments assumes hedge designations as at 30 June 2024 remain unchanged. Movements disclosed in the sensitivity analysis are impacted by the Group's hedge strategy and the hedge instruments used. Sensitivity analysis on foreign currency pairs and fuel indices of 20 per cent represents reasonable volatility in market conditions. Sensitivity analysis assumes an offset between USD and fuel price indices based on observed market movements.

v. Credit Risk

Nature of the risk
Credit risk is the potential loss from a transaction in the event of default by the counterparty during the term of the transaction or on settlement of the transaction. The Group has credit exposure in respect of trade receivables and other financial instruments in the ordinary course of business. The maximum exposure to credit risk is represented by the carrying value of financial assets.

Management of credit risk
The Qantas Group conducts transactions with the following major types of counterparties:

- **Trade debtor counterparties:** The credit risk is the recognised amount, net of any impairment losses. As at 30 June 2024, trade debtors amounted to $1,051 million (2023: $875 million). The Qantas Group has credit risk associated with travel agents, codeshare partners, industry settlement organisations, and credit provided to direct customers, such as large airline, loyalty and freight corporate customers. A significant proportion of receivables is settled through the IATA clearing mechanism which undertakes its own credit review of members. The Qantas Group minimises this credit risk through the application of stringent credit policies and accreditation of travel agents through industry programs
- **Other financial asset counterparties:** The Qantas Group restricts its dealings to counterparties that have acceptable credit ratings. Should the rating of a counterparty fall below certain levels, internal policy dictates that approval by the Board is required to maintain the level of the counterparty exposure. Alternatively, Management may consider closing out positions with the counterparty or novate open positions to another counterparty with acceptable credit ratings.

The Qantas Group minimises the concentration of credit risk by undertaking transactions with a large number of customers and counterparties in various countries in accordance with Board-approved policy. As at 30 June 2024, the credit risk of the Qantas Group to counterparties in relation to other financial assets, cash and cash equivalents, and other financial liabilities amounted to $1,989 million (2023: $3,368 million). Refer to Note 26(C) for offsetting disclosures of contractual arrangements. The Qantas Group's credit exposure in relation to these assets is with counterparties that have a minimum credit rating of A-/A3, unless individually approved by the Board.

Notes to the Financial Statements continued

For the year ended 30 June 2024

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) FAIR VALUE

The fair value of cash, cash equivalents and non-interest-bearing financial assets and liabilities approximates their carrying value due to their short maturity. The fair value of financial assets and liabilities is determined by valuing them at the present value of future contracted cash flows. The fair value of forward foreign exchange and fuel contracts is determined as the unrealised gain/loss at balance date by reference to market exchange rates and fuel prices. The fair value of interest rate swaps is determined as the present value of future contracted cash flows. Cash flows are discounted using standard valuation techniques at the applicable market yield, having regard to the timing of the cash flows. The fair value of options is determined using standard valuation techniques. Other financial assets and liabilities represent the fair value of investments, put option liability and derivative financial instruments recognised on the Consolidated Balance Sheet. Refer to Note 35(C) for a definition of the fair value hierarchy.

	June 2024				June 2023			
	Carrying Amount Held at				Carrying Amount Held at			
$M	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income[3]	Amortised Cost	Fair Value	Fair Value Through Profit and Loss	Fair Value Through Other Comprehensive Income[3]	Amortised Cost	Fair Value
Cash and cash equivalents	–	–	1,718	1,723	–	–	3,171	3,180
Receivables	–	–	1,135	1,135	–	–	1,051	1,051
Other financial assets[1]	299	105	49	453	194	101	78	373
Financial assets	**299**	**105**	**2,902**	**3,311**	**194**	**101**	**4,300**	**4,604**
Payables	–	–	2,908	2,908	–	–	2,732	2,732
Interest-bearing liabilities[2]	–	–	5,035	5,302	–	–	5,169	5,311
Other financial liabilities[1]	74	–	–	74	82	280	–	362
Financial liabilities	**74**	**–**	**7,943**	**8,284**	**82**	**280**	**7,901**	**8,405**

1 Other financial assets and liabilities represents the fair value of equity investments, the put option liability and derivative financial instruments recognised on the Consolidated Balance Sheet. Derivative financial instruments have been measured at fair value using Level 2 inputs in estimating their fair values. Equity instruments have been measured at fair value using Level 1 or Level 2 inputs in estimating their fair value. The put option liability is measured at the present value of the forecast amount expected to be paid under the put option calculation, using Level 3 inputs. Subsequent movements are recognised within the put option reserve. As at 30 June 2024, the put option reserve is nil (2023: $280 million).

2 The fair value of interest-bearing liabilities uses level 2 inputs to calculate the present value of outstanding contractual cash flows discounted using market curves.

3 As at 30 June 2024, $96 million of the $105 million (2023: $92 million of the $101 million) of other financial assets relate to the Group's investment in Alliance Airlines Limited (ASX: AQZ), which has been accounted for as an investment held at fair value through other comprehensive income.

During the year, the Group recognised fair value changes in relation to listed and unlisted equity investments, net of tax in other comprehensive income of $3 million gain (2023: ($12) million loss). The Group recognised fair value changes, net of tax of $3 million gain (2023: ($15) million loss) in respect of listed equity investment using Level 1 inputs. The Group recognised fair value changes, net of tax of nil (2023: nil) in respect of unlisted equity investments using Level 2 inputs. The Group recognised fair value changes, net of tax of nil (2023: $3 million gain) and new acquisitions of $5 million (2023: nil) in respect of unlisted equity investments using Level 3 inputs.

(C) DERIVATIVES AND HEDGING INSTRUMENTS

The following section summarises derivative financial instruments in the Consolidated Financial Statements:

Type of Hedge	Description	Derivative
Cash flow hedges	A derivative or financial instrument to hedge the exposure to variability in cash flows attributable to a particular risk associated with an asset, liability or forecast transaction.	Exchange derivative contracts to hedge future AUD fuel costs and foreign currency operational payments (forwards, swaps or options). Interest rate derivative contracts to hedge future interest payments (forwards, swaps or options). Foreign exchange derivative contracts to hedge future capital expenditure payments (forwards or options).
Fair value hedges	A derivative or financial instrument designated as hedging the change in fair value of an asset or liability.	Contracts to hedge the fair value movement of a designated asset or liability.

Notes to the Financial Statements continued

For the year ended 30 June 2024

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) DERIVATIVES AND HEDGING INSTRUMENTS (CONTINUED)

The Group's derivative assets and liabilities as at 30 June 2024 are detailed below:

	2024			2023		
$M	Current	Non-current	Total	Current	Non-current	Total
Derivative assets						
Designated as cash flow hedges	212	76	288	144	50	194
Designated as fair value hedges	–	6	6	–	–	–
Total derivative assets	**212**	**82**	**294**	**144**	**50**	**194**
Derivative liabilities						
Designated as cash flow hedges	(41)	(33)	(74)	(51)	(31)	(82)
Total derivative liabilities	**(41)**	**(33)**	**(74)**	**(51)**	**(31)**	**(82)**
Net derivative assets	**171**	**49**	**220**	**93**	**19**	**112**

i. Offsetting

The Group enters into contractual arrangements such as the International Swaps and Derivatives Association (ISDA) Master Agreement where, upon the occurrence of a credit event (such as default), a termination value is calculated and only a single net amount is payable in settlement of all transactions that are capable of offset under the terms of the contract. The ISDA agreements do not meet the criteria for offsetting in the Consolidated Balance Sheet and consequently, financial assets and liabilities are recognised as gross. This is because the Group does not have any current legally enforceable right to offset recognised amounts, as the right to offset is enforceable only on the occurrence of future events. The amounts shown as financial assets and financial liabilities would each have been $74 million lower (2023: $82 million lower) in the event of the right to offset being currently enforceable.

ii. Hedge Reserve

The effective portion of the cumulative net change in the fair value of derivative financial instruments designated as a cash flow hedge and the cumulative change in fair value arising from the time value of options are included in the hedge reserve. These options relate entirely to transaction-related hedged items. For further information on accounting for derivative financial instruments as cash flow hedges, refer to Note 35(C). Based on the hedge reserve balance as at 30 June 2024, $14 million gain net of tax (2023: ($48) million loss net of tax) is expected to be released to the Consolidated Income Statement within one year and $4 million gain net of tax (2023: ($8) million loss net of tax) after one year. An ($8) million loss net of tax (2023: $6 million gain net of tax) is expected to be capitalised to assets within one year and ($1) million loss (2023: nil) after one year. Other financial assets and liabilities represent the fair value of derivative financial instruments recognised on the Consolidated Balance Sheet. Refer to Note 35(C) for a definition of the fair value hierarchy.

iii. Hedge Accounting

As at 30 June 2024	Nominal Amount of Hedging Instrument and Hedged Item		Hedge Rates	Carrying Amount of the Hedging Instrument[1,2] Assets	Carrying Amount of the Hedging Instrument[1,2] Liabilities	Change in Value of the Hedging Instrument Used for Calculating Hedge Ineffectiveness	Change in Value of the Hedged Item used for Calculating Hedge Ineffectiveness	Change in Value of the Hedging Instrument Recognised in Other Comprehensive Income	Amount Reclassified from the Cash Flow Hedge Reserve to Profit or Loss
	M		$M	$M	$M	$M	$M	$M	$M
Cash flow hedges									
AUD fuel costs (up to 2 years)	27	Barrels	AUD / Barrel 115-148	268	(67)	137	(137)	137	(133)
Revenue (up to 12 years)	341	USD	AUD / USD 0.65 - 0.72	–	(341)	(22)	22	(22)	24
Revenue (up to 10 years)	42	JPY	AUD / JPY 90	–	(42)	4	(4)	4	–
Capital expenditure (up to 2 years)	1,227	USD	AUD / USD 0.64 - 0.66	20	(7)	1	(1)	1	–
Fair value hedges									
Interest rate (up to 10 years)	375	AUD	Floating n/a	6	–	6	(6)	–	–

1 Derivative cash flow hedging instruments are located within other financial assets and other financial liabilities on the Consolidated Balance Sheet and include costs of hedging. The carrying amount of the hedging instrument is presented in AUD where the hedged item equals the nominal amount of the hedging instrument.

2 The revenue hedging instrument is a non-derivative financial liability with the carrying amount presented in AUD, and is located within interest-bearing liabilities and lease liabilities.

Notes to the Financial Statements continued

For the year ended 30 June 2024

27 AUDITOR'S REMUNERATION

	2024 $'000	2023 $'000
STATUTORY ASSURANCE SERVICES		
Audit and review of Financial Reports	4,382	3,960
Total statutory assurance services	**4,382**	**3,960**
OTHER ASSURANCE SERVICES		
Regulatory assurance services	12	13
Other assurance services	572	319
Total other assurance services	**584**	**332**
NON-ASSURANCE SERVICES		
Audit-related non-assurance services	7	5
Taxation services	338	175
Other non-assurance services	238	94
Total non-assurance services	**583**	**274**
Total auditor's remuneration	**5,549**	**4,566**

28 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

RECONCILIATION OF STATUTORY PROFIT FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	Notes	2024 $M	2023 $M
Statutory profit for the year		**1,251**	**1,744**
Adjusted for:			
Depreciation and amortisation	5	1,773	1,762
Impairment of assets and related costs	7	–	1
Hedging-related activities		47	(149)
Share of net (profit)/loss of investments accounted for under the equity method	14	(4)	44
Share-based payments expense	25	69	188
Net gain on disposal of assets	6	(18)	(4)
Impact of discount rate changes on provisions	7	3	(34)
Dividends received from investments accounted for under the equity method	14	5	12
Other items		59	43
Changes in other balance sheet items:			
Receivables		(166)	(13)
Inventories		(106)	(58)
Other assets		(176)	(162)
Payables		(89)	271
Revenue received in advance		206	741
Provisions		3	(28)
Deferred tax assets/liabilities and tax receivables/payables		584	727
Net cash inflow from operating activities		**3,441**	**5,085**

Notes to the Financial Statements continued

For the year ended 30 June 2024

29 SUPERANNUATION

The Qantas Superannuation Plan (QSP) is a hybrid defined benefit/defined contribution fund with multiple divisions that commenced operation in June 1939. In addition to the QSP, there are other small overseas defined benefit plans. The Qantas Group makes contributions to defined benefit plans that provide defined benefit amounts for employees upon retirement. Under these plans, employees are entitled to retirement benefits determined, at least in part, by reference to a formula based on years of membership and salary levels.

The defined benefit plans are legally separated from the Qantas Group. Responsibility for governance of the plans, including investment decisions and plan rules, rests solely with the Trustee of the plan. The Trustee of the QSP is a corporate trustee which has a Board comprising five company-appointed Directors and Five member-elected Directors.

The QSP's defined benefit plan exposes the Group to a number of risks, the most significant of which are detailed below:

- **Investment risk:** The investment strategy for the assets attributable to the QSP's defined benefit liabilities is to progressively de-risk the defined benefit investment portfolio as the funding position improves over time. If investment returns underperform expectations, the Group may be required to provide additional funding to the QSP
- **Interest rate risk:** Changes in bond yields, such as a decrease in corporate bond yields, will increase defined benefit liabilities through the discount rate assumed
- **Inflation risk:** The defined benefit liabilities are linked to salary inflation, and higher salary inflation will lead to higher liabilities.

In July 2024, the Trustee Board of QSP announced an agreement to merge with Australian Retirement Trust (ART). This agreement confirms both parties' commitment to merge and sets out the framework that will be used by each Trustee to prepare for the implementation of a merger. Implementation of the merger will be subject to both Qantas Super and ART completing the final assessments of their respective members' best financial interests and equivalency of rights in relation to benefits and signing a Successor Fund Transfer Deed.

