FOI Act 1982 by the Department of Infrastructure under the Released

**From:** Regional Aviation Network Support **Sent:** Wednesday, 6 January 2021 12:08 PM

**To:** \$47F

Cc: ; Regional Aviation Network Support; s47F

**Subject:** HPE CM: RE: RANS December Variation Agreement and invoicing [SEC=OFFICIAL] **Attachments:** Qantas Variation Agreement RANS <sup>\$47G(1)(a)</sup> load factor threshold change) -

executed.pdf

### OFFICIAL

Hi s47F

For your records, please find attached the executed Variation Agreement giving effect to the RANS load factor threshold change for s47G(1)(a).

let me know if you need anything else from me regarding the outstanding RANS September invoices.

Kind regards, s22(1)(a)(ii)

#### **OFFICIAL**

**From:** Regional Aviation Network Support **Sent:** Tuesday, 5 January 2021 11:04 AM

To: s47F

Cc: s22(1)(a)(ii) ; Regional Aviation Network Support; s47F ; s47F

Subject: HPE CM: RE: RANS December Variation Agreement and invoicing [SEC=OFFICIAL]

#### OFFICIAL

Hi s47F – thanks very much for sending through the data for 1-4 October.

In the first instance, are you able to provide the revised spreadsheets for Qantas' outstanding September 2020 invoices? (RANS weeks 10, 11, 12, 13 and 30 September, see attached email for previous versions). These just need to be amended as per my email below (17 December) – essentially removing the 'other flight subsidies' for and satisfied and sat

Regarding the spreadsheet used for invoices from 1 October 2020 – the intent for Qantas was that the greyed-out cells in the 'passengers' tab don't need to be filled in, as the average load factor is calculated from the 'RANS Detail' tab. The exception is multi-sector routes (e.g. \*\*\*

| Satisfied in the 'RANS Detail' tab. We've tweaked the formula on the 'Passengers' tab (see attached), so if you could just add

in passengers by sector for the four RANS-supported multi-sector routes only (s47G(1)(a)

), then the average load factor will calculate correctly. I see you've added in some pax numbers for these routes but not all. Let me know if this is too onerous and we can see how else this can be done.

• I've also updated the route length in the index tab for s47G(1)(a) and and s47G(1)(a) to 1,996km.

Feel free to give me a call if anything is unclear.

Kind regards,

s22(1 )(a)(ii

s22(1)(a)(ii)

Director | Policy, Coordination and Assurance

Regional Policy & Programs | Domestic Aviation Policy & Programs

Department of Infrastructure, Transport, Regional Development and Communications

t: 02 6274 (a)(ii) | 0448 (22(1)(a)(iii) w: www.infrastructure.gov.au GPO Box 594, Canberra ACT 2601

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#### **OFFICIAL**

From: s47F @qantas.com.au>
Sent: Monday, 4 January 2021 7:49 PM

To: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au>; 847F

Cc: s22(1)(a)(II) @infrastructure.gov.au>

Subject: HPE CM: RE: RANS December Variation Agreement and invoicing [SEC=OFFICIAL]

Hi s22(1)

Please find attached RANS invoice template for the first billing period utilising the updated template (01/10 to 04/10). A couple of things from our side:

- I believe strain and and strain and strain
- The Passengers tab has been completed with a line for each individual sector as opposed to routes. Given the
  way our internal reporting is set up it would be difficult and very time consuming to match the return sectors
  up. Therefore is it possible to continue to complete under this methodology given all the data will be
  captured/consolidated via the route identifier?

Thanks,

s47F

From: Regional Aviation Network Support <COVIDrans@infrastructure.gov.au>

Sent: Monday, 4 January 2021 4:25 PM

< a grantas.com.au>

Document 1

			1 01 20-0	700		Document
Cc: s47F	<	@qantas.com.au>; s4		< <sup>s47F</sup>		itas.com.au>;
s47F	< <sup>s47F</sup>	@jetstar.com>; s47F	< <sup>\$47F</sup>	@qantas.com.au>;	s22(1)(a)(ii)	
<s22(1)(a)(ii)< th=""><th></th><th>@infrastructure.gov.au&gt;; Region</th><th>al Aviation</th><th>n Network Support</th><th><covidrans@infras< th=""><th>tructure.gov.au&gt;</th></covidrans@infras<></th></s22(1)(a)(ii)<>		@infrastructure.gov.au>; Region	al Aviation	n Network Support	<covidrans@infras< th=""><th>tructure.gov.au&gt;</th></covidrans@infras<>	tructure.gov.au>
				[656 05516141]		

EUI 33-083

**Subject:** RE: RANS December Variation Agreement and invoicing [SEC=OFFICIAL]

#### **OFFICIAL**

Hi s47F and s47F

Happy new year and thanks for sending through the signed Variation Agreement, we are arranging counter-signing and will send through the executed copy for your records.

Regarding Qantas' outstanding RANS invoices and data, are you able to send through an updated invoice template for one week that we can review and confirm the approach is correct?

Kind regards,

s22(1 )(a)(ii)

s22(1)(a)(ii)

Director | Policy, Coordination and Assurance

Regional Policy & Programs | Domestic Aviation Policy & Programs

Department of Infrastructure, Transport, Regional Development and Communications

t: 02 6274 s22(1) | 0448 s22(1)(a)(ii) w: www.infrastructure.gov.au GPO Box 594, Canberra ACT 2601

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# **OFFICIAL**

From: s47F		< <sup>s47F</sup>	@qantas.com.	au>			
Sent: Sunda	y, 27 De	ecember 202	0 10:51 AM				
To: s47F	<	s47F	@qantas.com.au	>; Regional .	Aviation Ne	twork Support	
< COVIDrans	@infras	structure.gov	<u>/.au</u> >				
Cc: s47F	< <sup>8</sup>	s47F	@qantas.com.au>	. s47F		< <sup>\$47F</sup>	@qantas.com.au>;
s47F	<s47f< th=""><th><u>@jet</u></th><th>star.com&gt;; s47F</th><th><s47f< th=""><th>@gantas.co</th><th>om.au&gt;; <sup>s22(1)(a)(ii)</sup></th><th></th></s47f<></th></s47f<>	<u>@jet</u>	star.com>; s47F	<s47f< th=""><th>@gantas.co</th><th>om.au&gt;; <sup>s22(1)(a)(ii)</sup></th><th></th></s47f<>	@gantas.co	om.au>; <sup>s22(1)(a)(ii)</sup>	
<s22(1)(a)(ii)< th=""><th></th><th>@infrastruc</th><th>ture.gov.au&gt;; CHA</th><th>PPLE Clare &lt;</th><th>Clare.Chap</th><th>ple@infrastructure.g</th><th><u>ξον.au</u>&gt;</th></s22(1)(a)(ii)<>		@infrastruc	ture.gov.au>; CHA	PPLE Clare <	Clare.Chap	ple@infrastructure.g	<u>ξον.au</u> >
Subject: RE:	RANS [	December Va	riation Agreement	and invoici	ng [SEC=OF	FICIAL]	

Hi RANS team,

Please find attached RANS variation. Apologies for the delay in this coming to you and over the break.

