

Our new Staff Travel website

We're delighted to let you know that our new Group staff travel site will go live on 18 July 2016. The below information outlines details of the new system as well as changes to a number of staff travel policies.

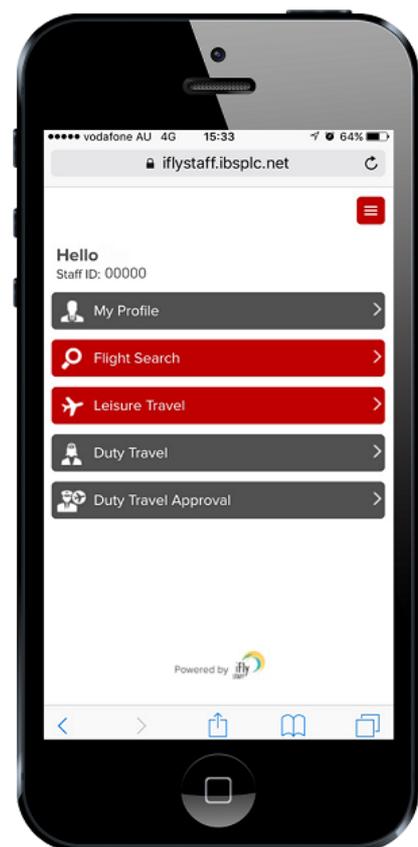
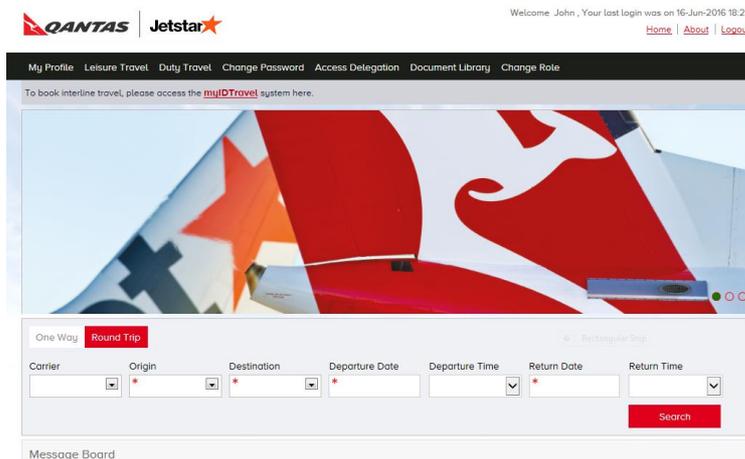
ABOUT OUR NEW STAFF TRAVEL WEBSITE

Our new staff travel system is built using software called iFly. The iFly system is currently used as a staff travel solution by a number of airlines around the world.

Implementing a new website will help us automate more of our staff travel processes, and give you a better user experience with a mobile friendly site and more accurate flight loads. Your feedback has told us these aspects of staff travel are important.

Updating our staff travel system will also ensure we keep up with advances in online technology, especially data and credit card security.

Here's a sneak peek!



CHANGES TO THE STAFF TRAVEL PROGRAM – APPLICABLE TO FORMER EMPLOYEES IN THE STAR PROGRAM

WHAT'S BEEN ANNOUNCED SO FAR?

To help us prepare for the new system a number of changes have been introduced since late last year.

Previously announced and now in effect:

- Staff travel on Jetstar services has an automated on-load and upgrade priority based on the date and time of booking
- Refund requests for unused Qantas and Jetstar staff travel bookings and downgraded Qantas flights need to be submitted within six months from the booking date
- Children under the age of six are no longer able to travel in First when using staff travel
- Unaccompanied beneficiary travel cap:
 - 12 sectors per beneficiary, per calendar year for eligible beneficiaries of former employees

Previously announced and in effect from go live of new system (18 July 2016):

- Long service recognition benefits for employees with 15 or more years of service will be awarded in the new staff travel system as 'sectors' rather than 'stages'.
- Existing 'stages' awarded prior to the new system will automatically convert to 'sectors'.
- The booking process for long service recognition benefits will be automated (meaning you'll be able to make these bookings in the new system).

WHAT ELSE IS NEW?