(A) FUNDING

Employer contributions to the defined benefit divisions of the QSP are based on recommendations by the QSP's plan actuary. It is estimated that $63 million of normal employer contributions will be paid by the Qantas Group to its defined benefit plans in financial year 2024/25.

In addition, the Trustee of the QSP and the Group have in place an Additional Funding Plan (AFP), last agreed in 2023 (as part of the agreed Defined Benefit Contribution Strategy following the 2022 triennial actuarial valuation of the QSP), which is an evergreen restoration plan and addresses the requirements of Australian Prudential Regulation Authority (APRA) Prudential Standard SPS 160. The determination of Qantas' additional employer contributions under the AFP is triggered if the quarterly determination of the Defined Benefit Vested Benefits Index (DB VBI) indicates that the DB VBI has been below 100 per cent for two consecutive quarters, or the value of the DB VBI has fallen from a value in excess of 100 per cent at the previous quarter to a value that is less than 96 per cent. The DB VBI is the ratio of the QSP's assets attributable to the defined benefit liabilities to the total defined benefit amount that the QSP would be required to pay if all members were to voluntarily leave the plan on the funding valuation date. Additional benefit payment top-up contributions may also be payable if after two consecutive quarters, the DB Retrenchment Benefits Index (DB RBI) is less than 100 per cent and retrenchments occur that place a greater than VBI level of funding strain on the Plan assets. The DB RBI is the ratio of the QSP's assets attributable to the defined benefit liabilities to the total defined benefit component of retrenchment benefits in respect of DB members. The last additional contribution required under the AFP was paid into the QSP by the Group in December 2016. The QSP's financial position is monitored by the Trustee each quarter.

Notes to the Financial Statements continued

For the year ended 30 June 2024

29 SUPERANNUATION (CONTINUED)

(B) MOVEMENT IN NET DEFINED BENEFIT (ASSET)

	Present Value of Obligation $M		Fair Value of Plan (Assets) $M		Net Defined Benefit (Asset)[1] $M	
	2024	2023	2024	2023	2024	2023
Balance as at 1 July	**1,565**	**1,405**	**(1,964)**	**(1,944)**	**(399)**	**(539)**
Included in the Consolidated Income Statement						
Current service cost	82	76	–	–	82	76
Interest expense/(income)	92	78	(109)	(99)	(17)	(21)
Contributions by plan participants	–	–	(20)	(19)	(20)	(19)
Total amount included in salaries, wages and other benefits	**174**	**154**	**(129)**	**(118)**	**45**	**36**
Included in the Consolidated Statement of Comprehensive Income						
Return on plan assets, excluding interest income	–	–	(20)	10	(20)	10
(Gains)/losses from change in demographic assumptions	(1)	42	–	–	(1)	42
Losses from change in financial assumptions	15	46	–	–	15	46
Experience losses	93	51	–	–	93	51
Exchange differences on foreign plans	2	5	(2)	(6)	–	(1)
Total amount recognised in other comprehensive income	**109**	**144**	**(22)**	**4**	**87**	**148**
Contributions by employer	–	–	(65)	(41)	(65)	(41)
Benefit payments	(142)	(137)	142	137	–	–
Other movements	–	(1)	–	(2)	–	(3)
Balance as at 30 June	**1,706**	**1,565**	**(2,038)**	**(1,964)**	**(332)**	**(399)**

1 The net defined benefit asset is included in non-current other assets (refer to Note 19).

(C) PLAN ASSETS

The major categories of plan assets as a percentage of total plan assets of the Group's defined benefit plans are as follows:

	2024 %	2023 %
Australian equity[1,2]	11	11
Global equity[1]		
– United States	8	9
– Europe	2	1
– Japan	1	1
– Other	3	5
Private equity	7	8
Fixed interest[1]		
– Government bonds	13	9
– Other	29	30
Hedge funds	2	2
Property and infrastructure	2	2
Derivatives	1	–
Agriculture	5	5
Insurance policies	4	4
Cash and cash equivalents[1]	12	13
Total	**100**	**100**

1 The majority of these plan assets have a quoted market price in an active market.
2 As at 30 June 2024, QSP assets in shares of Qantas Airways Limited (ASX:QAN) are $857,024 (2023: $968,465).

The Trustee of the QSP is responsible for setting the investment strategy and objectives for the QSP's assets to support the defined benefit liabilities. The QSP does not use any asset-liability matching strategies. It utilises traditional investment management techniques to manage the defined benefit assets.

Notes to the Financial Statements continued

For the year ended 30 June 2024

29 SUPERANNUATION (CONTINUED)

(D) ACTUARIAL ASSUMPTIONS AND SENSITIVITY

The significant actuarial assumptions (expressed as weighted averages per annum) were as follows:

	2024 %	2023 %
Discount rate	5.6	5.6
Long-term future salary increase[1]	3.0	3.0

1 For the 30 June 2024 actuarial calculation, salary increase rates were assumed for years 1 to 5, averaging 2.5 per cent and then 3 per cent for the remaining duration of the plan (30 June 2023: salary increases averaging 2.6 per cent for years 1 to 5 and 3 per cent for the remaining duration of the plan were assumed).

The weighted average duration of the QSP's defined benefit obligation as at 30 June 2024 was nine years (2023: nine years). The sensitivity of the defined benefit obligation to changes in the significant assumption is as follows:

		Impact on Defined Benefit Obligation			
		30 June 2024		30 June 2023	
	Change in Assumption	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	Decrease by 9.4%	Increase by 10.8%	Decrease by 9.8%	Increase by 11.4%
Future salary increase	1%	Increase by 4.4%	Decrease by 4.0%	Increase by 4.8%	Decrease by 4.4%

Defined Contribution Fund

A defined contribution expense of $250 million has been recognised for the year ended 30 June 2024 (2023: $199 million).

30 DEED OF CROSS GUARANTEE

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (Instrument), the wholly-owned entities identified below are relieved from the *Corporations Act 2001* (Cth) requirements for preparation, audit, distribution and lodgement of Financial Statements and Directors' Reports:

AAL Aviation Limited	Network Aviation Pty Ltd	Qantas Group Flight Training Pty Limited
Airlink Pty Limited	Network Holding Investments Pty Ltd	Qantas Information Technology Ltd
Australian Air Express Pty Ltd	Network Turbine Solutions Pty Ltd	Qantas Road Express Pty Limited
Australian Airlines Limited	Osnet Jets Pty Ltd	Qantas SAFFA Pty Limited
Australian Regional Airlines Pty. Ltd.	Phone A Flight Pty Ltd	Qantas Ventures Pty Limited
Eastern Australia Airlines Pty. Limited	Q H Tours Ltd	Qantas Wheatbelt Connect Pty Limited
Express Freighters Australia (Operations) Pty Limited	Qantas Asia Investment Company Pty Ltd	QF Cabin Crew Australia Pty Limited
Express Freighters Australia Pty Limited	Qantas Courier Limited	Regional Airlines Charter Pty Limited
Impulse Airlines Holdings Proprietary Limited	Qantas Domestic Pty Limited	Sunstate Airlines (Qld) Pty. Limited
Jetstar Airways Pty Limited	Qantas Freight Enterprises Limited	TAD Holdco Pty Ltd
Jetstar Asia Holdings Pty Limited	Qantas Freight Terminals Pty Limited	The Network Holding Trust
Jetstar Group Pty Limited	Qantas Frequent Flyer Limited	The Network Trust
Jetstar Services Pty Limited	Qantas Frequent Flyer Operations Pty Limited	Trip A Deal Holdings Pty Ltd
National Jet Operations Services Pty Ltd	Qantas Ground Services Pty Limited	Trip A Deal Pty Ltd
National Jet Systems Pty Ltd	Qantas Group Accommodation Pty Ltd	Vii Pty Limited
Network Aviation Holdings Pty Ltd	Qantas Group Flight Training (Australia) Pty Limited	

It is a condition of the Instrument that Qantas and each of the controlled entities eligible to obtain relief under the Instrument enter into a Deed of Cross Guarantee (Deed). Under the Deed, Qantas guarantees to each creditor payment in full of any debt upon the winding up under certain provisions of the *Corporations Act 2001* (Cth) of any of the controlled entities that are party to the Deed. If the winding up occurs under other provisions of the *Corporations Act 2001* (Cth), Qantas will only be liable if, six months after a resolution or order for the winding up of the controlled entity, any debt of a creditor of that controlled entity has not been paid in full. Each controlled entity that is party to the Deed has given similar guarantees in the event that Qantas is wound up.

Qantas and its eligible controlled entities first entered into a Deed on 4 June 2001. Subsequently, additional controlled entities became party to the Deed by way of Assumption Deeds dated 17 June 2002, 26 June 2006, 29 June 2007, 30 June 2008, 29 June 2009, 16 June 2010, 25 November 2010, 4 April 2011, 13 October 2011, 20 November 2012, 26 November 2015, 26 June 2017, 2 November 2017, 31 July 2020, 14 March 2023, 12 January 2024, 18 April 2024 and 28 June 2024.

Notes to the Financial Statements continued

For the year ended 30 June 2024

30 DEED OF CROSS GUARANTEE (CONTINUED)

The Consolidated Condensed Income Statement and Consolidated Condensed Balance Sheet for Qantas and each of its controlled entities that are party to the Deed are set out below. The principles of consolidation are:

- Transactions (including dividends), balances and unrealised gains and losses on transactions between entities that are party to the Deed are eliminated
- Investments in controlled entities that are not party to the Deed are carried at cost less any accumulated impairment
- Dividends received from controlled entities that are not party to the Deed are recognised as income.

(A) CONSOLIDATED CONDENSED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2024 $M	2023 $M
Revenue and other income	21,303	19,348
Expenditure	(18,922)	(16,614)
Impairment of assets and related costs	(109)	(6)
Statutory profit before income tax expense and net finance costs	**2,272**	**2,728**
Finance income	107	130
Finance costs	(304)	(342)
Net finance costs	**(197)**	**(212)**
Statutory profit before income tax expense	**2,075**	**2,516**
Income tax expense	(632)	(729)
Statutory profit for the year	**1,443**	**1,787**
Accumulated losses as at 1 July	(2,297)	(4,087)
Assumption of subsidiary into the Deed and transfer of put option reserve	(201)	–
Shares vested and transferred to employees/Rights unvested and lapsed	(65)	3
Accumulated losses as at 30 June	**(1,120)**	**(2,297)**

(B) CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	2024 $M	2023 $M
Statutory profit for the year	**1,443**	**1,787**
Effective portion of changes in fair value of cash flow hedges, net of tax	84	(79)
Transfer of effective hedging gains from hedge reserve to the Consolidated Condensed Income Statement, net of tax	(76)	(232)
Net changes in hedge reserve for time value of options, net of tax	60	(111)
Defined benefit actuarial losses, net of tax	(61)	(103)
Foreign currency translation of investments accounted for under the equity method	1	1
Fair value gains/(losses) on investments, net of tax	3	(11)
Total other comprehensive income/(loss) for the year	**11**	**(535)**
Total comprehensive income for the year	**1,454**	**1,252**

Notes to the Financial Statements continued

For the year ended 30 June 2024

30 DEED OF CROSS GUARANTEE (CONTINUED)

(C) CONSOLIDATED CONDENSED BALANCE SHEET AS AT 30 JUNE 2024

	2024 $M	2023 $M
CURRENT ASSETS		
Cash and cash equivalents	1,634	3,090
Receivables	1,376	1,688
Other financial assets	260	144
Inventories	343	290
Assets classified as held for sale	45	38
Income tax receivables	21	–
Other	451	243
Total current assets	**4,130**	**5,493**
NON-CURRENT ASSETS		
Receivables	70	87
Other financial assets	192	151
Investments in subsidiaries	7	117
Investments accounted for under the equity method	35	22
Property, plant and equipment	13,536	11,828
Right of use assets	1,285	1,294
Intangible assets	648	527
Deferred tax assets	–	373
Other	784	810
Total non-current assets	**16,557**	**15,209**
Total assets	**20,687**	**20,702**
CURRENT LIABILITIES		
Payables	3,017	3,406
Revenue received in advance	6,670	6,448
Interest-bearing liabilities	228	812
Lease liabilities	389	578
Other financial liabilities	41	51
Provisions	1,383	1,192
Total current liabilities	**11,728**	**12,487**
NON-CURRENT LIABILITIES		
Revenue received in advance	1,879	1,996
Interest-bearing liabilities	4,837	4,400
Lease liabilities	1,162	976
Other financial liabilities	33	311
Provisions	406	552
Deferred tax liabilities	198	–
Total non-current liabilities	**8,515**	**8,235**
Total liabilities	**20,243**	**20,722**
Net assets	**444**	**(20)**
EQUITY		
Issued capital	1,317	2,186
Treasury shares	(62)	(106)
Reserves	309	197
Accumulated losses	(1,120)	(2,297)
Total equity	**444**	**(20)**

Notes to the Financial Statements continued

For the year ended 30 June 2024

31 RELATED PARTIES

(A) REMUNERATION OF KEY MANAGEMENT PERSONNEL

The aggregate remuneration of the KMP of the Qantas Group is set out below:

	2024 $'000	2023 $'000
Short-term employee benefits	12,438	12,798
Post-employment benefits[1]	894	681
Termination benefits	479	–
Other long-term benefits[2]	(84)	59
Share-based payments	4,968	15,453
	18,695	**28,991**

1 Post-employment benefits include superannuation and post-employment travel benefits.
2 Other long-term benefits include movements in annual leave and long service leave balances. The accounting value of other long-term benefits may be negative, for example, where an Executive's annual leave balance decreases as a result of taking more annual leave than they accrue during the current year.