Regards,

s47F

From: s47F @qantas.com.au>

Sent: Tuesday, 22 December 2020 11:24 AM

To: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au>

<Clare.Chapple@infrastructure.gov.au>

Subject: RE: RANS December Variation Agreement and invoicing [SEC=OFFICIAL]

Hi (ii) s22(1)(a)

Thank you for updating the agreement, its much appreciated. We will arrange for execution.

I will follow up those outstanding invoices and data for you to see if they will be ready before COB today.

Kind regards,

From: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au >

Sent: Tuesday, 22 December 2020 10:12 AM

To:<sup>s47F</sup> <s47F @gantas.com.au> s47F Cc: s47F s47F @qantas.com.au>; s47F @gantas.com.au>; s47F <\$47F @jetstar.com>; s47F @gantas.com.au>; s22(1)(a)(ii) s22(1)(a)(ii) @gantas.com.au>; @infrastructure.gov.au>; Regional Aviation

Network Support <COVIDrans@infrastructure.gov.au>; CHAPPLE Clare <Clare.Chapple@infrastructure.gov.au>

Subject: RE: RANS December Variation Agreement and invoicing [SEC=OFFICIAL]

**OFFICIAL** 

Hi s47F

Apologies for the oversight – please find attached a revised Variation Agreement listing (b) as the load factor threshold as well as a revised invoice template with the updated threshold.

Just wanted to follow up on the outstanding invoices and whether Qantas is able to send through revised data for our review today?

Kind regards, s22(1)(a)

s22(1)(a)(ii)

Director | Policy, Coordination and Assurance COVID Regional Policy & Programs | COVID Aviation Issues Management Department of Infrastructure, Transport, Regional Development and Communications t: 02 6274 s22(1) | 0448 s22(1)(a) s22(1) (a)(ii) w:

www.infrastructure.gov.au GPO Box 594, Canberra ACT 2601

Hi s22(1) Clare,

The department proudly acknowledges the Traditional Owners and Custodians of Australia, and their continuing connections to the land, waters and communities. We pay our respects to them and to their Elders past, present and emerging.

## **OFFICIAL**

From: S47F @gantas.com.au> Sent: Friday, 18 December 2020 6:12 PM To: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au>; CHAPPLE Clare <Clare.Chapple@infrastructure.gov.au> Cc: s47F @qantas.com.au>; s47F @qantas.com.au>; s47F @jetstar.com>; s47F @qantas.com.au>; s47F @qantas.com.au>; s22(1)(a)(ii) @infrastructure.gov.au> Subject: RE: RANS December Variation Agreement and invoicing [SEC=OFFICIAL] Hi s22(1) Clare, to [547(1)]. This is what we originally advised, Thanks for this. I note that the change has been made to change s47G(1)(a) however I was later informed that the actual number was (b) and sent that through to the RANS COVID email on 3 Nov (attached). Perhaps this one slipped through and apologies again for the change to the initial advice. In that 3 Nov email we corrected the s47(1)(b) and included a table as evidence to support the correction. Would it be possible to update the s47(1)(b)? Hopefully this won't require too much additional work from your end. Please let me know if you have any questions or concerns. Kind regards, From: 847F Sent: Friday, 18 December 2020 2:49 PM To: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au>; CHAPPLE Clare <Clare.Chapple@infrastructure.gov.au> Cc: s47F @qantas.com.au>; s47F @qantas.com.au>; s47F @gantas.com.au>; s47F @jetstar.com>; s47F s22(1)(a)(ii) <s47F @qantas.com.au>; s22(1)(a)(ii) @infrastructure.gov.au> Subject: RE: RANS December Variation Agreement and invoicing [SEC=OFFICIAL]

Thanks very much for sending through the variation and confirming the treatment of the state subsidised routes, it's much appreciated.

We will do a review and come back to you today on this. safe is in the process of preparing the updated invoice template and other outstanding invoices.

Also wanted to flag that due to the border changes associated with the Northern Beaches cluster, we have been reviewing the RANS schedule and have included some proposed amendments for your consideration (all are routes that are in the existing contract), however will pop this in a separate email to you shortly.

Kind regards,

Manager, Government Affairs
Government, Industry, International and Sustainability
Qantas Airways Limited
A Wing, Level 1, 10 Bourke Road, Mascot NSW 2020
P. 0423
E. SATF
Qantas.com.au

<u>qantas.com</u> | <u>facebook.com/qantas</u> | <u>twitter.com/qantasairways</u> | <u>youtube.com/qantas</u>

From: Regional Aviation Network Support < <a href="mailto:COVIDrans@infrastructure.gov.au">COVIDrans@infrastructure.gov.au</a>

Sent: Thursday, 17 December 2020 4:34 PM

To: s47F @qantas.com.au>

Network Support < COVIDrans@infrastructure.gov.au >; \$47F @qantas.com.au >; \$22(1)(a)(ii)

<s22(1)(a)(iii) @infrastructure.gov.au>; CHAPPLE Clare <Clare.Chapple@infrastructure.gov.au>

**Subject:** RANS December Variation Agreement and invoicing [SEC=OFFICIAL]

## **OFFICIAL**

Hi<sup>s47F</sup> and team,

Following on from our conversation yesterday, please find attached a Variation Agreement for Qantas' signature to increase the load factor threshold on s47G(1)(a) from s47(1)(b) to s47(1)(b) , in recognition that this route will be operated by Jetstar going forward. This change will be effective from 28 October. As previously discussed, the Department has not agreed to provide support under RANS for the four Jetstar routes (s47G(1)(a) ). The Department has agreed in-principle to list s47G(1) is route – if you can let us know when the agreement with the s47G(1)(a) is finalised, then we can issue a further Variation Agreement to give effect to this change.