This month we've announced a number of further changes to the conditions of our Staff Travel Program. These will also come into effect from 18 July 2016:

- The eligible pool of Group B beneficiaries will expand to include your parents, step-parents and siblings (i.e. your brothers and sisters). You'll be able to nominate up to two beneficiaries from your Group B eligibility pool at any one time to be active. You can change your active Group B beneficiaries after a minimum period of 12 months.
- All long service recognition trip/stages awarded *prior* to the new staff travel system will now have a *10 year expiry* from the date of cutover to the new system. i.e. a 18 July 2026 expiry
- Downgrade refunds will be introduced on Jetstar services
- Any available 2015 Discount Trips currently in your staff travel profile will be converted to a more flexible staff travel credit of equivalent value in the new system
- A service fee of \$1.85 per passenger per flight sector will apply to all bookings made in the new system. This charge covers the cost of the new system; it's not a source of profit for Qantas.

We know you may have further questions on changes to our Staff Travel Program, so these are explained in more detail below.

a) NEW 10 YEAR EXPIRY ON EXISTING LONG SERVICE RECOGNITION BENEFITS

All long service recognition benefits awarded prior to our new staff travel system will now have a *10 year expiry* from the cutover date (i.e. 18 July 2016). The expiry will apply equally to long service trips and stages, and into any post-employment eligibility period. Any legacy expiry rules that applied to long service recognition benefits post-employment will no longer apply.

We know there are employees that have potentially saved up trips and stages throughout their time at Qantas, and we've therefore tried to implement an expiry rule that allows a fair and reasonable amount of time to enjoy these benefits.

Having a firm expiry on all previously accrued trips and stages (*which convert to 'sectors' in the new system – see further detail below*) will enable us to simplify and automate booking processes and streamline the administration of these awards.

Refer to Appendix A for full FAQs and examples of long service recognition awards.

b) TRAVEL BENEFICIARIES

There'll be changes to how beneficiaries are migrated across to, and appear in, our new staff travel system. This includes changes to how we categorise beneficiaries:

- **Group A beneficiaries** – In the new system you'll be permitted one active Group A beneficiary. Your Group A beneficiary is your spouse, partner or registered travel companion. Only your active Group A beneficiary and their details will be migrated across to the new system. There'll be no change to on-load categories or QEA fares currently paid by Group A beneficiaries.
- **Group B beneficiaries** – In the new system you'll be permitted up to two active Group B beneficiaries. All Group B beneficiaries with a date of birth recorded in our existing Staff Travel site will be migrated to the new system. If they don't have a date of birth recorded they won't be migrated, and you'll need to re-add them in the new system once it goes live. The eligible pool of Group B beneficiaries is also expanding – *see further details below*. There'll be no change to on-load categories or the QEB fares currently paid by Group B beneficiaries.
- **Group C beneficiaries** – Children under the age of 26 will be listed under a new beneficiary category – *Group C* – in the new system. There are no changes to the benefit entitlements for children under the age of 26, this is purely a label change to allow for automation in the new system. Group C beneficiaries aged 12 and over pay QEA adult fares when they travel, and children under the age of 12 pay two thirds of the adult QEA fare.
- **Group D beneficiaries** – Children over the age of 26 will be listed under a new beneficiary category – *Group D* – in the new system. Again, there are no changes to the benefit entitlements for children over the age of 26 or the QEB fares currently paid by these beneficiaries.

Q. Are there any other changes to travel beneficiary categories?

Yes, the eligible pool of Group B beneficiaries is expanding to include your parents, step-parents and siblings (i.e. your brothers and sisters). These changes will allow you greater flexibility in sharing your benefits with your immediate family.

You'll be allowed to nominate up to two beneficiaries from the Group B eligibility pool at any one time to be active, and change your active Group B beneficiaries after a minimum period of 12 months.

Q. How is this different to what's permitted in the existing staff travel system?

Your active Group B beneficiaries are currently restricted to your parents if you have an active Group A beneficiary.

Conversely, if you don't have an active Group A beneficiary you were permitted to have *all* of your siblings and parents as *active* Group B beneficiaries. This will no longer be the case for Group B beneficiaries, however you can nominate them two at a time for the two new Group B beneficiary slots.

Q. Are there any changes to beneficiary eligibility for former employees?

In our new staff travel system former employees will now be allowed to make the following changes:

- One Group A change per annum
- Two Group B changes per annum
- Unlimited Group C and D changes per annum

This is a significant improvement on what's currently permitted, i.e. a total of two beneficiary changes throughout the entire period of your post-employment benefits.

