

ASX/Media Release

QANTAS GROUP 2023 ANNUAL GENERAL MEETING

REMARKS FROM CEO VANESSA HUDSON

3 November 2023

Good morning.

It's an honour to speak to you all today, at my first AGM as Qantas Group CEO.

Since I was announced in this role, I've had a lot of conversations with shareholders, customers, and our people about where we are and where we are heading.

ACKNOWLEDGING THE PAST

Reflecting on what I've heard, the disappointment and frustration is clear.

As Richard said, there are many things – big and small – that we didn't get right.

For that, we have sincerely apologised to our customers and people, and I apologise to you, our shareholders, today.

A COMPANY YOU ARE PROUD OF

As the new CEO, I am determined to make Qantas one of the most trusted brands in this country again. Determined to be the company that you, as owners, are proud of – that delivers value for all stakeholders and gets the balance right.

Doing this won't be easy and it will take time. But I'm confident we'll succeed, because of the incredible passion our people have for Qantas, and what it has long represented.

From a management perspective, we need to give our people the right settings and tools to deliver for our customers. That work has already started, and I'd like to share a few brief examples with you – knowing we'll rightly be judged more by what we do, than what we say.

Firstly, we're investing.

We've materially increased our spending on customer experience in this financial year, which is starting to show up in the service we provide, and the value we offer.

FREQUENT FLYER IMPROVEMENTS

One example of better value is changes to the Frequent Flyer program.

Last month, we brought forward the release of 35,000 reward seats – seats you can secure with the least number of points – for members. On top of that, we added a further 6,000 rewards seats to Europe for the next summer peak.

At the same time, we offered a 50 per cent discount to the number of points required for any Premium international seat on any Qantas flight in our system.

These are things we've been able to do quickly, but we've been working on more permanent improvements to Frequent Flyer for several months that we look forward to sharing early next year.

More broadly, we understand the importance of affordable travel for everyone and we'll keep adding to the 18 network-wide sales on Qantas and Jetstar that we've had in the past 12 months. That's on top of the everyday low fares offered by Jetstar, which is on track to carry 10 million people on fares of less than \$100 this calendar year.



EASIER TO DEAL WITH

We want to be easier to deal with.

So we're reviewing all of our commercial policies to make sure they are fair. A small example of something Qantas has already changed is removing the fee to change your name on a ticket if you've made a mistake.

COVID credits have been a source of frustration for many customers, and we have taken some big steps to fix that.

In August, we announced that COVID credits will never expire.

In September, we started SMSing customers on top of the reminder email we've been sending for many months, and we've added 100 specialist agents to help when they call to redeem it.

Our efforts are working, and we've seen an acceleration in customers claiming a credit or refund in the past month alone. But there is still work to do and we will continue to drive this until all credits are used or refunded, including working with our banking partners to help automate refunds.

We're also reviewing our call centres more broadly, with extra training for agents and considering whether we bring more of this important task back onshore.

Technology also has a role to play here. We've invested tens of millions of dollars to rebuild the Qantas app from scratch, making it easier for people to manage their journey – from changing a flight to tracking your bag.

FLEET RENEWAL

New technology is also arriving in the form of new aircraft.

Since our last AGM, the Group has taken delivery of 11 new planes.

That includes eight Airbus A321LR for Jetstar, which have helped us increase capacity to key leisure destinations like Bali. And three 787s for Qantas International, which have helped us add more capacity and launch Perth-Paris from July next year.

By Christmas, our first Airbus A220 will arrive for QantasLink – an aircraft with the ability to fly between any two ports in Australia, burn up to 20 per cent less fuel and make 50 per cent less noise.

By the end of 2024, we expect to have our first A321XLR for Qantas Domestic.

Beyond that, we'll start taking delivery of our A350s and additional Boeing 787s for Qantas International.

These are big investments that will deliver for our customers, the communities we serve, our people and you, our shareholders. And they are only made possible by continued balance sheet strength.

Ultimately, it's this cycle of investment and return that we are focused on – whether it is a major fleet decision or a series of small policy changes. All stakeholders benefit when we get the balance right.

DELIVERING FOR OUR PEOPLE

I'd like to take this opportunity to thank our people.

Across Qantas, QantasLink, Jetstar, Freight and Loyalty, they do a fantastic job every day. Their commitment to safety and our customers is absolute – and has never been in doubt.

The simple fact that we had 900 volunteers to operate special repatriation flights into Tel Aviv – and the way our operations staff mobilised so quickly to make it happen – tells you everything about the commitment and capability of the people within the Group.

I acknowledge that relations with our people have been strained particularly by the tough decisions we took to get through COVID.

I am – we are – determined to rebuild those relationships.

And while this is a shared responsibility, the creation of the Chief People Officer role is a key part of that.

We also want more constructive relationships with unions. Since becoming CEO, I've reached out to leaders of all the key unions that represent our people to express my desire for a 'reset'. Those conversations have been positive, and I really appreciate that.



It's important to recognise that we won't always agree, and it's critical that the Qantas Group remains competitive, but we can look for outcomes that are sustainable and benefit everyone.

CONCLUSION

Later this month, Qantas will turn 103.

There are few companies in Australia, and even fewer airlines globally, that have reached that milestone.

While we arrive at this moment with some big challenges, we also have enormous opportunities and an exciting future.

A future that will see our brand recover, our fleet renew, our network expand, our emissions reduce and our people offered more opportunities.

Collectively, we have the experience, the focus, energy, and the financial strength to achieve this.

And we intend to restore your trust in the process.

Thank you.

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Authorised for release by the Qantas Board of Directors.