Regarding the treatment of state-subsidised flights and revenue, as discussed yesterday:

- The approach you've outlined below for s47G(1)(a) is correct.
  - o Because the s47G(1)(a) for the s47G(1)(a) flights is supporting all flights on this route, not just a specified number, this should be reported as revenue under RANS.
- For the s47G(1)(a) and s47G(1)(a) routes, there is no need to identify which flights are the state subsidised flights. Provided Qantas operates at least the maximum number of

subsidised flights (i.e. RANS plus state-subsidised), the state subsidy does not need to be reported as revenue under RANS, as these flights are treated separately to the RANS flights. However, Qantas does need to report all passenger and freight revenue across all flights operated on the route (RANS, state-subsidised, and commercial) for the purposes of apportioning the revenue.

- So for example, if on a RANS-subsidised route Qantas operates 2 RANS-subsidised, 2 state-subsidised, and 2 commercial flights (total 6 flights):
  - passenger and freight revenue from all 6 flights should be reported, and then the invoice spreadsheet will apportion these to the two RANS-subsidised flights (e.g. \$6,000 total revenue = \$2,000 revenue on the 2 RANS flights)
  - the state payments for the two state-subsidised flights should not be reported as revenue.
- If Qantas operates fewer than the maximum number of subsidised flights (e.g. RANS is supporting 2 and the state is supporting 2, but Qantas only operates 3 total), please get in contact with us – but I suspect this scenario is unlikely.

If you have any further questions, please don't hesitate to give me or s47G(1)(a) a call.

If you could send through an updated invoice template for one week we can quickly review and confirm the approach is correct. Once we've done this we'd appreciate if you could send through as many of your outstanding invoice spreadsheets as possible, as it's important that we get up-to-date with payments as well as see more recent data on route performance. I've attached a revised invoice template to use from 1 October, which now includes the revised load factor threshold.

#### Kind regards, \$22(1)(a)(ii)

#### s22(1)(a)(ii)

A/g Director | Policy,
Coordination and
Assurance
COVID Regional Policy &
Programs | COVID Aviation
Issues Management
Department of
Infrastructure, Transport,
Regional Development and
Communications
t: 02 6274 (iii) | 0448 (iii) | 0448 (iii) | w:
www.infrastructure.gov.au
GPO Box 594, Canberra
ACT 2601

Sent: Monday, 14 December 2020 1:52 PM

To: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au >; S47F @qantas.com.au >

Cc: S47F @qantas.com.au >; S47F @qantas.com.au >; S22(1)(a)(ii)

s22(1)(a)(ii)
@infrastructure.gov.au>

Subject: RE: RANS over Christmas/New Year [SEC=OFFICIAL]

Hi s22(1)(a)(ii)

s47(1)(b)

Thank you for your time on the phone last and apologies for the delay on this. We have included some further information below, and outlined how we proposed to treat each route.

As a general principle, we acknowledge the Department's view that if state subsidised flights does not overlap with RANS funded flights, then those state subsidised flights do not need to be included in revenue and can be excluded from the average revenue calculation. In the below, we have identified which flights we propose to treat as 'state' routes for the Department's consideration.

If you could please review this and confirm whether the Department is comfortable with this approach that would be much appreciated.

by the Department of Infrastructure, Development, Released under the FOI Act 1982

Document 1

s47(1)(b)

Please let me know if you have any questions on this.

Kind regards,

s47F

s47F

Manager, Government Affairs Government, Industry, International and Sustainability Qantas Airways Limited A Wing, Level 1, 10 Bourke Road, Mascot NSW 2020

P. 0423 s47F

E. sarr @qantas.com.au

<u>qantas.com</u> | <u>facebook.com/qantas</u> | <u>twitter.com/qantasairways</u> | <u>youtube.com/qantas</u>



From: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au>

Sent: Wednesday, 9 December 2020 9:08 AM

To: s47F @qantas.com.au>; Regional Aviation Network Support

<<u>COVIDrans@infrastructure.gov.au</u>>; s47F @qantas.com.au>

Cc:<sup>s47F</sup> @qantas.com.au>; s47F @gantas.com.au> s22(1)(a)(ii)

@infrastructure.gov.au>

Subject: RANS over Christmas/New Year [SEC=OFFICIAL]

**OFFICIAL** 

Hi <sup>s47F</sup> and s47F

Thank you for your time on the phone Monday to discuss the state subsidies and we hope to hear from you soon regarding the remaining questions. We would like to be able to address this matter promptly to enable you to submit the outstanding claims for payment.

I am also writing to advise that the Department will be closed over the Christmas/New Year period from 25 December 2020 and reopening 4 January 2021. Payment of claims under RANS will not occur over this time.

Claims need to be submitted with all required information no later than this Friday 11 December for them to be assessed ahead of the finance cut off period of 17 December 2020.

Please contact me with any questions.

Kind Regards

s22(1)(a)(ii)

#### s22(1)(a)(ii)

Regional Aviation Programs | COVID Regional Policy and Programs | COVID **Aviation Issues** Management Department of Infrastructure, Transport, Regional Development and Communications t: 02 6274 s22(1)(a)(ii)

w:

www.infrastructure.gov.au GPO Box 594, Canberra ACT 2601

# **OFFICIAL**

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Qantas Airways Limited ABN 16 009 661 901

Visit Qantas online at http://gantas.com

\*

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# **Australian Government**

# Department of Infrastructure, Transport, Regional Development and Communications

# **VARIATION AGREEMENT**

VARIATION AGREEMENT IN RELATION TO THE REGIONAL AIRLINE NETWORK SUPPORT SCHEME

The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications ABN 86 267 354 017

Qantas Airways Limited ACN 009 661 901 ABN 16 009 661 901

VARIATION: 003

# CONTENTS

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#### VARIATION AGREEMENT

VARIATION AGREEMENT IN RELATION TO THE REGIONAL AIRLINE NETWORK SUPPORT SCHEME

## **Parties**

This Variation Agreement is made between and binds the following parties:

- The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications
   ABN 86 267 354 017, 111 Alinga Street, Canberra, Australian Capital Territory (Commonwealth)
- Qantas Airways Limited ACN 009 661 901, ABN 16 009 661 901
   Bourke Road, Mascot, NSW, 2020 (the 'Operator')

#### Context

- The parties entered into the Agreement on 7 July 2020.
- B. The parties have previously varied the Agreement on 15 October 2020 and 16 October 2020 (the Former Variations).
- C. The parties agree to vary the Agreement in accordance with the terms of this Variation Agreement.