Further details in relation to the remuneration of KMP are included in the Remuneration Report.

(B) NON-EXECUTIVE DIRECTOR FEE SACRIFICE SHARE ACQUISITION PLAN

Under the Non-Executive Director Fee Sacrifice Share Acquisition Plan, Non-Executive Directors can elect to sacrifice a percentage of their Board or Board and Committee fees in return for a grant of Rights to the equivalent value of the same number of Qantas ordinary shares.

Each Right granted will convert automatically to one fully-paid Qantas ordinary share at the conversion date, which is six months from the grant date subject to the individual remaining as a Non-Executive Director on the conversion date. The plan is designed to provide Non-Executive Directors the opportunity to build their shareholding in a tax effective manner and to further align their interests with the interests of shareholders.

Non-Executive Director Fee Sacrifice Share Acquisition Plan — Rights Reconciliation	2024 Number of Rights	2023 Number of Rights
Rights outstanding as at 1 July	23,659	32,505
Rights acquired during the year by fee sacrifice	25,051	52,271
Rights converted to ordinary shares during the year	(48,710)	(61,117)
Rights outstanding as at 30 June	**–**	**23,659**

(C) OTHER RELATED PARTY TRANSACTIONS

No KMP or their related parties held any loans from the Qantas Group during or at the end of the year ended 30 June 2024 or prior year. A number of KMPs and their related parties have transactions with the Qantas Group. All transactions are conducted on normal commercial arm's length terms.

Transactions with associates are conducted on normal terms and conditions. Transactions between the Qantas Group and associates include:

- The Qantas Group has established a business service agreement with a Jetstar-branded airline in Japan (Jetstar Japan). As part of the business service agreement, amongst other services, Qantas allows Jetstar Japan's credit card transactions to be acquired through the Qantas Group's contractual arrangements
- The Qantas Group co-guarantees the lease obligations, on a limited liability basis, in respect of two A320 aircraft on behalf of the Jetstar-branded airline in Japan (Jetstar Japan) to the external lessors in exchange for guarantee fees to the Qantas Group.

Notes to the Financial Statements continued

For the year ended 30 June 2024

32 PARENT ENTITY DISCLOSURES – QANTAS AIRWAYS LIMITED

(A) CONDENSED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2024 $M	2023 $M
Revenue and other income[1]	13,395	13,300
Expenditure	(11,733)	(10,279)
Impairment of assets and related costs[2]	(118)	(20)
Statutory profit before income tax expense and net finance costs	**1,544**	**3,001**
Net finance costs	(162)	(178)
Statutory profit before income tax expense	**1,382**	**2,823**
Income tax expense	(310)	(446)
Statutory profit for the year	**1,072**	**2,377**

1 Revenue and other income included $440 million of dividend income from wholly-owned subsidiaries of the Qantas Group (2023: $1,300 million).
2 Impairment of assets and related costs includes the impairment of investments in subsidiaries and intercompany loans of $119 million (2023: $7 million).

(B) CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	2024 $M	2023 $M
Statutory profit for the year	**1,072**	**2,377**
Effective portion of changes in fair value of cash flow hedges, net of tax	84	(79)
Transfer of effective hedging gains from hedge reserve to the Condensed Income Statement, net of tax	(76)	(232)
Net changes in hedge reserve for time value of options, net of tax	60	(111)
Defined benefit actuarial losses, net of tax	(61)	(103)
Foreign currency translation of investments accounted for under the equity method	1	1
Fair value gains/(losses) on investments, net of tax	3	(11)
Total other comprehensive income/(loss) for the year	**11**	**(535)**
Total comprehensive income for the year	**1,083**	**1,842**

Notes to the Financial Statements continued

For the year ended 30 June 2024

32 PARENT ENTITY DISCLOSURES – QANTAS AIRWAYS LIMITED (CONTINUED)

(C) CONDENSED BALANCE SHEET AS AT 30 JUNE 2024

		2024 $M	2023 $M
CURRENT ASSETS			
Cash and cash equivalents		1,414	2,961
Receivables		779	730
Intercompany receivables		7,142	6,870
Other financial assets		212	144
Inventories		198	183
Assets classified as held for sale		17	38
Income tax receivables		21	–
Other		281	217
Total current assets		**10,064**	**11,143**
NON-CURRENT ASSETS			
Receivables		45	47
Intercompany receivables		11	30
Investments in subsidiaries		636	420
Other financial assets		187	151
Investments accounted for under the equity method		35	22
Property, plant and equipment		12,003	10,440
Right of use assets		1,213	1,217
Intangible assets		288	331
Deferred tax assets		–	262
Other		784	807
Total non-current assets		**15,202**	**13,727**
Total assets		**25,266**	**24,870**
CURRENT LIABILITIES			
Payables		1,968	1,842
Intercompany payables		7,303	7,070
Revenue received in advance		5,200	5,322
Interest-bearing liabilities		175	680
Intercompany interest-bearing liabilities		49	129
Lease liabilities		342	533
Other financial liabilities		41	51
Provisions		1,089	888
Total current liabilities		**16,167**	**16,515**
NON-CURRENT LIABILITIES			
Revenue received in advance		1,836	1,980
Interest-bearing liabilities		4,758	4,270
Intercompany interest-bearing liabilities		49	98
Lease liabilities		1,123	917
Other financial liabilities		33	31
Provisions		199	254
Deferred tax liabilities		271	–
Total non-current liabilities		**8,269**	**7,550**
Total liabilities		**24,436**	**24,065**
Net assets		**830**	**805**
EQUITY			
Issued capital		1,317	2,186
Treasury shares		(62)	(106)
Other reserves	32(D)	309	476
Profit reserves	32(E)	3,449	2,377
Accumulated losses		(4,183)	(4,128)
Total equity		**830**	**805**

Notes to the Financial Statements continued

For the year ended 30 June 2024

32 PARENT ENTITY DISCLOSURES – QANTAS AIRWAYS LIMITED (CONTINUED)

(D) OTHER RESERVES

	2024 $M	2023 $M
Employee compensation reserve	90	259
Hedging reserves	9	(50)
Defined benefit reserve	217	278
Foreign currency translation of investments accounted for under the equity method	—	(1)
Fair value reserve	(7)	(10)
Total other reserves	**309**	**476**

(E) DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

During the year ended 30 June 2024, Qantas Airways Limited did not declare or pay any dividends.

During the year, Qantas Airways Limited reported a Statutory Profit After Tax of $1,072 million, which was set aside in a separate profit reserve.

During the year ended 30 June 2024, Qantas Airways Limited completed on-market share buy-backs totalling $869 million of the $500 million share buy-back that was announced in August 2023 and an additional $400 million announced in February 2024. The Group purchased 156 million ordinary shares on issue at the average price of $5.57.

The remaining $31 million of the total $900 million buy-back has been completed in the first half of financial year 2024/25. In August 2024, the Directors announced a further on-market share buy-back of up to $400 million.

(F) CAPITAL EXPENDITURE COMMITMENTS

The capital expenditure commitments held by the parent entity are the same as those held by the Group as disclosed in Note 15(C).

(G) CONTINGENT LIABILITIES

The contingent liabilities held by the parent entity are primarily the same as those held by the Group as disclosed in Note 33.

(H) PARENT ENTITY'S RELATIONSHIPS WITH SUBSIDIARIES AND ASSOCIATES

During the reporting period and previous reporting periods, Qantas Airways Limited was the primary purchaser and owner of aircraft, the primary source of issuance of external debt and equity, advanced loans to, received and repaid loans from, and provided treasury, accounting, legal, taxation and administrative services to other controlled entities within the Group. Entities within the Group also exchanged goods and services in sale and purchase transactions.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the Deed are disclosed in Note 30. The parent entity is also the head entity of the tax consolidated group (wholly-owned Australian resident entities) and has assumed the current tax liabilities of the members of the tax consolidated group.

The parent entity's related party transactions with associates and jointly controlled entities, including in respect to the provision of guarantees, are primarily the same as those held by the Group, which are disclosed in Note 31(C) and Note 33(C).

(I) INTEREST-BEARING LIABILITIES

The parent entity has total interest-bearing liabilities of $5,031 million (2023: $5,177 million), of which $98 million (2023: $139 million) represents secured loans payable to controlled entities. Of the $4,933 million (2023: $5,038 million) payable to other parties, $2,864 million (2023: $2,721 million) represents secured bank loans and other secured loans, with the remaining balance representing unsecured loans.

Notes to the Financial Statements continued

For the year ended 30 June 2024

33 CONTINGENT LIABILITIES AND LEGAL PROVISIONS

Where a legal claim has been made against the Group, it is necessary to determine whether each claim either meets the recognition requirement of a provision, represents a contingent liability requiring disclosure or does not require recognition or disclosure in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (AASB 137). Contingent liabilities are disclosed in the Consolidated Financial Statements unless the outflow is considered 'remote'.

AASB 137 distinguishes between:

a. provisions – which are recognised as liabilities (unless a reliable estimate cannot be made) because they are present obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations; and

b. contingent liabilities – which are not recognised as liabilities because they are either:

   i. possible obligations, as it has yet to be confirmed whether the entity has a present obligation that could lead to an outflow of resources embodying economic benefits; or

   ii. present obligations that do not meet the recognition criteria (because either it is not probable that an outflow of resources will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made).

Contingent liabilities may develop over time and in a way different from initial expectations and are therefore assessed continuously to determine whether any outflow of economic benefits has become probable or a sufficiently reliable estimate of the amount of the obligation can now be made. If it becomes probable that an outflow of economic benefits will be required or a sufficiently reliable estimate can be made for an item previously determined to be a contingent liability, a provision is recognised in the Consolidated Financial Statements in the period in which the change occurs.

Under AASB 137, disclosure of certain information is not required where it may significantly prejudice the subject matter of a provision or a contingent liability.

(A) CONTINGENT LIABILITIES

From time to time, Qantas is subject to claims and litigation during the normal course of business. The Directors have given consideration to such matters, which are or may be subject to litigation at 30 June 2024, and subject to specific provisions raised, are of the opinion that no material contingent liabilities exists other than the matters listed below.

The following legal proceedings were filed during the period. In line with AASB 137, other than described below, further information is not disclosed on the grounds that it may significantly prejudice the outcome of the proceedings. For legal proceedings that were lodged after the balance sheet date, refer to Note 34.

i. Class Action Proceedings

In August 2023, a class action proceeding was filed in the Federal Court of Australia. The claim relates to flights scheduled to depart between 1 January 2020 and 1 November 2022, and includes allegations that Qantas breached its contractual obligations to customers with regard to refunds for cancelled flights, misled customers as to their rights following flight cancellations and that Qantas was unjustly enriched by holding customer funds.

On 26 October 2023, a further class action proceeding was filed with significant overlap with the original claim.

On 29 January 2024, Justice Murphy made orders that the first proceeding would progress (to be jointly run by the legal representatives of both claims), with a stay of the second proceedings. A further amended statement of claim was filed by the applicant on 14 February 2024. On 27 February 2024, Qantas filed its further amended defence, denying the additional allegations. The parties have been ordered to mediate, which is expected to occur in the first half of the 2024/25 financial year.

(B) LEGAL PROVISIONS

The following legal proceedings are continuing. In line with AASB 137, other than described below, further information is not disclosed on the grounds that it may significantly prejudice the outcome of the proceedings.

i. Australian Competition and Consumer Commission Proceedings

On 31 August 2023, the Australian Competition and Consumer Commission (ACCC) commenced proceedings in the Federal Court of Australia alleging breaches of the Australian Consumer Law in respect of flights scheduled to depart between May and July 2022.

On 6 May 2024, Qantas announced an agreement with the ACCC to resolve the Federal Court proceedings. As part of the settlement, Qantas has commenced a $20 million remediation program for impacted passengers. Subject to the approval of the Federal Court of Australia, Qantas will also pay a $100 million civil penalty. A total provision of $128 million (including legal and other costs of managing the remediation program) was recognised in the Consolidated Income Statement for the year ended 30 June 2024.

Notes to the Financial Statements continued

For the year ended 30 June 2024

33 CONTINGENT LIABILITIES AND LEGAL PROVISIONS (CONTINUED)

(B) LEGAL PROVISIONS (CONTINUED)

ii. Ground Handling Outsourcing

In September 2023, the High Court dismissed an appeal by Qantas against a decision of the Full Federal Court of Australia in May 2022 that determined that Qantas had contravened the adverse action provisions of the *Fair Work Act* in outsourcing the remainder of Qantas' ground handling function in 2020.

A compensation hearing for three 'test case' employees was held before Justice Lee of the Federal Court in March 2024, with closing submissions in late May 2024. The decision from this hearing will set out the formula by which individual compensation for affected employees will be calculated. The matter will then be assigned to a number of referees nominated across the affected ports to calculate the appropriate compensation for each employee applying the reasoning outlined and determined by Justice Lee based on the three test case employees. The decision in relation to the compensation hearing has not yet been handed down.

A hearing on pecuniary penalties has not yet been held and will be listed at a later date.

A provision is held within the Consolidated Balance Sheet at 30 June 2024 for the best estimate of these remedies with an increase in the provision of $70 million recognised since the half-year ended 31 December 2023. Given the Federal Court has significant discretion to consider and attach weight to the matters that affect any award of compensation and/or any imposition of penalties, both the quantum and timing of economic outflows is uncertain and the final outcome may vary materially from the amount provided.

(C) GUARANTEES

The Qantas Group co-guarantees the lease obligations, on a limited liability basis, in respect of two A320 aircraft on behalf of the Jetstar-branded airline in Japan (Jetstar Japan) to the external lessors in exchange for guarantee fees to the Qantas Group.