Q. Are there any changes to the travel beneficiary nomination process?

In the new system all beneficiaries (including travel companions) will require proof of identity documents to be uploaded into the system. There'll be a verification process these documents need to go through, however this won't prevent you from booking their travel immediately. As per the conditions of our Staff Travel Program, any employee found to have not complied with the beneficiary eligibility criteria will run the risk of having their staff travel benefits suspended.

Q. I need to update my travel beneficiaries – should I do that now or wait for the new system?

There'll be a freeze on beneficiary updates during cutover to the new staff travel system. So if you think you'll be travelling in the days before or after 18 July 2016 and need to change or add a Group A beneficiary, we strongly recommend you do this sooner rather than later.

If you don't have any imminent beneficiary changes planned there's no action required from you at this point in time.

c) JETSTAR DOWNGRADE REFUNDS

Our new staff travel site will now permit refunds of the fare difference for downgraded travel on Jetstar services. For example, when you've purchased a Business ticket and have ultimately travelled in the Economy cabin.

Only bookings made using the *new system* will be eligible for a downgrade refund on Jetstar services. Bookings made in our existing staff travel system remain ineligible for this type of refund.

d) INTRODUCTION OF A SERVICE FEE

All bookings made in our new Staff Travel Online will incur a service fee of \$1.85 per passenger per flight sector, regardless of the booking class or carrier.

This fee is to cover the cost of the new staff travel system, which is operated by a third party provider. It is not a source of profit for Qantas.

Q. Why did we choose a staff travel solution that passes on a service fee to end users?

There'll always be a cost to the Group to use technology supplied by a third party, and our new staff travel solution is no different.

A number of suppliers (including Luftansa Systems who own myIDTravel) pitched their technology for our new system and iFly was the most cost-effective option. Their service fee is comparable to the fee you pay today when booking interline travel using the myIDTravel site.

Q. Is the service fee refundable?

The service fee relevant to each flight sector is fully refundable if that sector isn't flown. The service fee is not refunded in the event of a downgrade.

Q. Will the service fee ever change or increase?

The service fee will remain static at \$1.85 for a period of five years, at which time it will be reviewed.

e) DISCOUNT TRIPS – STAFF TRAVEL CREDIT

Former employees with unused 2015 staff travel Discount Trips will have these converted to a staff travel *credit* in the new system.

The staff travel credit is more flexible than the previous Discount Trips:

- the value of any unused credit can be carried forward for subsequent bookings (currently any unused Discount Trip value is forfeited); and
- this credit can be used for payment toward any bookings made in the new staff travel system.

Credits from any unused 2015 Discount Trips will maintain the original expiry date of the benefit (i.e. 31 December 2016).

Q. What happens to the High Priority that was attached to my unused 2015 Discount Trips?

The high priority category that currently comes with the 2015 Discount Trips will no longer apply in the new system.

USING STAFF TRAVEL ONLINE ON A MOBILE DEVICE

Our new staff travel system will be available in two versions:

- A desktop site with full functionality (recommended if you're on a laptop or computer);
- A second site specifically for mobile devices (with some reduced functionality).

If you want to access all the features of the new system we suggest logging in via your computer or laptop.

Q. Is the mobile site the same as an App?

No, an App is something you need to download specifically from the Apple or Google Play stores. A 'mobile site' simply means the website display will automatically scale itself to suit the screen of the device you're using, resulting in a much better user experience.

Q. What capabilities will the mobile site have?

From 18 July you'll be able to perform the following tasks on the mobile site:

- Make a new booking
- Change a booking (Note: you'll only be able to change bookings made in the new system);
- and
- Check flight loads

Q. Do I need to enable any specific settings to use the mobile site?

The mobile site will only work if you have 'Private browsing' turned *off* on your device's internet browser (for example Safari if you're on an iPhone/iPad, or Google if you're on an Android device).

The mobile site has been tested on the following devices:

- iPhone – 5E, 5S, 6, 6s and 6s Plus
- Samsung – Galaxy S4, Galaxy 6, Galaxy S6 Edge Plus, Galaxy S7 Edge, Galaxy Note Edge
- iPad Mini 4
- Samsung Galaxy Note 3, Samsung Galaxy Note 5

INTERLINE TRAVEL

Q. Are there any changes to how Interline Travel bookings are made?

No changes – you'll find a link to myIDTravel on the home page of our new staff travel system (desktop version only at this stage).