# Operative provisions

In consideration of the mutual promises contained in this document, the parties to this Variation Agreement agree as follows:

# 1. Interpretation

## 1.1. Definitions

- 1.1.1 In this Variation Agreement, unless the contrary intention indicates otherwise:
  - terms used in this Variation Agreement that are not defined below and are defined in the Agreement have the same meaning as in the Agreement; and
  - b. a term in bold type has the meaning shown opposite it.

Agreement means the grant agreement in relation to the

provision of funding under the Regional Airline

Network Support Program executed by the parties on

7 July 2020 as varied by the Former Variations.

**Effective Date** 

means 28 October 2020.

Variation Agreement

means this Variation Agreement and any other documents expressly identified as forming a part of

Page 2 of 8

this Variation Agreement.

# 2. Variation

# 2.1. Variation to the schedules of the Agreement

2.1.1. The parties agree that on and from the Effective Date, the Schedules to the Agreement are varied as follows:

a. Delete Schedule 2: Details of the routes supported under this agreement in its entirety and replace with the Schedule 2: Details of the routes supported under this agreement set out at Annexure A to this Deed.

#### 2.2. Effective Date

2.2.1. The parties agree that the variations to the Agreement set out in this Variation Agreement will apply on and from the Effective Date and do not, unless otherwise stated in this Variation Agreement, affect any rights or liabilities of the parties arising before that date.

## General

## 3.1. Applicable law

3.1.1 This Variation Agreement is governed by the same laws as applicable to the Agreement and each party submits to the non-exclusive jurisdiction of the courts of the jurisdiction as specified in the Agreement.

# 3.2. Costs and Stamp Duty

- 3.2.1. The parties agree to bear their own costs and expenses (including legal costs) of and incidental to the preparation, negotiation, execution and completion of this Variation Agreement and of any related documentation.
- 3.2.2. The Operator will pay any stamp duty payable on execution of this Variation Agreement or any related documents.

#### 3.3. Confirmation

3.3.1. The parties confirm all other terms and conditions of the Agreement and, subject only to the variations contained in this Variation Agreement, the Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the terms of this Variation Agreement were supplemental to the Agreement.

## 3.4. Entire Agreement

- 3.4.1. This Variation Agreement and the Agreement, when read together, contain the entire agreement of the parties with respect to the parties' rights and obligations under the Agreement and supersede all prior understandings and representations between the parties with respect to the parties' rights and obligations under the Agreement.
- 3.4.2. Each party will take such steps, execute all such documents and do all such acts and things as may be reasonably required by any other party to give effect to any of the transactions contemplated by this Variation Agreement.

# 3.5. Amendments in writing

3.5.1. The provisions of this Variation Agreement will not be varied either in law or in equity except by agreement in writing signed by the parties.

This Variation Agreement is made on	Janua	2021 <del>oci 2020</del> .
Executed for and on behalf of the Commonwealth of Australia, as represented by the Department of Infrastructure, Transport, Regional Development and Communications ABN 86 267 354 017:	) )	s22(1)(a)(ii)
Name of signatory		Signature
In the presence of:  s22(1)(a)(ii)  Name of witness		Signature of witness
Executed on behalf of Qantas Airways Limited by its authorised representative:	) )	2475
Name of Authorised Representative		Signature of Authorised Representative
s47F		s47F
Name of Witness		Signature of Witness

# Annexure A

# Schedule 2- Details of the routes supported under this agreement

Table 1: Qantas RANS routes

oute *	ircraft Nun	nber of weekly ices	Commencement date	-s47(1)(b)	Stage Length Multiplier	s47G(1)(a)
G(1)(a)		2	29/07/2020	<u> </u>	0.65	7
		2	15/07/2020		0.65	
		2	15/07/2020		1.00	
	-	2	1/07/2020		2.00	
		1 service from 19/2020; 2 services from 1/10/2020	2/09/2020		0.65	
		2	1/07/2020		2.00	
		2	1/07/2020		2.00	
		2	1/07/2020		2.00	
		2	15/07/2020		0.65	
		2	09/11/2020		0.65	
		2	15/07/2020		0.65	
		2	1/07/2020		0.65	
		2	1/07/2020		2.00	
		2	29/07/2020		0.65	
		2	02/11/2020		0.65	

Route	Aircraft	Number of weekly services	Commencement date	s47(1)(b)	Stage Length Multiplier	S47G(1)(a)
s47G(1)(a)		2	09/11/2020	-	1.50	
		2	1/10/2020		1.50	
		2	1/10/2020		1.50	
		2	1/07/2020		1.50	
		2	1/07/2020		2.00	
		2	15/07/2020		1.50	
		2	1/07/2020		2.00	
		2	15/07/2020		0.65	
		2	1/07/2020		1.50	
		3	1/07/2020		1.50	
		2	1/07/2020		2.00	
		2	22/07/2020		1.00	
		2	14/12/2020		0.65	
		2	22/07/2020		0.65	
		2	1/07/2020		2.00	
		2	26/08/2020		0.65	
		2	29/07/2020		1.00	
		2	1/07/2020		2.00	
		2	1/07/2020		1.50	
		2	2/09/2020		2.00	

Route	Aircraft	Number of weekly services	Commencement date	s47(1)(b)	Stage Length Multiplier	s47G(1)(a)
47G(1)(a)		2	09/11/2020		2.00	
		2	1/07/2020		2.00	
		2	1/07/2020		2.00	-
		2	09/11/2020		0.65	
		2	1/07/2020		1.50	
		2	1/07/2020		2.00	
		2	1/07/2020		2.00	
		2	1/07/2020		2.00	
		2	1/07/2020		0.65	-
		2	15/08/2020		1.50	
		2	1/07/2020		1.50	-
		3	1/07/2020		1.50	
		2	2/09/2020		1.50	
		2	15/07/2020		2.00	
		2	1/07/2020		2.00	
		2	1/07/2020		2.00	
		2	1/07/2020		2.00	

# Stage Length Multiplier

Stage Length	Multiplier		
<500km	2.0		
500km – 999km	1.5		
1000km – 1500km	1.0		
>1500km	0.65		



Managing Director and Chief Executive Officer

Alan Joyce AC

### 1 February 2021

The Hon Michael McCormack MP
Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
Parliament House
Canberra ACT 2600

Via email: michael.mccormack.mp@aph.gov.au / s22(1)(a)(ii) @infrastructure.gov.au /

s22(1)(a)(ii) @infrastructure.gov.au

## STRICTLY COMMERCIAL IN CONFIDENCE

Dear Deputy Prime Minister,

#### **RE: IMPACT OF BORDER CLOSURES ON DOMESTIC AVIATION RECOVERY**

I refer to your letter of 15 January 2021 and our recent discussions, which, as always, are greatly appreciated.