As part of the business service agreements, the Qantas Group has extended support to Jetstar Japan by allowing its credit card transactions to be acquired through the Qantas Group's contractual arrangements.

Qantas has also entered into guarantees to secure a Workers' Compensation self-insurance licence under the *Safety, Rehabilitation and Compensation Act 1988* (Cth), the *New South Wales Workers' Compensation Act*, the *Victorian Accident Compensation Act* and the *Queensland Workers' Compensation and Rehabilitation Act*. Due to specific self-insurance provisions raised, the Directors are of the opinion that the probability of having to make a payment under these guarantees is remote. Qantas has also entered into guarantees in the normal course of business to support non-aircraft lease commitments, and other arrangements entered into with third parties.

34 POST-BALANCE SHEET DATE EVENTS

On 21 August 2024, a class action proceeding was filed in the Federal Court of Australia against Jetstar Airways Pty Limited. The claim relates to flights scheduled to depart between 1 January 2020 and 1 November 2022 that were cancelled by Jetstar, and includes allegations that Jetstar breached its contractual obligations to customers with regard to refunds for cancelled flights, misled customers as to their rights following flight cancellations and that Jetstar was unjustly enriched by holding customer funds. The next step is for the matter to be listed for a first case management hearing. The Group intends to file a defence challenging these allegations.

As at the date of this Report, the class action proceeding is a contingent liability that is subject to the uncertain outcome of the legal proceedings which may, or may not, result in an obligation. The potential financial impact of any possible obligation, if any, is unable to be reliably measured.

Other than as disclosed above and as noted in Note 10 – Dividends and Other Shareholder Distributions, there has not arisen, in the interval between 30 June 2024 and the date of this Report, any other event that would have a material impact on the Consolidated Financial Statements as at 30 June 2024.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(A) PRINCIPLES OF CONSOLIDATION

i. Controlled Entities

Controlled entities are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of controlled entities are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

The Group has controlled entities (subsidiaries) that are assessed as material to the Group. Materiality has been assessed based on the expected long-term contribution of statutory profit to the Group. The parent has majority voting rights in respect of each of the material subsidiaries. The material subsidiaries are wholly-owned Australian entities and are listed as parties to the Deed of Cross Guarantee in Note 30.

ii. Non-Controlling Interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with equity owners of the Group. Non-controlling interests are shown separately in the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

iii. Investments Accounted for Under the Equity Method

Jointly controlled entities are those entities in which the Group has contractually agreed sharing of control, but not control, over an entity. Joint control exists when decisions about the relevant activities of the entity require unanimous consent of the Group and the party or parties sharing control. Interests in jointly controlled entities are accounted for under the equity accounting method when the Group has rights to the net assets of the the jointly controlled entity (joint venture), rather than rights to its assets and obligations for its liabilities (joint operation).

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of an entity. Significant influence is evidenced through, but not limited to, the voting power of the Group, representation on the Board of Directors and participation in policy-making processes. Interests in associates are accounted for under the equity accounting method.

Investments accounted for under the equity accounting method are initially recognised at cost. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases. Dividends received or receivable reduce the carrying amount of the equity accounted investment. When the Group's share of total comprehensive losses exceeds the equity accounted carrying value of an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations to fund an associate's operations or has made payments on behalf of an associate or jointly controlled entity, which are recognised within provisions.

When an associate or jointly controlled entity is disposed of in its entirety or partially such that significant influence or joint control is lost or classified as an asset held for sale, the cumulative amount in the foreign currency translation reserve related to that associate or jointly controlled entity is reclassified to the Consolidated Income Statement as part of the gain or loss on disposal. When the Group disposes of only part of an associate while retaining significant influence, or only part of a jointly controlled entity while retaining joint control, the relevant proportion of the cumulative amount in the foreign currency translation reserve related to that associate or jointly controlled entity is reclassified to the Consolidated Income Statement.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy described in Note 35(G).

iv. Transactions Eliminated on Consolidation

Intra-group transactions, balances and unrealised gains and losses on transactions between controlled entities are eliminated in the Consolidated Financial Statements. Unrealised gains and losses arising from transactions with investments accounted for under the equity method are eliminated to the extent of the Group's interest in the associate.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(A) PRINCIPLES OF CONSOLIDATION (CONTINUED)

v. Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business combination and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set of assets and activities has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss.

(B) FOREIGN CURRENCY

i. Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group's companies at average exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date exchange rates are generally recognised in the Consolidated Income Statement.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transactions.

ii. Foreign Operations

The assets and liabilities and the income and expenditure of foreign operations that have a functional currency other than AUD are translated into AUD as follows:

- Assets and liabilities for each balance sheet presented are translated at the exchange rate at the reporting date
- Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost or classified as an asset held for sale, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to the Consolidated Income Statement as part of the gain or loss on disposal. If the Group disposes of part of its interests in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or jointly controlled entity while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the Consolidated Income Statement.

iii. Exchange Rates

References to exchange rates are based on International Air Transport Association (IATA) Five Day Rates.

(C) FINANCIAL INSTRUMENTS

Non-Derivative Financial Instruments

i. Recognition, Measurement and Derecognition of Non-Derivative Financial Assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs related to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed.

The Group subsequently classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through the Consolidated Income Statement or the Consolidated Statement of Comprehensive Income)
- Those to be measured at amortised cost.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, are settled or the Group transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership are transferred.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

Non-Derivative Financial Instruments (continued)

ii. Recognition, Measurement and Derecognition of Non-Derivative Financial Liabilities

At initial recognition, the Group measures a non-derivative financial liability at its fair value, less transaction costs.

The Group subsequently measures non-derivative financial liabilities at amortised cost, with any difference between cost and redemption value being recognised in the Consolidated Income Statement over the period of the non-derivative financial liability using the effective interest rate method.

The Group derecognises a non-derivative financial liability when its contractual obligations are discharged, cancelled or expired. The Group also derecognises a non-derivative financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a non-derivative financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Consolidated Income Statement.

At initial recognition, the Group measures a non-controlling interest put option financial liability at the present value of the estimated redemption amount, through equity via the put option reserve. The subsequent remeasurement includes all changes in the carrying amount of the liability, including the accretion of interest and is recognised in the put option reserve. On derecognition of the put option financial liability (when the put option is exercised and/or the remaining interest is acquired), the cumulative amount in the put option reserve and non-controlling interest is reclassified to Retained Earnings.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value both initially and on an ongoing basis. The accounting for subsequent changes in fair value depends on whether the derivative is a designated hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The Group designates derivatives as either hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or as hedges of a particular risk associated with the cash flows of recognised assets and liabilities or of highly probable forecast transactions (cash flow hedges). At the inception of the transactions, the Group documents the economic relationship between hedging instruments and hedged items, including the risk management objective and strategy for undertaking each transaction.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used in hedge transactions have been and will continue to be highly effective.

From time to time, certain derivative financial instruments do not qualify for hedge accounting, notwithstanding that the derivatives are held to hedge identified exposures. Any changes in the fair value of a derivative instrument or part of a derivative instrument that do not qualify for hedge accounting are classified as ineffective and recognised immediately in the Consolidated Income Statement.

i. Fair Value Hedges

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recognised in the Consolidated Income Statement, together with any changes in the fair value of the hedged asset or liability or firm commitment attributable to the hedged risk.

ii. Cash Flow Hedges

Where a derivative financial instrument is designated and qualifies as a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in the Consolidated Statement of Comprehensive Income and accumulated within the hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Consolidated Income Statement.

The amount accumulated in equity is retained in the hedge reserve and reclassified to the Consolidated Income Statement in the same period or periods during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss. Where the hedged item is capital in nature, the cumulative gain or loss recognised in the hedge reserve is transferred to the carrying amount of the asset when the asset is recognised.

If the forecast transaction is no longer highly probable, the hedging instrument expires, is sold, terminated or exercised, or the designation is revoked, then hedge accounting is de-designated prospectively. If the forecast transaction is no longer highly probable, but still probable, hedge accounting is discontinued and the amounts accumulated in the hedge reserve are recognised in the Consolidated Income Statement in the period in which the original hedged item transaction ultimately occurs. If the forecast transaction is no longer probable (or subsequently considered no longer probable), hedge accounting is de-designated and the amounts accumulated in the hedge reserve are reclassified to the Consolidated Income Statement immediately.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(C) FINANCIAL INSTRUMENTS (CONTINUED)

Derivative Financial Instruments (continued)

iii. Cost of Hedging

The time value of an option, the forward element of a forward contract and any foreign currency basis spread is excluded from the designation of a financial instrument and accounted for as a cost of hedging. The fair value changes of these elements are recognised in other comprehensive income and accumulated within the hedge reserve, and depending on the nature of the hedged item, will either be transferred to the Consolidated Income Statement in the same period that the underlying transaction affects the Consolidated Income Statement or capitalised into the initial carrying value of the asset.

iv. Measurement of Fair Values

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is estimated using valuation techniques consistent with accepted market practice. The Group uses a variety of valuation techniques and input assumptions that are based on market conditions existing at the balance sheet date. Fair Values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

v. Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- The amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments*, and
- The amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of AASB 15 *Revenue from Contracts with Customers.*

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(D) REVENUE RECOGNITION

i. Net Passenger and Net Freight Revenue

Net passenger revenue primarily arises within the Qantas Domestic, Qantas International and Jetstar Group segments.

Net freight revenue primarily arises within the Qantas International segment except where belly space is utilised in Qantas Domestic and the Jetstar Group.

Passenger, freight, capacity hire and air charter revenue are recognised when the travel or service is provided. Revenue recognised on travel is net of sales discounts, passenger and freight interline/IATA commission and the Goods and Services Tax. Net freight revenue includes amounts the Group receives as operating lease income in relation to freighters leased to customers.

At the time of expected travel, revenue is also recognised in respect of tickets that are not expected to be used. Unused tickets and unredeemed travel credits are recognised as revenue using estimates based on the terms and conditions of the ticket, experience, historical and expected future trends.

Passenger travel and freight services are generally paid for in advance of travel and are deferred on the balance sheet as revenue received in advance. Travel credits are classified as revenue received in advance where they are available for future flights or in certain circumstances for refund, if requested. Where customers have made refund claims these are classified as payables.

Where the passenger is also a Qantas Frequent Flyer member and earns Qantas Points on travel, the allocation of revenue is on a proportional basis using relative stand-alone selling prices. The consideration allocated to Qantas Points is deferred as unrecognised redemption revenue.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(D) REVENUE RECOGNITION (CONTINUED)

i. Net Passenger and Net Freight Revenue (continued)

Consideration received in relation to certain ancillary services regarding passenger travel such as credit card fees and change fees are not considered to be distinct from the passenger flight. Revenue relating to these ancillary services is deferred until uplift to align with the related passenger travel. These amounts are included within net passenger revenue.

Passenger recoveries are included in net passenger revenue. Freight fuel surcharge is included in net freight revenue.

ii. Frequent Flyer Marketing Revenue and Other Qantas Loyalty Businesses

Marketing revenue associated with the issuance of Qantas Points is recognised within the Qantas Loyalty segment as the service is performed over time (typically, this approximates to the timing of the issuance of Qantas Points). Marketing revenue is measured as the difference between the stand-alone selling price of a Qantas Point and the consideration received, using the residual approach. The stand-alone selling price of a Qantas Point is determined using estimation techniques based on the value of redemption options for which Qantas Points could be redeemed and considers the proportion of Qantas Points not expected to be redeemed. The consideration for Qantas Points is typically received within normal credit terms following the issuance of points.

Marketing revenue on inter-segment Qantas Point issuances is eliminated on consolidation.

Revenue from other Qantas Loyalty businesses includes both commission revenue where Qantas Loyalty is acting as agent and holiday package revenue from the provision of travel services where Qantas Loyalty is acting as a principal. Commission and holiday package revenue is measured based on its relative stand-alone selling price and recognised on satisfaction of the performance obligation (typically, the transfer of the underlying good or service to the customer). Revenue is recognised on a net basis for commission revenue and a gross basis for holiday package revenue. Deposits received from customers to secure bookings are paid in advance and are deferred on the balance sheet as revenue received in advance.

For the purposes of segment reporting, the Qantas Loyalty segment reports transactions in which it acts as an agent on a gross basis. Adjustments are made within consolidation eliminations to present these on a net basis at a Group level within Frequent Flyer marketing revenue and other Qantas Loyalty businesses.

iii. Frequent Flyer Redemption Revenue

The consideration for issuance of Qantas Points is typically received in advance of redemption and is recognised as deferred redemption revenue at its relative stand-alone selling price. Redemption revenue is measured based on the weighted average value of the points redeemed. Redemption revenue is recognised within the Qantas Loyalty segment when Qantas Points are redeemed.

Redemption revenue in relation to products provided by suppliers outside the Group, such as Qantas Marketplace redemptions and other carrier redemptions, is recognised in the Consolidated Income Statement net of related costs where the Group acts as an agent. Obligations for returns or refunds in relation to redemptions from Qantas Marketplace are recognised where material. For the purposes of segment reporting, the Qantas Loyalty segment reports these redemptions on a gross basis. Adjustments are made within consolidation eliminations to present these redemptions on a net basis at a Group level within Qantas Marketplace and other redemption revenue.

For the purposes of segment reporting, the Qantas Loyalty segment reports Qantas Group flight redemptions when Qantas Points are redeemed. Adjustments are made within the consolidation eliminations to present these redemptions on uplift and present within net passenger revenue.