APPENDIX A: LONG SERVICE RECOGNITION BENEFITS

The following changes to long service recognition benefits were announced in November last year, and come into effect with the launch of the new system.

The FAQs and examples below have been compiled based on your feedback and queries since November.

Q. What changes will be made to long service recognition benefits?

LONG SERVICE RECOGNITION TRIPS

The long service recognition 'trip' awarded to employees with 10 years of eligible service will remain as a 'trip' and will now expire as follows:

- Long service recognition 'trips' awarded **prior** to the new system will now expire at the earlier of either 10 years from the cutover date (i.e. 18 July 2026); or end of benefit.

LONG SERVICE RECOGNITION STAGES/SECTORS

- All stages awarded **prior** to our new staff travel system will convert to sectors on a 1:1 basis when the new system goes live.
- At migration your remaining long service stages will be combined per beneficiary group (i.e. adult or child) and any half stages at the time of migration will be rounded up to a whole sector on migration to the new system.

BENEFICIARIES USING LONG SERVICE RECOGNITION AWARDS

- Beneficiaries booked for travel and accompanied with current employees will still receive a 52Y on-load priority
- The *on-load category* for *unaccompanied beneficiaries* using all long service recognition trips and sectors will receive the relevant unaccompanied on-load category based on the relevant beneficiary group – e.g. 52Y for Group A and C beneficiaries of former employees travelling unaccompanied, or 59Y for Group B and D beneficiaries of former employees travelling unaccompanied.
- The *upgrade priority* for *unaccompanied beneficiaries* using all long service (F3) will continue to apply for accompanied or unaccompanied beneficiary travel.

Q. What are the long service recognition benefits that will apply after the introduction of our new staff travel system?

Migrated Trips	Long Service Recognition Benefit	Beneficiary Eligibility	Expiry Rules
Example – 10, 15, 20 etc.	You are eligible for one free trip to any Qantas Group destination.	Employee plus one other eligible Group A or B or D beneficiary and eligible Group C children. Note: A 52Y on-load category applies to the employee and any accompanying beneficiaries. You may choose to give your trip to your beneficiaries (max 2 adults plus all eligible Group C children) instead of using it yourself. Note: the relevant unaccompanied on-load/upgrade category based on the beneficiaries travelling will apply where the employee chooses not to accompany the beneficiary.	The earlier of: <ul style="list-style-type: none"> • 10 Year from cutover to the new system (i.e. 18 July 2026), OR • end of benefit
Migrated recognition sectors	Your unused balance if stages will be migrated as sectors.	The adult sectors may be used by yourself or any of your eligible Group A or B or D beneficiaries. Note: A 52Y on-load category applies to the former employee and any accompanying beneficiaries. Adult sectors may be used by eligible children ² , however child sectors cannot be used by adults. Your nominated beneficiaries may travel independently of you when using sectors (however the relevant unaccompanied on-load category based on the beneficiaries travelling unaccompanied will apply).	The earlier of: <ul style="list-style-type: none"> • 10 Year from cutover to the new system (i.e. 18 July 2026), OR • end of benefit

¹ A sector is one single flight sector from a scheduled take-off to a scheduled landing. For example a Sydney to London return flight involves four flight sectors i.e. 1) SYD-DXB, 2) DXB-LHR, 3) LHR-DXB, and 4) DXB-SYD.

² Eligible children must be under 21 years at the time the stages are accrued and under 26 years at the time of travel, where no 'child' stages remain.

Q. Why is the benefit changing to one based on 'sectors' rather than 'stages'?

At the moment long service recognition benefits can only be booked by calling the staff travel call centre. To enable bookings online, we've removed the concept of 'stages' and replaced this with 'sectors'. This gives employees a 24-hour self-service booking capability for long service recognition awards.

Q. Can my beneficiaries use my long service recognition benefits without me accompanying them?

Yes. As is the case currently, you can chose to give your long service benefits to your beneficiaries to travel unaccompanied the relevant unaccompanied on-load category based on the beneficiary group applies.

- 52Y for Group A & C³ beneficiaries of former employees (travelling unaccompanied)

- 59Y for Group B & D beneficiaries of current and former employees (travelling unaccompanied)

³ Group C beneficiaries are children under 26 years of age at the time of travel under the new system.