We thank you for your assurance that the Government continues to closely monitor the impact of the pandemic on the aviation industry and proposes to adjust support where required. The lockdown of Perth and surrounding areas over the weekend, and the immediate resulting border changes, compels me to outline the position in which the Group finds itself and the urgent need for the Federal and State Governments to find a solution on border consistency, including convening a dedicated National Cabinet meeting which arrives at an agreed (and adhered to) process. Qantas' COVID-19 border manual is now in its 170<sup>th</sup> iteration and the financial impact is serious given confidence has been seriously damaged. There has been no sign of the earlier strong re-opening booking flows due to people's reasonable fear of being 'locked out' of their home state.

In our full year results last year, we disclosed the \$300 million impact of the second wave border closures and Victorian lockdown. Given the coincidence with the leisure peak, we expect the impact of the national border closures in December and January to be more significant again for the Group. In the four days following the closures triggered by Sydney's December 2020 Northern Beaches outbreak, passenger cancellations for Qantas flights ex-Sydney increased by 46 per cent. In December 2020 and January 2021, the Group's network flew at just 50% of pre-COVID capacity. National border closures meant that in January Qantas cancelled approximately 4,700 flights. We estimate that any future significant border closures will put a substantial drain on our cash reserves.



Compounding our concern is that we are not seeing a return in demand as borders begin to reopen.

Consumer confidence has evaporated, with many consumers unwilling to risk interstate travel. 

§47G(1)(a)

A similar pattern is emerging internationally, with Brendan Murphy's comments that Australia's borders are likely to remain closed for all of 2021 resulting in forward bookings for international travel – which are typically made six or twelve months in advance – largely halting.

Those Qantas Group employees who have secured secondary employment have been called back to flying, only to have that work taken away due to knee-jerk border closures.

The expectation that clusters will continue to emerge until a vaccine is widely rolled out highlights the importance of a national, unified approach to domestic borders and the need for ongoing support for the aviation industry. While we will be immediately engaging with the State Premiers and Chief Ministers on these issues, as the above shows, it is now imperative that the Federal Government assume the lead on border consistency as a form of risk management.

In addition, and in accordance with our earlier discussions, we urge the Government to:

- Extend the AAFRP package (or a variation of it) in full until at least 30 June 2021;
- Extend the Domestic Aviation Network Support (DANS) / Regional Aviation Network Support (RANS)
  until at least 30 June 2021;
- Extend wage subsidies to provide support for workers in industries which continue to be significantly impacted by the closure of our international border, such as the aviation sector, particularly if the intention is to continue the international border closure into 2022;
- Fund mandatory training to preserve the expertise of highly skilled pilots and cabin crew affected by international border closures; and
- Work with industry to consider ways in which the international restart may be facilitated including in relation to security costs, passenger movement charges.

I would welcome a further discussion with you on these critical issues.

Yours sincerely,

alan joyce ac

From: @gantas.com.au>

Tuesday, 30 March 2021 2:19 PM Sent:

s22(1)(a)(ii) To:

. s47F s47F Cc:

FOI 24-083

. s47F ; Regional Aviation Network Support

RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL] Subject:

Hi s22(1)

I understand there will be selected routes that we will still be receiving state/territory funding for – our Network team will pull the latest list of routes for your consideration.

Kind regards,

Sent: Tuesday, 30 March 2021 1:54 PM

To: 847F

Cc: s47F ; s47F

; Regional Aviation Network Support

Subject: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

## **OFFICIAL**

Hi s47F

Just one question for now on Qantas' RANS network submission – are there any routes where Qantas is expecting to receive any form of subsidy from a state or territory government at any point from 29 March to 30 September 2021?

from (a) and other routes such as s47G(1)(a) From memory s47G(1)(a) has received s47G(1)(a) (potentially moving to TANS) and s47G(1)(a) have previously received a state subsidy on a temporary or longer-term basis.

Many thanks,

### **OFFICIAL**

From: s22(1)(a)(ii) Sent: Monday, 29 March 2021 6:23 PM <s47F **To:** \$47F @qantas.com.au> <s47F <s47F Cc: s47F <u>@qantas.com.au</u>>; <sup>s47F</sup>

<u>@qantas.com.au</u>>; <sup>s47F</sup> <s47F @jetstar.com>; s47F @gantas.com.au>; <s47F @qantas.com.au>; \$47F @qantas.com.au>;

<ahref="mailto:square;">s47F</a>
<ahref="mailto:square;">@qantas.com.au</a>; Regional Aviation Network Support
<COVIDrans@infrastructure.gov.au>

Subject: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

#### **OFFICIAL**

Thanks very much — we'll take a look through and come back with any questions (and once we've published revised RANS guidelines).

Kind regards,

s22(1 )(a)(ii)

s22(1)(a)(ii)

Director | Policy, Coordination and Assurance

Regional Policy & Programs | Domestic Aviation & Reform

Department of Infrastructure, Transport, Regional Development and Communications

**t:** 02 6274 (a)(ii) | 0448 (22(1)(a)(iii)

w: www.infrastructure.gov.au

GPO Box 594, Canberra ACT 2601

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#### **OFFICIAL**

From: S47F @gantas.com.au> Sent: Monday, 29 March 2021 6:04 PM To: s22(1)(a)(ii) @infrastructure.gov.au>; CHAPPLE Clare <Clare.Chapple@infrastructure.gov.au>; Regional Aviation Network Support < COVIDrans@infrastructure.gov.au> Cc: s47F @qantas.com.au>; 547F @qantas.com.au>; 547F <s47F s47F s47F @jetstar.com>; s47F @gantas.com.au>; <s47F @qantas.com.au>; 847F @qantas.com.au>; s47F s47F @qantas.com.au>; s47F @gantas.com.au>

Subject: Qantas Group - RANS 5.0 Network Submission

Hi s22(1) (a)(ii)

Thank you for your time earlier.

As requested, please find **attached** the Qantas Group submission for RANS 5.0.

Please let me know if you have any questions.