Significant changes in the estimate of issued Qantas Points expected to expire unredeemed are recognised within other revenue and income. The Group uses estimates based on terms and conditions of the Frequent Flyer program, experience, and historical and expected future trends to determine any amount recognised.

iv. Other Carrier Commissions and Commissions from Third Parties (Within Third-party services revenue)

The Group considers whether it is a principal or agent in relation to services by considering whether it has a performance obligation to provide services to the customer or whether the obligation is to arrange for services to be provided by another party, such as another carrier or a third party. Other carrier commission revenue is generally recognised on uplift by the other carrier, and consideration is received within normal credit terms through IATA. Commissions from third parties are generally recognised when the underlying good or service has been transferred to the end customer.

v. Freight Terminal Fees (Within Third-party services revenue)

Revenue from freight terminal fees is measured based on its stand-alone selling price and recognised on satisfaction of the performance obligation, which is typically the transfer of the underlying service to the customer. Consideration is received according to contractual terms.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(D) REVENUE RECOGNITION (CONTINUED)

vi. Qantas Club Membership

Qantas Club Membership revenue is measured based on its stand-alone selling price and is recognised within other revenue and income on satisfaction of the performance obligation, which is typically recognised on a straight-line basis over the membership period. Consideration is received in advance and deferred on the balance sheet as other revenue received in advance.

vii. Incremental Costs of Obtaining a Contract

The incremental cost of obtaining a contract is capitalised and amortised over the expected period of benefit to the Group and in line with the pattern of those benefits. The Group recognises the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would have been recognised is one year or less.

(E) GOVERNMENT GRANTS

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group expects to comply with the conditions. Depending on the grant conditions, grants received may be deferred and recognised over time on a straight-line basis. Grants received to support capital expenditure are deferred and recognised in the Consolidated Income Statement over the useful life of the related asset. Grants that compensate the Group for expenses incurred are recognised in the Consolidated Income Statement in the periods in which the expenses are recognised.

(F) TAXES

i. Tax Compliance

The Group is committed to embedding risk management practices to support the achievement of compliance objectives and fulfil corporate governance obligations. Tax risk management is governed by both the Qantas Group Risk Management Policy and the Qantas Group Tax Risk Management Policy, ensuring corporate governance obligations with respect to tax risks are met. The Group has paid all taxes that it owes and all tax compliance obligations are up to date. The Australian Taxation Office (ATO) also acknowledged Qantas' continued commitment to engage cooperatively and transparently to mitigate tax risks, including obtaining tax certainty on key transactions through the use of binding Private Rulings and entering into a multi-tax Annual Compliance Arrangement (ACA).

Tax treaties
Due to the operation of income tax treaties and specific rules dealing with airlines, the Group appropriately reports the majority of its income in Australia, with only a small component being reported in foreign jurisdictions (for the purpose of determining liability to company tax).

Income tax
Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable with respect to previous years. It is measured using tax rates enacted or substantially enacted at the balance sheet date where the Group and its subsidiaries operate and generate taxable income or loss.

Current tax assets and liabilities are offset only if the Group has legally enforceable rights to set off the assets and liabilities.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss
- Temporary differences arising from the initial recognition of assets or liabilities that do not give rise to equal taxable and deductible temporary differences
- Temporary differences relating to investments in controlled entities, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable they will not reverse in the foreseeable future
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The Group provides for income tax in both Australia and overseas jurisdictions where a liability exists.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(F) TAXES (CONTINUED)

ii. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Consolidated Balance Sheet. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

iii. Tax Consolidation

The Group and its Australian wholly-owned controlled entities, trusts and partnerships are part of a tax consolidated group. As a consequence, all members of the tax consolidated group are taxed as a single entity.

(G) IMPAIRMENT

i. Non-Financial Assets

The carrying amounts of non-financial assets such as equity accounted investments, property, plant and equipment, right of use assets, goodwill, intangible assets and other assets are reviewed at each balance sheet date to determine whether there is any indication of impairment.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For the purpose of assessing impairment, goodwill and indefinite lived intangible assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units (CGU)). Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

Assets which primarily generate cash flows as a group, such as aircraft, are typically assessed on a CGU basis, inclusive of related infrastructure and intangible assets and compared to net cash inflows for the CGU. Where assets are no longer expected to contribute to the cash flows of a CGU, they are tested for impairment separately.

Identification of an asset's CGUs requires significant judgement, as it requires identification of the lowest aggregation of assets that generate largely independent cash inflows from other assets or CGUs. Management has identified the lowest aggregation of assets which give rise to CGUs as defined by AASB 136 *Impairment of Assets* in Note 24(A)i.

Estimated net cash flows used in determining recoverable amounts are discounted to their net present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or CGU.

An impairment loss is recognised for the amount by which the asset's or CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and value in use. Impairment loss is recognised in the Consolidated Income Statement. If any goodwill is allocated to a CGU, impairment losses are allocated first to reduce the carrying amount of any goodwill, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis. Carrying amounts of assets are reduced to the higher of its fair value less costs of disposal, its fair value in use and zero.

Non-financial assets, other than goodwill, that have been previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. The maximum amount of any impairment reversal is the lower of:

- The amount necessary to bring the carrying amount of the asset to its recoverable amount (if it is determinable), and
- The amount necessary to restore the assets of the CGU to their pre-impairment carrying amounts less subsequent depreciation or amortisation that would have been recognised.

Impairment losses in respect of goodwill are not reversed.

ii. Non-Derivative Financial Assets

The carrying value of financial assets is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Where necessary, the Group recognises provisions for Expected Credit Loss (ECL) at amortised cost, based on 12-month or lifetime losses depending on whether there has been a significant increase in credit risk, including risk of default occurring, since initial recognition. Loss allowances are recognised against the carrying amount of the respective financial assets.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(G) IMPAIRMENT (CONTINUED)

ii. Non-Derivative Financial Assets (continued)

For significant customers, the Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts, cash flow projections and available press information about customers) and applying experienced credit judgement. For other customers, ECL is assessed based on credit risk characteristics and the days past due. It is then measured based on actual historical credit loss experienced over the past years, along with other factors, to reflect differences between the economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of macroeconomic conditions over the expected lives of the receivables. The Group considers a financial asset to be in default when the counterparty is unlikely to pay its credit obligations in full.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, including forward-looking information. A financial asset is written off when there is no reasonable expectation of recovery, such as the debtor failing to engage in a repayment plan with the Group.

(H) PROPERTY, PLANT AND EQUIPMENT

i. Recognition and Measurement

Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses. Items of property, plant and equipment are initially recorded at cost, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Costs to dismantle and remove assets
The cost of property, plant an equipment includes the initial estimate of costs of dismantling and removing the items and restoring the site on which they are located.

Changes in the measurement of existing liabilities resulting from changes in foreign exchange rates, timing or expected outflow of resources required to settle the obligation, or from changes in the discount rate are recognised as an adjustment to the asset. The unwinding of the discount is treated as a finance expense in the Consolidated Income Statement.

Gains or losses on cash flow hedges of the purchase of assets
The cost also may include transfers from the hedge reserve of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment in accordance with Note 35(C).

Capitalisation of interest
Interest attributed to progress payments made on account of aircraft and other qualifying assets under construction are capitalised and added to the cost of the asset. All other borrowing costs are recognised in the Consolidated Income Statement in the year in which they are incurred.

Gains or losses on disposal
Any gain or loss on disposal of property, plant and equipment is recognised in the Consolidated Income Statement.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is provided on a straight-line basis on all items of property, plant and equipment except for freehold land, which is not depreciated. The depreciation rates of owned assets are calculated to allocate the cost or valuation of an asset, less any estimated residual value, over the asset's estimated useful life to the Group. Assets are depreciated from the date of acquisition or, with respect to internally constructed assets, from the time an asset is available for use. The costs of improvements to assets are depreciated over the shorter of the remaining useful life of the asset or the estimated useful life of the improvement.

The general asset depreciation periods and estimated residual value percentages applied where material are:

	Years	Residual Value (%)
Buildings and leasehold improvements	5 – 40	0
Plant and equipment	2 – 20	0
Passenger aircraft and engines	2 – 25	0 – 10
Freighter aircraft and engines	2 – 30	0 – 10
Aircraft spare parts	2 – 20	0 – 10

Useful lives and residual values are reviewed annually and adjusted where appropriate, having regard to commercial and technological developments, the estimated useful life of assets to the Group and the long-term fleet plan.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(H) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

iv. Maintenance and Overhaul Costs

Embedded maintenance
An element of the cost of an acquired aircraft is attributed to its service potential, reflecting the maintenance condition of its engines and airframe. This cost is depreciated over the shorter of the period to the next major inspection event, the remaining life of the asset or the remaining lease term.

Subsequent maintenance expenditure
The costs of subsequent major cyclical maintenance checks for owned and leased aircraft are recognised as an asset and depreciated over the shorter of the scheduled usage periods to the next major inspection event, the remaining life of the aircraft or lease term (as appropriate to their estimated residual value). Maintenance checks which are covered by third-party maintenance agreements where there is a transfer of risk and legal obligation to the third party, are expensed on the basis of hours flown. All other maintenance costs are expensed as incurred.

Modifications
Modifications that enhance the operating performance or extend the useful lives of aircraft are capitalised and depreciated over the remaining estimated useful life of the asset or remaining lease term (as appropriate to their estimated residual value).

v. Manufacturers' Credits

The Group receives credits from manufacturers in connection with the acquisition of certain aircraft and engines. These credits are recorded as a reduction to the cost of the related aircraft and engines, when the credits are utilised by the Group.

(I) LEASES

The Group leases passenger aircraft and engines, freighter aircraft, domestic and international properties, and equipment. Lease contracts are typically entered into for fixed periods but may have extension options.

Leases are contracts which convey the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the Group has both the right to direct the use of the identified asset and to obtain substantially all the economic benefits from the use of the asset throughout the period of use.

i. Initial Recognition

Leases (other than the exemptions described below) are recognised as a lease liability with a corresponding right of use asset at the date at which the leased asset is available for use by the Group.

The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises lease payments associated with these leases as an expense in the Consolidated Income Statement as incurred.

For material contracts that include lease components and non-lease components, these components are separated based on their relative stand-alone selling prices. The lease component is recognised as a lease and the non-lease component is recognised as an expense in the Consolidated Income Statement as incurred. This includes, for example, certain capacity hire arrangements where a third party provides aircraft (lease component) to the Group, together with other services such as crew and maintenance (non-lease components), which are recognised within capacity hire expense.

Lease liability
At the lease commencement date, lease liabilities are initially measured at the present value of lease payments over the lease term.

Lease payments include fixed payments (less any lease incentives receivable), variable payments that are based on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be payable under a residual value guarantee and, where relevant, the exercise price of a purchase option (where it is reasonably certain that option will be exercised).

The lease term includes the non-cancellable period for which the Group has contracted to lease the asset, together with any option terms to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. When determining the lease term for cancellable leases or renewable leases, the Group considers both the broader economics of the contract (and not only contractual termination payments) and whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. Such leases include, for example, leases which have expired and are legally cancellable by both the lessor and lessee and/or leases which contain holdover arrangements which allow the lessee to continue to occupy the property beyond the lease end date until the arrangement is cancelled by either the lessee or the lessor.

Lease payments are discounted using the Group's incremental borrowing rate where the implicit interest rate in the lease is not readily determined. The Group's incremental borrowing rate is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value or the right to use an asset in an economic environment with similar terms and conditions.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) LEASES (CONTINUED)

i. Initial Recognition (continued)

Right of use asset
At the lease commencement date, right of use assets are initially measured at cost at an amount equal to the initial measurement of the lease liability (adjusted for any lease payments made at or before the commencement date), and an initial estimate of the present value of restoration or return costs that arise at lease commencement (with the corresponding amount recognised as a provision) less any lease incentives received.

ii. Subsequent Measurement

Lease liability
Lease payments are allocated between principal and interest payments. The interest expense is recognised in the Consolidated Income Statement over the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities denominated in currencies other than the Group's functional currency are translated to AUD at each reporting date. However, the right of use asset is recognised at the foreign exchange rate at initial recognition.

In accordance with the Group's Treasury Risk Management Policy, certain foreign currency lease liabilities (for example, aircraft leases denominated in USD) have been designated as a hedging instrument of future corresponding foreign currency revenues (for example, US revenues) in a cash flow hedge relationship. The effective portion of the foreign exchange revaluation of the lease liability is recognised in other comprehensive income and is recycled to the Consolidated Income Statement within net passenger revenue when the hedged item is realised.

The lease liability is remeasured where there is a change in future lease payments arising from a change in index or rate, if there is a change in the Group's estimate of amounts expected to be payable under a residual value guarantee, or if there is a change in the lease term, including the Group's assessment of whether it will exercise a purchase, extension or termination option within the lease contract (reassessed where there is a significant event or change in circumstances that is within the Group's control and affects the ability to exercise, or not to exercise, an option). Where the lease liability is remeasured in this way, a corresponding adjustment is recognised to the right of use asset or is recorded in the Consolidated Income Statement if the carrying amount of the right of use asset has been reduced to zero.

Right of use asset
Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The right of use asset is adjusted for certain changes in the lease liability, impairment losses (in accordance with Note 35(G)i.) and for changes in the measurement of the restoration provision recognised for return costs that arise at lease commencement.

iii. Lease Revenue

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease. If not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Where the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to the components based on their relative stand-alone selling prices.

The Group applies the derecognition and impairment requirements to finance lease receivables (in accordance with Note 35(G)ii.).

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term within net freight revenue and other revenue and income.

iv. Sale and Leaseback

A sale and leaseback transaction is one where the Group sells an asset in accordance with AASB 15 *Revenue from Contracts with Customers*, and simultaneously reacquires the use of the asset by entering into a lease with the buyer.