LONG SERVICE RECOGNITION AWARDS - EXAMPLES

To recap, all long service recognition benefits will now expire as follows:

- Long service recognition benefits awarded **prior** to the new system will now expire at the earlier of either 10 years from the cutover date (i.e. 18 July 2026); or end of benefit.

Example 1: Former employee at cutover to new system

Jenny left the Qantas Group on 1 January 2016 with post-employment benefits until 31 December 2033.

Jenny has used some, but not all of her long service recognition awards. At the date of cutover she has the following remaining benefits:

Current long service award	Current expiry	Converted long service award	New expiry
1 x 10 year trip ⁴ (accrued after 1 January 1995)	31 December 2021 (i.e. 5 years from the date of termination under the current policy)	1 x 10 year trip	18 July 2026
3.5 x adult stages 1.5 x child stages ⁴ (all accrued after 1 January 1995)		4 x adult sectors 2 x child sectors	

⁴ Under the current policy, long service recognition awards accrued from 1 January 1995 (for former employees with post-employment benefits) had a 5 year expiry from the date of termination of employment.

Example 2: Former employee at cutover to new system

Nick left the Qantas Group on 1 January 1990 with post-employment benefits which expire on 31 December 2018. Nick has used some, but not all of his long service recognition awards. At the date of cutover he has the following remaining benefits:

Current long service award	Current expiry	Converted long service award	New expiry
1 x 10 year trip ⁵ (accrued prior to 1 January 1995)	31 December 2018 (i.e. end of benefit date)	1 x 10 year trip	31 December 2018 (the sooner of 10 years or the date the staff travel eligibility ceases)
5.5 x adult stages ⁵ (accrued prior to 1 January 1995)		6 x adult sectors	

⁵ Under the current policy, long service recognition awards accrued prior to 1 January 1995 (for former employees with post-employment benefits) expired at the date of cessation of the post-employment staff travel eligibility.

APPENDIX B: UNACCOMPANIED BENEFICIARY CAP – IN FULL EFFECT WITH NEW SYSTEM

Q. What is changing?

Unaccompanied beneficiary travel will be capped:

- At 12 sectors per beneficiary, per calendar year for eligible beneficiaries of former employees

This is not a pool of 12 sectors to share amongst beneficiaries. It is a per beneficiary allocation, per calendar year.

The cap will be automatically enforced by the new staff travel system from its go live date.

Q. Why are we capping the number of sectors an unaccompanied beneficiary can use?

Staff travel benefits are intended primarily for our current and eligible former employees. A recent audit indicated that some beneficiaries flew more than 200 unaccompanied sectors in a year. This change will help us to mitigate the commercial revenue risk associated with such extreme usage and make the staff travel program more sustainable for the future. Beneficiaries continue to have unlimited access to staff travel benefits when accompanying the employee on Qantas Group services.

Q. How many sectors will my beneficiaries have once the new system goes live, considering we're halfway through the calendar year?

We'll reset the number of available unaccompanied beneficiary flight sectors for all beneficiaries of former employees to 12 when we go live with the new system.

From then on, this number will be reset to 12 on 1 January each year.

Q. What happens if I change a beneficiary during the year?

The number of available unaccompanied beneficiary sectors for your new travel beneficiary will be reset to 12 at the time you change that beneficiary.

Other things to know:

- The unaccompanied beneficiary cap applies to all domestic and international Qantas and Jetstar Group flights (combined)
- The cap does not apply to Interline sectors, but you should be aware that Interline carriers may impose caps on the number of sectors beneficiaries can travel, whether accompanied by the employee or not. This is determined by the terms of each Interline agreement we have with the relevant carrier
- We understand the cap may impact certain family and personal situations and have designed the system to allow exceptions when deemed genuinely appropriate. These situations will be considered on a case-by-case basis but **only** as the cap is being reached. More information on the exceptions process will be available after the new system has launched.

MORE INFORMATION

We'll continue to update our current Staff Travel website with details on the new system as they become available.

If you have further questions on any of the above changes or information email the team at stafftravelchanges@qantas.com.au and they'll respond as soon as they can.

We ask that you refrain from calling the staff travel call centre with these queries, to make sure they remain available to assist those with imminent travel bookings and concerns.



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