Kind regards,

s47F

s47F

Manager, Government Affairs Government, Industry, International and Sustainability Qantas Airways Limited A Wing, Level 1, 10 Bourke Road, Mascot NSW 2020

**P**. 0423 s47F

@qantas.com.au

<u>gantas.com</u> | <u>facebook.com/qantas</u> | <u>twitter.com/qantasairways</u> | <u>youtube.com/qantas</u>

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**Qantas Airways Limited** ABN 16 009 661 901

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s47G(1)(a)

s22(1)(a)(ii)

From: s47F @qantas.com.au>
Sent: Monday, 12 April 2021 12:16 PM

. s47F

To: Regional Aviation Network Support
Cc: \$47F ; \$47F ; \$47F

Subject: RE: HPE CM: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

Hi <sup>s22(1)</sup> (a)(ii)

Thank you for sending through the Variation.

We will run this past our Legal team and revert back with any comments or proposed amendments.

Kind regards,

s47F

From: Regional Aviation Network Support <COVIDrans@infrastructure.gov.au>

**Sent:** Monday, 12 April 2021 12:02 PM **To:** \$47F @gantas

<COVIDrans@infrastructure.gov.au>

Subject: RE: HPE CM: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

**OFFICIAL** 

Hi s47F

Please find attached a Variation Agreement to Qantas' RANS agreement, for your review. I've attached the most recent variations for reference (the October variation replaced the agreement in its entirety so I haven't provided older versions). This variation gives effect to:

- The extension of the grant to 30 September 2021
- The reduction in the maximum grant amount to satisfies , with the ability to be increased again if required at a future point
- The implementation of TANS all TANS routes that were previously supported under RANS will be retained in the RANS agreement, but Qantas will not be able to claim RANS support in any week where TANS support is claimed. The exception is the week commencing 29 March, in order to cover the three-day 'gap' between the previous end date of the RANS program (28 March) and the start of the TANS program (1 April). This approach will mean if TANS routes return to being supported under RANS in the future, it will not be necessary to undertake a further variation to resume RANS payments.
- The removal of taper mechanism exemptions for state-subsidised, triangulated, and state-regulated routes, as outlined in my previous email.

Please let me know if you have any questions and happy to set up a telecon if that would be useful. We are looking to finalise agreements by mid-week if possible.

Kind regards, s22(1)(a)(ii)

#### s22(1)(a)(ii)

Director | Policy, Coordination and Assurance

Regional Policy & Programs | Domestic Aviation & Reform

Department of Infrastructure, Transport, Regional Development and Communications

t: 02 6274 s22(1) | 0448 s22(1)(a)(iii) w: www.infrastructure.gov.au GPO Box 594, Canberra ACT 2601

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#### **OFFICIAL**

From: 447F @qantas.com.au>

Sent: Thursday, 1 April 2021 3:48 PM

**To:** Regional Aviation Network Support < <a href="mailto:COVIDrans@infrastructure.gov.au">COVIDrans@infrastructure.gov.au</a>>

**Subject:** HPE CM: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

Good afternoon (a)(ii)

Thank you for advising the revised grant guidelines are now live and proposed changes to the program.

I confirm that we wish to extend the Qantas Group RANS grant agreement.

We are reviewing the proposed changes to the tapers and funding amount you have outlined and will revert back with any concerns, however in the meantime, we welcome the opportunity to review the Variation Agreement.

We are also completing a review of the existing state/territory subsidised routes and will send this through once completed.

Kind regards,

s47F

s47F

Manager, Government Affairs Government, Industry, International and Sustainability Qantas Airways Limited A Wing, Level 1, 10 Bourke Road, Mascot NSW 2020 P. 0423 SATE

Pro max amo (D)

From: Regional Aviation Network Support <COVIDrans@infrastructure.gov.au>

Sent: Thursday, 1 April 2021 1:24 PM

@qantas.com.au>

Cc: s47F <s47F <s47F @qantas.com.au>; s47F @qantas.com.au>; 847F <s47F <s47F @jetstar.com>; s47F @gantas.com.au>; <s47F @qantas.com.au>; s47F <u>@qantas.com.au</u>>; <sup>s47F</sup>

@qantas.com.au>; s47F <COVIDrans@infrastructure.gov.au>

Subject: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

<s47F

**OFFICIAL** 

@gantas.com.au>; Regional Aviation Network Support

Hi s47F

<s47F

Following on from our phone conversation yesterday, I can advise that revised Grant Guidelines extending the RANS program to 30 September 2021 have now been published on GrantConnect. I would be grateful if you could confirm by 7 April 2021 whether you wish to extend Qantas' grant agreement. Once we receive your confirmation, we will work to issue you with a Variation Agreement to extend your existing grant agreement, once the routes supported under TANS are finalised. As discussed previously we'd also appreciate an update on any state/territory support being received.

As discussed, the Department is implementing some changes to the program to ensure support continues to taper to zero as routes and networks return to commercial viability. These changes will take effect from Monday 3 May 2021, to ensure airlines have some time to plan for any impacts these changes might have on their operations.

- The weekly frequency cap of seven return services will be applied consistently across all routes. This means that the frequency cap for state-subsidised and triangulated routes will now be seven, meaning in any week where eight or more services are operated on these routes, they will not be eligible for a RANS subsidy in those weeks.
- The load factor taper will apply to all routes, meaning Queensland state-regulated routes will no longer be exempt from this taper mechanism.

Additionally, to ensure we can effectively manage the program within the funding envelope, as discussed we propose to reduce Qantas' maximum grant amount through this variation. Including claims currently being processed, Qantas has claimed around \$47(1)(b) , and at current claim rates we do not anticipate Qantas will come close to claiming the full grant amount, particularly if flying activity continues to increase. As such, we propose reducing Qantas' maximum grant amount to \$47(1)(b) . We will continue to monitor Qantas' claims and can increase the maximum amount again if and when required, through a future variation. A summary table is below.

Current maximum	Total paid	Total additional claims being processed	Amount remaining under
grant amount	(flights up to 15/11/2021)	(flights up to 28/02/2021)	existing agreement once
(A)	(B)	(C)	outstanding claims paid
			(A-B-C)
s47(1)(b)			

Please let me know if you have any questions and happy to discuss further once Qantas has had a chance to consider.