The Group measures the right of use asset arising from the leaseback at the portion of the previous carrying amount that is retained by the Group, with any difference between the right of use asset and the lease liability reflected in the gain on sale. Accordingly, any residual gain from the disposal of assets is representative of the rights transferred to the buyer and is recognised in the Consolidated Income Statement.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(J) INTANGIBLE ASSETS

i. Recognition and Measurement

Goodwill	Goodwill has an indefinite useful life and is recognised at cost less any accumulated impairment losses. With respect to investments accounted for under the equity method, the carrying amount of goodwill is included in the carrying amount of the investment.
Airport landing slots	Airport landing slots which are recognised as intangible assets have an indefinite useful life. Airport landing slots are not amortised and recognised at cost less any accumulated impairment losses.
Brand names and trademarks	Brand names and trademarks have an indefinite useful life and are recognised at cost less any accumulated impairment losses.
Software	Software is recognised at cost less accumulated amortisation and impairment losses. Software development expenditure, including the cost of materials, direct labour and other direct costs, is only recognised as an asset when the Group controls the future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate and the costs can be measured reliably. Cloud computing arrangements involve service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Fees for use of the underlying software are recognised as an expense as the service is provided over the contract period. Where the Group does not receive a software intangible asset at the contract commencement date, costs incurred for the customisation and configuration are generally recognised as an expense when the work is performed.
Customer contracts/ relationships	Customer contracts/relationships are recognised at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation commences when the asset is ready for use.
Contract intangible assets	Contract intangible assets are recognised at cost less accumulated amortisation. Amortisation commences when the asset is ready for use.

The Group considers that there are no individual intangible assets that are material for additional disclosure within the financial statements.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally-generated goodwill and brands, is recognised in the Consolidated Income Statement as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in the Consolidated Income Statement. Goodwill, brand names and trademarks, and airport landing slots are indefinite lived intangible assets and not amortised but tested annually for impairment as part of the relevant CGUs the assets are allocated to.

The general amortisation periods and estimated residual value percentages applied where material are:

	Years	Residual Value %
Software	2 – 10 years	0%
Customer contracts/relationships	11 years	0%
Contract intangible assets	40 years	0%

(K) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. The cost is determined by the weighted average cost method. Inventories mainly include engineering expendables, consumable stores, carbon offsets and work in progress.

(L) ASSETS HELD FOR SALE

Non-current assets, or disposal groups comprising asset and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continued use and the asset is available for immediate sale in its present condition.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(L) ASSETS HELD FOR SALE (CONTINUED)

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment loss on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in the Consolidated Income Statement.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated and any equity-accounted investees are no longer equity accounted.

(M) PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30-60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, if the effect of discounting is material.

Payables also include customer refund liabilities.

(N) REVENUE RECEIVED IN ADVANCE

i. Unavailed Passenger Revenue

Passenger travel and freight services are generally paid for in advance of travel and are deferred on the balance sheet as revenue received in advance. Travel credits are classified as revenue received in advance where they are available for future flights or in certain circumstances for refund, if requested. Where customers have made refund claims these are classified as payables.

Tickets generally expire either within 12 months after the planned travel date if they are not used within that time period, or on the date of planned travel, depending on the terms and conditions.

Notwithstanding that travel credits may not be utilised in the next 12 months, unavailed passenger revenue is classified as current on the basis that the Group does not have an unconditional right to defer usage of the ticket for at least 12 months.

ii. Unredeemed Frequent Flyer Revenue

Unredeemed Frequent Flyer revenue relates to performance obligations associated with Qantas Points which have been issued but not redeemed. Qantas Points are issued by the Group as part of the Qantas Frequent Flyer program or are sold to third parties such as credit card providers, who issue them as part of their loyalty programs. Unredeemed Frequent Flyer revenue is classified as either current or non-current based on the Group's expectation of redemption patterns by members within the next 12 months. The non-current amount of Unredeemed Frequent Flyer revenue will be materially recognised as revenue over three years. Significant changes in Qantas Points expected to expire unredeemed are recognised within other revenue and income using estimates based on the terms and conditions of the Frequent Flyer program, experience, historical and expected future trends.

iii. Other Revenue Received in Advance

Other revenue received in advance primarily relates to prepaid Qantas Club and Club Jetstar membership fees, revenue received in advance for travel packages, points redemptions on other airlines, unavailed cargo revenue and grants or supplier incentives the Group has received but which are recognised over time. Other revenue received in advance is classified as current where it is expected to be recognised or transferred to another carrier within the next 12 months.

(O) PROVISIONS

A provision is recognised if, as a result of a past event, there is a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

If the effect is material, a provision is determined by discounting the best estimate of the expected future cash flows required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance expense in the Consolidated Income Statement.

Provisions are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(O) PROVISIONS (CONTINUED)

Wages, salaries and annual leave	Liabilities for wages, salaries and annual leave vesting to employees are recognised in respect of employees' services up to the end of the reporting period. These liabilities are measured at the amounts expected to be paid when they are settled and include related on-costs, such as workers' compensation insurance, superannuation and payroll tax. The annual leave provision is discounted using corporate bond rates which most closely match the expected settlement dates of the provision. The unwinding of the discount is treated as a finance expense in the Consolidated Income Statement. Remeasurements as a result of experience adjustments and changes in assumptions are recognised in the Consolidated Income Statement.
Long service leave	The liability for long service leave is recognised as a provision for employee benefits and measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. The provision is calculated using expected future increases in wage and salary rates, including related on-costs and expected settlement dates based on expected employee usage. The provision is discounted using corporate bond rates which most closely match the expected settlement dates of the provision. The unwinding of the discount is treated as a finance expense in the Consolidated Income Statement. Remeasurements as a result of experience adjustments and changes in assumptions are recognised in the Consolidated Income Statement.
Redundancies and other employee benefits	Redundancy provisions are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. These benefits are expected to be settled wholly within 12 months of the end of the reporting period. Other employee benefits such as discretionary bonus amounts to Non-Executive employees are recognised as a provision where the Group has a legal or constructive obligation to make the payment to Non-Executive employees and the amount can be reliably measured.
Onerous contracts	An onerous contract is a contract in which the unavoidable cost of meeting the obligations under the contract exceeds the economic benefit expected to be received. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.
Make good on leased assets	**Aircraft:** An initial estimate of the present value of restoration or return costs that arise at lease commencement are recognised as a provision, with a corresponding amount recognised as part of the initial recognition of the right of use asset and depreciated over the lease term. Changes in this provision (other than discount unwind, which is recognised as a finance expense in the Consolidated Income Statement) are recognised as an adjustment to the right of use asset. Provisions for the cost of return obligations within the lease that occur over the lease term through usage or the passage of time are recognised as an expense when they occur. The determination of these costs requires significant judgement and is estimated in USD based on the forecast costs expected to be incurred in relation to lease obligations when the aircraft is returned to or purchased from the lessor, calculated using expected future increases in costs and discounted to present value using the Group's incremental borrowing rate. The expense is recognised pro-rata over the period to an expected lease return date. Movements in the provision due to changes in foreign exchange rates and discount rates as well as changes in estimates of forecast return costs expected to be incurred or expected lease return dates are recognised in the Consolidated Income Statement. **Property:** An initial estimate of the present value of restoration costs that arise at lease commencement are recognised as a provision with a corresponding amount recognised as part of the initial recognition of the right of use asset and depreciated over the lease term. Changes in this provision (other than discount unwind, which is recognised as a finance expense in the Consolidated Income Statement) are recognised as an adjustment to the right of use asset. **Environment:** Where the usage of property or land gives rise to an obligation for rehabilitation, the Group recognises a provision for the costs associated with restoration with a corresponding amount recognised in the Consolidated Income Statement. Changes in this provision are recognised in the Consolidated Income Statement.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(O) PROVISIONS (CONTINUED)

Insurance, legal and other	**Insurance:** The Group self-insures for risks associated with workers' compensation in certain jurisdictions. Qantas has made a provision for all notified and assessed workers' compensation liabilities, together with an estimate of liabilities incurred but not reported, based on an independent actuarial assessment. The provision is discounted using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the liabilities and which have maturity dates approximating the terms of Qantas' obligations. Workers' compensation for all remaining employees is commercially insured. **Legal and other provisions:** Provisions are recognised where they are incurred as a result of a past event, there is a legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(P) OTHER EMPLOYEE BENEFITS

i. Employee Share Plans

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with market performance conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Where forfeiture occurs after the vesting date, for example during a period of holding lock or trading restriction, this is a non-vesting condition and the expense for services received is not reversed.

ii. Defined Contribution Superannuation Plans

The Group contributes to employee defined contribution superannuation plans. Contributions to these plans are recognised as an expense in the Consolidated Income Statement as incurred.

iii. Defined Benefit Superannuation Plans

The Group's net obligation with respect to defined benefit superannuation plans is calculated separately for each plan.

The Qantas Superannuation Plan has been split based on the divisions which relate to accumulation members and defined benefit members. Only defined benefit members are included in the Qantas Group's net obligation calculations. The calculation estimates the amount of future benefit that employees have earned in return for their service in the current and prior periods, which is discounted to determine its present value, and the fair value of any plan assets is then deducted.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability or asset, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognised immediately in other comprehensive income. The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Income Statement.

The discount rate used is the corporate bond rate which has a maturity date that approximates the expected terms of Qantas' obligations. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Consolidated Income Statement as past service costs. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(Q) NET FINANCE COSTS

Net finance costs comprise interest payable on borrowings calculated using the effective interest method, unwinding of the discount rate on lease liabilities, provisions and receivables, interest receivable on funds invested and prepaid, and gains and losses on mark-to-market movements in fair value hedges, reduced by capitalised interest on aircraft predelivery payments.

Interest income or expense is recognised in the Consolidated Income Statement using the effective interest method.

Finance costs are recognised in the Consolidated Income Statement as incurred, except where interest costs relate to qualifying assets, in which case they are capitalised to the cost of the assets. Qualifying assets are assets that necessarily take a substantial period of time to be made ready for intended use. Where funds are borrowed generally, borrowing costs are capitalised using the average interest rate applicable to the Group's debt facilities.

(R) CAPITAL AND RESERVES

i. Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity, net of tax.

ii. Repurchase of Share Capital (Share Buy-Backs)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from issued capital.

iii. Treasury Shares

Shares purchased and held by the Qantas-sponsored Employee Share Plan Trust are recognised as treasury shares at their purchase price and deducted from equity on the purchase date.

iv. Employee Compensation Reserve

The fair value of equity plans granted is recognised in the employee compensation reserve over the vesting period. This reserve will be reversed against treasury shares when the underlying shares vest and transfer to the employee at the fair value. The difference between the fair value at grant date and the cost of treasury shares used is recognised in retained earnings (net of tax).

v. Hedge Reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments and the cumulative change in fair value arising from the time value of options related to future forecast transactions. Gains or losses relating to ineffective portions are recognised immediately in the Consolidated Income Statement. The hedge reserve also includes the cost of hedging (hedging premiums), which reflects gains or losses on the portion excluded from the designated hedging instrument that relates to the time value of an option, the forward element of a forward contract and any foreign currency basis spread. It is initially recognised in other comprehensive income and accounted for in the same manner as other gains and losses in the hedge reserve. Cash flow hedges and cost of hedging are further described in Note 35(C).

vi. Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the Financial Statements of foreign controlled entities and investments accounted for under the equity method.

vii. Other Reserves

Other reserves includes the following:

- The defined benefit reserve, comprising the remeasurements of the net defined benefit asset/(liability), which is recognised in other comprehensive income
- The fair value reserve, comprising the fair value gains/(losses) on investments measured at fair value through other comprehensive income
- The put option reserve, comprising the recognition and remeasurements of a put option liability over relevant non-controlling interests, which is recognised in equity.

viii. Dividends

A provision is made for the amount of any dividend authorised for payment by the Directors and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Where the Directors have revoked a decision to pay a dividend, before payment date, it is no longer recognised as a provision.

(S) COMPARATIVES

Where applicable, comparative balances have been reclassified to align with current year presentation.

Notes to the Financial Statements continued

For the year ended 30 June 2024

35 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(T) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Making bodies (CODM), being the Chief Executive Officer, Group Management Committee and the Board of Directors.

Underlying EBIT is the primary reporting measure used by the CODM for the purpose of assessing the performance of the operating segments, with the exception of the Corporate segment which is assessed using Underlying PBT. Underlying EBIT of the Group's operating segments is prepared and presented on the basis that it reflects the revenue earned and the expenses incurred by each operating segment. The significant accounting policies applied in implementing this basis of preparation are set out below. These accounting policies have been consistently applied to all periods presented in the Consolidated Financial Statements.

Segment Performance Measure	Basis of Preparation
External segment revenue	External segment revenue is reported by operating segments as follows: – Net passenger revenue is reported by the operating segment that operated the relevant flight or provided the relevant service. For Qantas Airlines, where a multi-sector ticket covering international and domestic travel is sold, the revenue is reported by Qantas International and Qantas Domestic on a pro-rata basis using an industry standard allocation process – Other revenue is reported by the operating segment that earned the revenue.
Inter-segment revenue	Inter-segment revenue for Qantas Domestic, Qantas International and Jetstar Group operating segments primarily represents: – Net passenger revenue arising from the redemption of Frequent Flyer points for Qantas Group flights by Qantas Loyalty – Net freight revenue from the utilisation of Qantas Group's aircraft belly space. Inter-segment revenue for Qantas Loyalty primarily represents marketing revenue arising from the issuance of Frequent Flyer points to Qantas Domestic, Qantas International and Jetstar Group. Inter-segment revenue transactions, which are eliminated on consolidation, occur in the ordinary course of business at prices that approximate market prices. The inter-segment arrangements with Qantas Loyalty are not designed to derive a net profit from inter-segment Frequent Flyer point issuances and redemptions.
Share of net profit/(loss) of investments accounted for under the equity method	Share of net profit/(loss) of investments accounted for under the equity method is reported by the operating segment that is accountable for the management of the investment. The share of net profit/(loss) of investments accounted for under the equity method for Qantas Airlines' investments has been equally shared between Qantas Domestic and Qantas International.
Underlying EBITDA	The significant expenses impacting Underlying EBITDA are as follows: – Salaries, wages and other benefits are reported by the operating segment that utilises the salaries, wages and other benefits. Where personnel support both Qantas Domestic and Qantas International, costs are reported by using an appropriate allocation methodology – Fuel expenditure is reported by the segment that consumes the fuel in its operations – Aircraft operating variable costs are reported by the segment that incurs these costs – All other expenditure is reported by the operating segment to which it is directly attributable or, in the case of Qantas Airlines, between Qantas Domestic and Qantas International using an appropriate allocation methodology. To apply this accounting policy, where necessary, expenditure is recharged between operating segments as a cost recovery. The impact of discount rate changes on provisions is not allocated to operating segments. Changes in presentation of income/expenses where the determination of whether the Group is acting as principal or agent is made on consolidation.
Depreciation and amortisation	Qantas Domestic, Qantas International and Jetstar Group report depreciation expenses for passenger and freight aircraft owned or leased by the Qantas Group and flown by the segment. Other depreciation and amortisation is reported by the segment that uses the related asset.

Notes to the Financial Statements continued

For the year ended 30 June 2024

36 NEW STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

(A) MATERIAL ACCOUNTING POLICY INFORMATION

The Group has adopted *Disclosure of Accounting Policies* (Amendments to AASB 7, 101, 108 and AASB Practice Statement 2) from 1 July 2023.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies disclosed in Note 35 Summary of Material Accounting Policies (2023: Summary of Significant Accounting Policies) and concluded the amendments did not result in any changes to the accounting policies themselves or the accounting policy information disclosed in the Group's Consolidated Financial Statements.

(B) PILLAR TWO MINIMUM EFFECTIVE TAX RATE REFORM

The Group has adopted *International Tax Reform - Pillar Two Model Rules* (Amendments to AASB 112). The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure.

The Group has applied the relief from deferred tax accounting for Pillar Two top-up taxes and provided new disclosures about its exposure to these taxes in Note 9 Income Tax.

37 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED BY THE GROUP

A number of new accounting amendments and interpretations have been issued that are not yet effective and not yet adopted by the Group for the financial year ended 30 June 2024. If applicable, the Group intends to adopt the new or amended standards and interpretations when they become effective.

AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18) was issued in June 2024 and will be applicable to the Group for the financial year ending 30 June 2028 (including the half-year ending 31 December 2027). AASB 18 will replace AASB 101 *Presentation of Financial Statements* and changes key presentation and disclosure requirements, particularly in relation to the information about financial performance in the statement of profit or loss. AASB 18 also makes consequential amendments to other AASB pronouncements.

The following other new accounting amendments are not expected to have a significant impact on the Consolidated Financial Statements of the Group:

- Amendments to AASB 101 *Classification of Liabilities as Current or Non-current*
- Amendments to AASB 107, AASB 7 *Disclosure of Supplier Finance Arrangements*
- Amendments to AASB 16 *Lease Liability in a Sale and Leaseback*
- Amendments to AASB 10 and 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to AASB 121 *Lack of Exchangeability*

Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

The following consolidated entities are 100 per cent owned body corporates that have been incorporated and have tax residency in Australia as at 30 June 2024:

AAL Aviation Limited	Q H Tours Ltd	QF BOC 2008-1 Pty Limited
Airlink Pty Limited	Qantas Airways Domestic Pty Limited	QF BOC 2008-2 Pty Limited
Australian Air Express Pty Ltd	Qantas Airways Limited	QF Cabin Crew Australia Pty Limited
Australian Airlines Limited	Qantas Asia Investment Company Pty Ltd	QF Dash 8 Leasing No. 4 Pty Limited
Australian Regional Airlines Pty. Ltd.	Qantas Courier Limited	QF Dash 8 Leasing No. 5 Pty Limited
Eastern Australia Airlines Pty. Limited	Qantas Domestic Pty Limited	QF Dash 8 Leasing No. 6 Pty Limited
Express Freighters Australia (Operations) Pty Limited	Qantas Freight Enterprises Limited	QF ECA 2008-1 Pty Limited
Express Freighters Australia Pty Limited	Qantas Freight Terminals Pty Limited	QF ECA 2008-2 Pty Limited
Impulse Airlines Holdings Proprietary Limited	Qantas Frequent Flyer Limited	QF ECA A380 2010 No.1 Pty Limited
Jetstar Airways Pty Limited	Qantas Frequent Flyer Operations Pty Limited	QF ECA A380 2010 No.2 Pty Limited
Jetstar Asia Holdings Pty Limited	Qantas Ground Services Pty Limited	QF ECA A380 2010 No.3 Pty Limited
Jetstar Group Pty Limited	Qantas Group Accommodation Pty Ltd	QF ECA A380 2010 No.4 Pty Limited
Jetstar International Group Australia Pty. Limited	Qantas Group Flight Training (Australia) Pty Limited	QF ECA A380 2011 No.1 Pty Limited
Jetstar Services Pty Limited	Qantas Group Flight Training Pty Limited	QF ECA A380 2011 No.2 Pty Limited
National Jet Operations Services Pty Ltd	Qantas Information Technology Ltd	QF EXIM B787 No. 1 Pty Limited
National Jet Systems Pty Ltd	Qantas Road Express Pty Limited	QF EXIM B787 No. 2 Pty Limited
Network Aviation Holdings Pty Ltd	Qantas SAFFA Pty Limited	Regional Airlines Charter Pty Limited
Network Aviation Pty Ltd	Qantas Superannuation Limited	Sunstate Airlines (Qld) Pty. Limited
Network Holding Investments Pty Ltd	Qantas Ventures Pty Limited	TAD Holdco Pty Ltd
Network Turbine Solutions Pty Ltd	Qantas Wheatbelt Connect Pty Limited	Trip A Deal Holdings Pty Ltd
Osnet Jets Pty Ltd	QF A332 Leasing 1 Pty Limited	Trip A Deal Pty Ltd
Phone A Flight Pty Ltd	QF A332 Leasing 2 Pty Limited	VII Pty Limited

Other consolidated entities within the Group are:

Consolidated Entities	Country of Incorporation	Entity Type	Tax Residency	Qantas Group Ownership Interest 30 June 2024 %
Taylor Fry Holdings Pty Limited	Australia	Body corporate	Australia	51
Taylor Fry Pty Limited	Australia	Body corporate	Australia	51
Hangda Ticket Agent (Shanghai) Co. Ltd	China	Body corporate	China	75
Jetabout Japan, Inc.	Japan	Body corporate	Japan	100
Jetstar Holidays Co. Ltd.	Japan	Body corporate	Japan	100
Jetstar International Group Japan Co., Ltd	Japan	Body corporate	Japan	100
QH International Co. Limited.	Japan	Body corporate	Japan	100
Holiday Tours & Travel (Korea) Limited	Korea	Body corporate	Korea	56.25
H Travel Sdn Bhd	Malaysia	Body corporate	Malaysia	75
Jetconnect Limited	New Zealand	Body corporate	New Zealand	100
Jetstar Airways Limited	New Zealand	Body corporate	New Zealand	100
Jetstar NZ Regional Limited	New Zealand	Body corporate	New Zealand	100
Trip A Deal (NZ) Ltd	New Zealand	Body corporate	Australia & New Zealand	100
Holiday Tours & Travel (Singapore) Pte. Ltd.	Singapore	Body corporate	Singapore	75
Holiday Tours & Travel Pte. Ltd.	Singapore	Body corporate	Singapore	75

Consolidated Entity Disclosure Statement continued

For the year ended 30 June 2024

Consolidated Entities	Country of Incorporation	Entity Type	Tax Residency	Qantas Group Ownership Interest 30 June 2024 %
Jetstar Asia Airways Pte. Ltd.[1]	Singapore	Body corporate	Singapore	49
Jetstar Regional Services Pte. Ltd.	Singapore	Body corporate	Singapore	100
Newstar Investment Holdings Pte. Ltd.[1]	Singapore	Body corporate	Singapore	49
Orangestar Investment Holdings Pte. Ltd.[1]	Singapore	Body corporate	Singapore	49
Southern Cross Insurances Pte Limited	Singapore	Body corporate	Singapore	100
Valuair Limited[1]	Singapore	Body corporate	Singapore	49
Holiday Tours & Travel Ltd	Taiwan	Body corporate	Taiwan	75
Qantas Cabin Crew (UK) Limited	United Kingdom	Body corporate	United Kingdom	100
HTT Travel Vietnam Limited Liability Company	Vietnam	Body corporate	Vietnam	75
The Network Holding Trust	n/a	Trust	n/a	100
The Network Trust	n/a	Trust	n/a	100

1 In accordance with the *Air Navigation Act* (Singapore 2009), Newstar Investment Holdings Pte. Ltd. and its Singapore-based airline subsidiaries are substantially owned and effectively controlled by Singapore nationals. Notwithstanding this, the Qantas Group is required to consolidate Newstar Investment Holdings Pte. Ltd. and its controlled entities into the Qantas Group Financial Statements.

Notes to Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(A) KEY ASSUMPTIONS AND JUDGEMENTS

i. Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* (Cth) requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, 'Australian resident' has the meaning provided in the *Income Tax Assessment Act 1997* (Cth). The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

(a) Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

(b) Foreign tax residency

The consolidated entity has applied current legislation and, where available, judicial precedent in the determination of foreign tax residency. In addition, the foreign tax authorities have accepted the tax residency status disclosed above.

(c) Partnership and trusts

Australian tax law does not contain specific residency tests for partnership and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

ii. Branches (Permanent Establishments)

Foreign branches of Australian companies are not separate legal entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian company that the branch is a part of will be the relevant tax resident, rather than the branch operations.

In addition, any foreign branches of a consolidated entity that carries on airline activities (that fly international routes to foreign countries) are subject to corporate income tax in the legal entity's country of tax residency, due to the operation of the various international Double Tax Treaties that exist around the world. The exception to this is any foreign branch undertaking domestic airline operations in a foreign jurisdiction, which is subject to tax in that foreign jurisdiction.

2 APPLICATION TO THE QANTAS GROUP

(A) AIRLINE BRANCHES (PERMANENT ESTABLISHMENTS)

Qantas Airways Limited and its subsidiary airlines may operate international flights between their country of incorporation and other countries, which results in a foreign branch arising in those jurisdictions, but not a separate legal entity. Such foreign branches have been excluded from this CEDS as they are not separate body corporates. Had such foreign branches been included in this CEDS, they would be tax resident of the same jurisdiction as the legal entity, as they do not have a separate Board of Directors and do not make separate management decisions from the legal entity.

(B) ACQUISITION OF A NON-CONTROLLING INTEREST OF A CONTROLLED ENTITY

The remaining 49 per cent of Trip A Deal NZ Ltd was acquired in June 2024 as part of the acquisition of the remaining 49 per cent of the Trip A Deal Group of companies. Trip A Deal (NZ) Ltd is tax resident of both New Zealand and Australia, i.e. dual tax resident, due to being incorporated in New Zealand and having its central management and control located in Australia. Trip A Deal (NZ) Ltd is currently dormant and it is intended to be wound-up in the near future.

(C) JOINT VENTURE PARTICIPANTS

Qantas Wheatbelt Connect Pty Limited is a participant in a joint venture within the consolidated entity. As a joint venture participant, Qantas Wheatbelt Connect Pty Limited has an obligation to pay its share of any tax relating to its involvement in the joint venture.

Directors' Declaration

For the year ended 30 June 2024

1. In the opinion of the Directors of Qantas Airways Limited (Qantas):
   a. The Consolidated Financial Statements and Notes are in accordance with the *Corporations Act 2001* (Cth), including:
      i. Giving a true and fair view of the financial position of the Qantas Group as at 30 June 2024 and of its performance for the financial year ended on that date
      ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*
   b. The Consolidated Entity Disclosure Statement as at 30 June 2024 set out on pages 129 and 131 is true and correct and;
   c. There are reasonable grounds to believe that Qantas will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that Qantas and the controlled entities will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between Qantas and those controlled entities pursuant to ASIC Corporations (Wholly-owned companies) Instrument 2016/785 (Instrument).
3. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth) from the Chief Executive Officer and the Chief Financial Officer for the year ended 30 June 2024.
4. The Directors draw attention to Note 1(A) which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a Resolution of the Directors:

Richard Goyder	Vanessa Hudson
Chair	Chief Executive Officer
12 September 2024	12 September 2024

Independent Auditor's Report

For the year ended 30 June 2024

To the Shareholders of Qantas Airways Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the **Financial Report** of Qantas Airways Limited (the Company).

- In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001* (Cth), in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises the:

- Consolidated Balance Sheet as at 30 June 2024
- Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Cash Flow Statement for the year then ended
- Consolidated Entity Disclosure Statement and accompanying basis of preparation as at 30 June 2024
- Notes including a summary of material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end and from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* (Cth) and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The **Key Audit Matters** we identified are:

- Passenger revenue recognition
- Frequent Flyer revenue recognition
- Derivative financial instrument accounting

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report continued

For the year ended 30 June 2024

Passenger revenue recognition

Refer to Note 4(A) and 35(D)i. to the Financial Report

THE KEY AUDIT MATTER

Recognition of passenger revenue is a key audit matter due to:

- its financial significance to the Group;
- the high volume of relatively low value passenger tickets;
- judgement within the estimate for the proportion of unused tickets and travel credits which are expected to expire (breakage); and
- audit effort arising from a variety of ticket conditions and points of sale.