Department of Infrastructure

the

Released

Kind regards, s22(1 )(a)(ii)

s22(1)(a)(ii)

A/g Assistant Secretary

Regional Policy & Programs | Domestic Aviation & Reform

Department of Infrastructure, Transport, Regional Development and Communications

t: 02 6274 (a)(ii) | 0448 (s22(1)(a)(iii) w: www.infrastructure.gov.au GPO Box 594, Canberra ACT 2601

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# **OFFICIAL**

		qantas.com.au>			
Sent: Tuesday, 30 Ma	arch 2021 2:19 P	M			
To: s22(1)(a)(ii) //	s22(1)(a)(ii)	nfrastructure.gov.au	18		
s22(1)(a)(ii) - duplicate email - refer		mrastructure.gov.at	1/		
322(1)(a)(ii) - dupilicate emaii - reier	document 5				

s22(1)(a)(ii)

From: <s47F @qantas.com.au>

**Sent:** Friday, 16 April 2021 1:26 PM **To:** Regional Aviation Network Support

Subject: RE: HPE CM: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

Thanks, [22(1) and is a second second

If it's ok with you, once I have confirmation regarding these points I'll touch base to either set up a call, or confirm we're ok with the agreement and can execute.

Kind regards

s47F

**From:** Regional Aviation Network Support **Sent:** Thursday, 15 April 2021 5:30 PM

To: S4/F

Subject: RE: HPE CM: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

OFFICIAL

Hi s47F

Sorry – I'm free anytime other than 2-3pm tomorrow.

s22(1 )(a)(ii)

### **OFFICIAL**

From: s22(1)(a)(ii) <s22(1)(a)(ii) @infrastructure.gov.au> Sent: Thursday, 15 April 2021 4:23 PM To: s47F @gantas.com.au> <s47F Cc: s47F @gantas.com.au>; @gantas.com.au>; <s47F s47F @qantas.com.au>; s47F @jetstar.com>; s47F <s47F @qantas.com.au>; s47F <u>@qantas.com.au</u>>; <sup>s47F</sup> @gantas.com.au>;

Regional Aviation Network Support < <a href="mailto:COVIDrans@infrastructure.gov.au">COVIDrans@infrastructure.gov.au</a>>

Subject: HPE CM: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

## **OFFICIAL**

Hi <sup>s47F</sup>

Thanks for getting back to me and happy to have a call tomorrow, at this stage I'm pretty flexible in terms of timing. I've added some responses to your questions in red below.

With any updates to aircraft gauges, I'd just note that under the RANS program guidelines the aircraft would typically need to have been operated by Qantas on the routes pre-COVID. Also if there was an increase in seating capacity and Qantas was requesting that this be reflected in the funding paid, we would need to establish this would provide value for money for the Commonwealth. Qantas is already able to operate different sized aircraft than those listed in the grant agreement, but the payment is based on the lesser of the seating capacity of the aircraft operated and the aircraft listed in the agreement. I.e. Qantas can already operate larger aircraft at Qantas' risk if there is expected to be sufficient demand to make this worthwhile.

Kind regards,

s22(1)(a)(ii)

Director | Policy, Coordination and Assurance

Regional Policy & Programs | Domestic Aviation & Reform

Department of Infrastructure, Transport, Regional Development and Communications

**t:** 02 6274  $_{(a)(ii)}^{s22(1)}$  | 0448  $^{s22(1)(a)(ii)}$ 

w: www.infrastructure.gov.au

GPO Box 594, Canberra ACT 2601

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#### **OFFICIAL**

From: S47F @gantas.com.au> Sent: Thursday, 15 April 2021 3:47 PM @infrastructure.gov.au>; Regional Aviation Network Support <COVIDrans@infrastructure.gov.au> Cc: s47F @qantas.com.au>; s47F @gantas.com.au>; <s47F @qantas.com.au>; s47F s47F @jetstar.com>; s47F <s47F <s47F @qantas.com.au>; s47F @qantas.com.au>; s47F @qantas.com.au>

Subject: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

#### **CONFIDENTIAL**

Hi s22(1)

Thanks for your patience.

We have reviewed the Variation and had a couple of guestions:

- There is a reference to 'Deed' in 2.1.1(d), can we please replace that with 'Variation Agreement'? Have amended, see attached.
- We are not too sure what the change to the RVM language is trying to achieve. Are you able to please clarify? The change is unlikely to be of relevance to Qantas and is simply to close a potential loophole where an airline could potentially 'reset' the three-week 'countdown' for the load factor taper by not operating flights in a particular week, such as if there was a significant weather event that prevented flying. The revised text

FOI 24-083 essentially notes that only weeks where flights are operated count towards the three-week load factor threshold requirement, rather than a week being counted.

We're just in the process of reviewing the Schedule 2 and may have some slight adjustments for you to consider (no additional routes, just some updates to aircraft gauges).

We have also done a review of funding received by state/territory governments on RANS routes and have included a

summary below for your reference. Some which were previously on our list have since expired.
s47G(1)(a)
Do you by any chance have some time tomorrow for a call to square away outstanding items?
Kind regards,
s47F
From: s22(1)(a)(ii)
Sent: Tuesday, 30 March 2021 1:54 PM To: S47F @qantas.com.au>
s22(1)(a)(ii) - duplicate email chain - refer document 3

Document 5

s22(1)(a)(ii)

From: s47F @qantas.com.au>

**Sent:** Friday, 23 April 2021 12:23 PM

To: Regional Aviation Network Support

CC: \$47F \$47F \$47F \$47F

s47F . s47F

Subject: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

s22(1)(a) Hi (ii)

Thank you, really appreciate it.

Kind regards,

s47F

From: Regional Aviation Network Support <COVIDrans@infrastructure.gov.au>

Sent: Friday, 23 April 2021 12:16 PM

<s47F To: <sup>\$47F</sup> @qantas.com.au> s47F Cc: s47F @gantas.com.au>; @gantas.com.au>; <<sup>\$47F</sup> @jetstar.com>; s47F s47F @qantas.com.au>; <s47F @qantas.com.au>; s47F @qantas.com.au>; s47F <<sup>\$47F</sup> @gantas.com.au>;

Regional Aviation Network Support <COVIDrans@infrastructure.gov.au>
Subject: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

**OFFICIAL** 

Hi s47F — please find attached the executed RANS Variation Agreement for your records.

Kind regards, s22(1)(a)

s22(1)(a)(ii)

Director • Policy, Coordination & Assurance
Regional Policy & Programs • Domestic Aviation & Reform
\$22(1)(a)(ii) @infrastructure.gov.au

P +61 2 6274 s22(1) M +61 448 s22(1)(a)(ii)

GPO Box 594 Canberra, ACT 2601

Department of Infrastructure, Transport, Regional Development and Communications
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infrastructure.gov.au







I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities.