Historical trend information is used to estimate breakage and has been supplemented by forward-looking estimation with regard to current conditions and changes to conditions of carriage to determine breakage at 30 June 2024. Estimations, particularly as they relate to predicting customer behaviours are prone to a range of possible outcomes for us to consider.

Passenger revenue and ticketing is dependent on IT systems and controls, therefore we involved our IT specialists in addressing this key audit matter.

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Our procedures included:

- for key passenger revenue streams, we assessed the Group's identification of performance obligations and revenue recognised by comparing to the relevant features of the underlying contracts.
- with the assistance of our IT specialists, we analysed the end to end flow of ticket information through multiple passenger revenue IT systems and interfaces to evaluate the recognition of revenue against accounting standards.
- with the assistance of our IT specialists, we tested the key controls restricting access to authorised users and preventing unauthorised changes to the relevant IT systems for financial reporting. We tested key controls within the system relating to ticket validation and the recognition of revenue at flight date.
- testing key controls related to the Group's review and approval of manual changes to revenue accounting records, where tickets have been identified as exceptions to automated validation.
- using data analytics and sampling techniques, checking passenger revenue transactions to underlying records including evidence of payment and flight records, to assess the accuracy and existence of the revenue recognised.
- using data analytics and sampling techniques, checking passenger revenue received in advance to underlying records, to assess the completeness of revenue recognised.
- evaluating the Group's accounting policy for estimation of passenger revenue from unused tickets and unredeemed travel credits, assessing the methodology applied, checking the calculation and IT system reports used and challenging the key assumptions. We evaluated the Group's related key assumptions against historical trends, adjusting for the forecast customer behaviour, and assessed for indicators of bias, using our industry knowledge and assessed the Group's ability to reliably estimate amounts by comparing previous estimates to actual outcomes.
- we inquired specifically regarding the Group's actions with respect to unredeemed travel credit holders impacted by the COVID-19 pandemic; we read the Group's external announcements and communications to customers as corroboration of our sources.

Independent Auditor's Report continued

For the year ended 30 June 2024

Frequent Flyer revenue recognition

Refer to Note 4(B), Note 35(D)ii. and Note 35(D)iii. to the Financial Report

THE KEY AUDIT MATTER

Recognition of Frequent Flyer revenue is a key audit matter due to the high level of audit effort and judgement required by us in assessing the Group's assumptions underpinning the amount deferred as Unredeemed Frequent Flyer revenue.

We focused on the Group's assumptions used in their estimation of the:

- stand-alone selling price of the Qantas Points: the Group bases this on their estimated price of available rewards at the time of redemption weighted in proportion to the expected redemptions, based on historical experience and assumptions of future behaviour; and
- proportion of Qantas Points not expected to be redeemed by members in the future (breakage): the Group uses actuarial experts to estimate proportion of Qantas Points not expected to be redeemed by members in the future.

Given the complex judgements, we involved our actuarial specialists to supplement our senior team members in addressing this key audit matter.

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Our procedures included:

- assessing the Group's methodology used to estimate the stand-alone selling price of the Qantas Points against the requirements of AASB 15 *Revenue from Contracts* with Customers and the Group's accounting policy.
- we tested the integrity of the calculation used to estimate the stand-alone selling price of Qantas Points, including the accuracy of the underlying calculation.
- we assessed the key inputs of the various redemption channels used to estimate the stand-alone selling price of expected future redemptions. We did this by comparing a sample of available rewards to observable market values, such as comparable market air fares. We compared the weighting used in the calculation to historic redemption patterns, taking into consideration changes in the Frequent Flyer program.
- involving our actuarial specialists, we assessed key breakage assumptions against historical experience, recent trends and the estimated future volume of Qantas Points redeemed based on the Board approved Forecast and our understanding of changes in the Frequent Flyer program.
- involving our actuarial specialists, we assessed the appropriateness of the Group's breakage methodology used against accounting standard requirements and the Frequent Flyer program. We independently recalculated the breakage using the Group's inputs and compared to the Group's recorded breakage at year end.
- we checked the accuracy of points activity data used in the calculation of the breakage assumption to source data in Qantas' Points system.

Independent Auditor's Report continued

For the year ended 30 June 2024

Derivative financial instrument accounting

Refer to Note 26 and Note 35(C) to the Financial Report

THE KEY AUDIT MATTER

Cash flow hedge accounting and valuation of financial instruments is a key audit matter due to:

- the complexity inherent in the Group's estimation of the fair value of derivative financial instruments. The Group's approach is to use market standard valuation techniques to determine the fair value of options, swaps and cross-currency swaps not traded in active markets;
- the impact of changes in the underlying market price of fuel and foreign exchange rates which are key inputs to the derivative valuations;
- the complexity in the Group's cash flow hedge accounting relationships driven by an active financial risk management strategy, including the restructuring of specific exposures over time;
- the volume of transactions and counterparties;
- the hedging of a high proportion of forecast future cash flows; and
- the significance of the Group's financial risk management program on the financial results.

In assessing this key audit matter, we involved our valuation specialists to supplement our senior team members, who understand methods, inputs and assumptions relevant to the Group's derivative portfolio.

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Our procedures included:

- we assessed the appropriateness of the Group's accounting policies against the requirements of the accounting standards.
- testing the Group's key internal controls. These included the Group's controls associated with:
  - assessment and approval of the details of trades to counterparty confirmations;
  - assessment of hedge accounting designation;
  - assessment of the volume of hedged exposures compared to total exposures.
- we compared financial instrument fair values in the Group's accounting records to the records in the treasury risk management system.
- with the assistance of our valuation specialists, we independently estimated the fair values of the Group's financial instruments as at 30 June 2024 using recognised market valuation methodologies and inputs. We adjusted these fair values for our experience of the range of acceptable market valuation techniques in estimating fair values of instruments not traded in active markets. We compared the Group's valuations recorded in the general ledger to these fair value ranges.
- we tested a sample of cash flow hedge accounting designations against the requirements of the accounting standard. This included a sample of the restructured positions involving multiple derivatives.
- we compared the Group's forecast fuel consumption against the Board approved Forecast and assessed consistency with other key forward looking assumptions.
- we evaluated the appropriateness of the classification and presentation of derivative financial instruments and related financial risk management disclosures against accounting standard requirements.

Independent Auditor's Report continued

For the year ended 30 June 2024

Other Information

Other Information is financial and non-financial information in Qantas Airways Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001* (Cth), including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards and the Corporations Regulations 2001* (Cth)
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001* (Cth), including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Independent Auditor's Report continued

For the year ended 30 June 2024

REPORT ON THE REMUNERATION REPORT

Opinion

In our opinion, the Remuneration Report of Qantas Airways Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001* (Cth).

DIRECTORS' RESPONSIBILITIES

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001* (Cth).

OUR RESPONSIBILITIES

We have audited the Remuneration Report included in pages 34 to 62 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Julian McPherson
Partner
Sydney
12 September 2024

Shareholder Information

For the year ended 30 June 2024

The shareholder information set out below was applicable as at 12 August 2024.

TWENTY LARGEST SHAREHOLDERS

Shareholders	Ordinary Shares Held	% of Issued Shares
HSBC Custody Nominees (Australia) Limited	550,766,175	35.12
Citicorp Nominees Pty Limited	227,702,682	14.52
J P Morgan Nominees Australia Pty Limited	221,338,893	14.11
National Nominees Limited	48,929,381	3.12
Pacific Custodians Pty Limited (Emp Share Plan Trust)	29,497,828	1.88
Pacific Custodians Pty Limited (QAN Plans Ctrl)	21,081,852	1.34
BNP Paribas Noms Pty Ltd (DRP)	15,524,771	0.99
HSBC Custody Nominees (Australia) Limited – GSCO ECA	14,317,307	0.91
HSBC Custody Nominees (Australia) Limited – A/C 2	12,736,313	0.81
BNP Paribas Nominees Pty Ltd (Agency Lending A/C)	12,730,427	0.81
HSBC Custody Nominees (Australia) Limited (NT – Commonwealth Super Corp A/C)	11,880,351	0.76
Maxfill Australia Pty Ltd	10,350,000	0.66
UBS Nominees Pty Ltd	6,720,616	0.43
HSBC Custody Nominees (Australia) Limited – GSI EDA	5,872,878	0.37
Citicorp Nominees Pty Limited (Colonial First State Inv A/C)	5,335,044	0.34
HSBC Custody Nominees (Australia) Limited	3,344,317	0.21
Netwealth Investments Limited (Wrap Services A/C)	3,201,751	0.20
BNP Paribas Nominees Pty Ltd (Hub24 Custodial Serv Ltd)	2,536,809	0.16
BNP Paribas Nominees Pty Ltd (IB AU Noms Retail Client)	2,108,390	0.13
HSBC Custody Nominees (Australia) Limited (GSCO Customers A/C)	2,083,534	0.13
Total	**1,208,059,319**	**77.00**

DISTRIBUTION OF ORDINARY SHARES

Analysis of ordinary shareholders by size of shareholding:

Number of Shares	Ordinary Shares Held	Number of Shareholders	% of Issued Shares
1-1,000[1]	40,491,375	102,528	2.58
1,001-5,000	129,242,309	54,294	8.24
5,001-10,000	55,455,233	7,805	3.54
10,001-100,000	94,395,440	4,521	6.02
100,001 and over	1,248,676,039	168	79.62
Total	**1,568,260,396**	**169,316**	**100.00**

1 2,939 shareholders hold less than a marketable parcel of shares in Qantas, as at 12 August 2024.

ON-MARKET SHARE BUY-BACK

On 29 August 2024, Qantas announced its intention to undertake an on-market share buy-back of up to $400 million. This is in addition to the amount carried over under the $400 million buy-back announced in February 2024.

SUBSTANTIAL SHAREHOLDERS

The following organisations have disclosed a substantial shareholding notice to ASX as at 12 August 2024:

Shareholders	Ordinary Shares Held	% of Issued Shares
L1 Capital Pty Ltd and L1 Capital Strategic Equity Management Pty Ltd[1]	90,798,912	5.27
Perpetual Limited and its related bodies corporate[2]	105,529,663	6.48
State Street Corporation and subsidiaries[3]	85,810,623	5.27

1 Substantial shareholding as at 14 March 2024, as per notice dated 18 March 2024.
2 Substantial shareholding as at 18 April 2024, as per notice dated 22 April 2024.
3 Substantial shareholding as at 6 May 2024, as per notice dated 8 May 2024

Financial Calendar and Additional Information

For the year ended 30 June 2024

2024		2025	
22 February	Half-year results announcement	27 February	Half-year results announcement
30 June	Year end	12 March	Record date for interim dividend*
29 August	Preliminary final results announcement	16 April	Interim dividend payable*
25 October	Annual General Meeting	30 June	Year end
		28 August	Preliminary final results announcement
		17 September	Record date for final dividend*
		15 October	Final dividend payable*
		24 October	Annual General Meeting

*Subject to a dividend being authorised by the Board.

2024 ANNUAL GENERAL MEETING

The 2024 AGM of Qantas Airways Limited will be held in a hybrid format at 11am AEDT on Friday 25 October 2024.

Further details are available in the Annual General Meeting section on the Qantas Investor website at: investor.qantas.com/home/

COMPANY PUBLICATIONS

In addition to the Annual Report, the following publications can be accessed from www.qantas.com/au/en/qantas-group/acting-responsibly/our-reporting-approach.html

- Qantas Sustainability Report
- Qantas Group Code of Conduct and Ethics
- Qantas Group Corporate Governance Statement
- Qantas Group Inclusion and Diversity Policy
- Qantas Group Modern Slavery and Human Trafficking Statement
- Qantas Group Human Rights Policy Statement
- Workplace Gender Equality Reports
- Qantas Shareholder Communications Policy.

REGISTERED OFFICE

Qantas Airways Limited ABN 16 009 661 901

10 Bourke Road, Mascot NSW 2020 Australia

Telephone +61 2 9691 3636 www.qantas.com

QANTAS SHARE REGISTRY

Link Market Services Limited

Level 12, 680 George Street, Sydney NSW 2000 Australia, or Locked Bag A14, Sydney South NSW 1235 Australia

Telephone 1800 177 747 (toll free within Australia)

International +61 2 8280 7390

Facsimile +61 2 9287 0309

Email registry@qantas.com

SECURITIES EXCHANGE

Australian Securities Exchange
Exchange Centre, 20 Bridge Street Sydney NSW 2000 Australia

ADDITIONAL SHAREHOLDER INFORMATION

Using your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode of your registered address, you are able to view your holding online through Qantas' share registry, Link Market Services. Log on at: www.linkmarketservices.com.au, where you will have the option to:

- View your holding balance
- Retrieve holding statements
- Review your dividend payment history
- Access shareholder forms.

The Investor Centre also allows you to update or add details to your shareholding, including the following:

- Change or amend your address if you are registered with an SRN
- Nominate or amend your direct credit payment instructions
- Set up or amend your DRP instructions
- Sign up for electronic communications
- Add/change TFN/ABN details.

COMPANY SECRETARIES

Andrew Finch

Benjamin Elliott

Benjamin Jones

An electronic copy of this Annual Report is available in the Annual Report section on the Qantas Investor website at: investor.qantas.com/home/

Further information about the Qantas Group can be found on our corporate site at: www.qantas.com/qantas-group

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ISO 14001
ENVIRONMENTAL MANAGEMENT SYSTEMS

Qantas Airways Limited
ABN 16 009 661 901