I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

#### **OFFICIAL**

From: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au >

Sent: Thursday, 22 April 2021 6:56 PM

To:<sup>s47F</sup> @gantas.com.au> s47F Cc:<sup>s47F</sup> @qantas.com.au>; @qantas.com.au>; @qantas.com.au>; s47F <<sup>s47F</sup> @jetstar.com>; 847F <s47F <s47F @qantas.com.au>; s47F @qantas.com.au>; s47F \_s47F @gantas.com.au>;

Regional Aviation Network Support < COVIDrans@infrastructure.gov.au>

Subject: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

#### **OFFICIAL**

Thank you s47F I will arrange for execution of the variation on this end.

Regarding the aircraft change on the s47G(1)(a) route, from a RANS perspective we don't have any concerns, though I understand this route will be eligible for TANS support from 1 April.

Kind regards, s22(1)(a)

s22(1)(a)(ii)

Director • Policy, Coordination & Assurance Regional Policy & Programs . Domestic Aviation & Reform

@infrastructure.gov.au

P +61 2 6274 s22(1) M +61 448 s22(1)(a)(ii)

GPO Box 594 Canberra, ACT 2601

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I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

## **OFFICIAL**

From: s47F \_s47F @gantas.com.au>

Sent: Thursday, 22 April 2021 5:18 PM

To:<sup>s22(1)(a)(ii)</sup> s22(1)(a)(ii) @infrastructure.gov.au>; Regional Aviation Network Support

<COVIDrans@infrastructure.gov.au>

<<sup>\$47F</sup> Cc:<sup>s47F</sup> @qantas.com.au>; s47F @gantas.com.au>, @qantas.com.au>; s47F s47F s47F @jetstar.com>: 847F s47F <<sup>s47F</sup> @qantas.com.au>; s47F <\$47F @gantas.com.au>; @gantas.com.au>

Subject: RE: Qantas Group - RANS 5.0 Network Submission [SEC=OFFICIAL]

Thank you for your help to date and for your advice on the points below.

I'm pleased to attach the RANS Variation 4 which has been signed by QFG. Grateful if you could please sign and send through a fully-executed version for our records.

On a related point and regarding one of the routes on RANS – satisfies a point and regarding one of the routes on RANS – satisfies a point and regarding one of the routes on RANS – satisfies a point and swap from QF to JQ, which will involve an aircraft change from a 737 to an A320. I understand we will only be able to invoice for the 737 aircraft size, but wanted to run this past you to see if the Department has any concerns with this swap?

Thank you.

Kind regards,

47F

From: s22(1)(a)(ii) < s22(1)(a)(iii) @infrastructure.gov.au>

Sent: Thursday, 15 April 2021 4:23 PM

o: s4/F @qantas.com.au>



## **Australian Government**

## Department of Infrastructure, Transport, Regional Development and Communications

### VARIATION AGREEMENT

VARIATION AGREEMENT IN RELATION TO THE REGIONAL AIRLINE NETWORK SUPPORT SCHEME

The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications ABN 86 267 354 017

Qantas Airways Limited ACN 009 661 901 ABN 16 009 661 901

VARIATION: 004

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### VARIATION AGREEMENT

VARIATION AGREEMENT IN RELATION TO THE REGIONAL AIRLINE NETWORK SUPPORT SCHEME

### **Parties**

This Variation Agreement is made between and binds the following parties:

- The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications
   ABN 86 267 354 017, 111 Alinga Street, Canberra, Australian Capital Territory (Commonwealth)
- Qantas Airways Limited ACN 009 661 901, ABN 16 009 661 901
   Bourke Road, Mascot, NSW, 2020 (the 'Operator')

### Context

- A. The parties entered into the Agreement on 7 July 2020.
- The parties have previously varied the Agreement on 15 October 2020,
   October 2020 and 6 January 2021 (the Former Variations).
- C. The parties agree to vary the Agreement in accordance with the terms of this Variation Agreement.

### Operative provisions

In consideration of the mutual promises contained in this document, the parties to this Variation Agreement agree as follows:

### Interpretation

### 1.1. Definitions

- 1.1.1. In this Variation Agreement, unless the contrary intention indicates otherwise:
  - a. terms used in this Variation Agreement that are not defined below and are defined in the Agreement have the same meaning as in the Agreement; and
  - a term in bold type has the meaning shown opposite it.

Agreement

means the grant agreement in relation to the

provision of funding under the Regional Airline
Network Support Program executed by the parties

Network Support Program executed by the parties on

7 July 2020 as varied by the Former Variations.

Effective Date

means 29 March 2021.

Variation Agreement

means this Variation Agreement and any other

documents expressly identified as forming a part of

this Variation Agreement.

### 2. Variation

### 2.1. Variation to the terms and conditions of the Agreement

2.1.1. The parties agree that on and from the Effective Date, the Agreement and its Schedules are varied as follows:

- a. In Clause B of the Grant Details, 'Activity', immediately after the sentence beginning "The Grant is not available for any part of the Activity for which the Grantee has sought support...", insert the following:
  - "Without limiting this Clause B, the Grantee will not be eligible to claim a grant payment under this Agreement for any flights on a Route in any week where the Grantee has claimed any form of payment under the Tourism Aviation Network Support Program (TANS) for a flight on that Route, with the exception of the week commencing 29 March 2021. If, over the course of the week commencing 29 March 2021, the Grantee receives support under TANS for only a part of that week, then the Grantee may make a claim for payment under this Agreement for that part of the week for which it did not receive TANS support, subject to the sum total of the flights being claimed under both this Agreement and TANS not exceeding the maximum number of flights specified for that route in that week under the Grantee's agreement with the Commonwealth under TANS."
- In Clause C of the Grant Details, 'Duration of the Grant', delete the Activity Completion Date of "28 March 2021" and replace with "30 September 2021".
- c. In Clause D of the Grant Details, 'Payment of the Grant',

i. delete the figure and replace with and

- delete "From 26 October 2020"; and replace with "For flights operated from 26 October 2020 to 2 May 2021"; and
- iii. immediately before the sentence beginning "The Variable Loaded CASK rate for each Route for a given week..."; insert "For flights operated from 3 May 2021, where 8 or more return services are operated on a Route in a given week, the Grantee will not be eligible to claim a grant payment for any Flights operated on that Route in that week."; and
- iv. under the heading 'Route Viability Multiplier';
  - A. delete "where the Average Load Factor of a Route for a week is equal to or greater than the Load Factor Threshold for that Route for that week," and replace with "where the Average Load Factor of a Route for a week is equal to or greater than the Load Factor Threshold for that Route for that week and at least the two weeks prior where flights on the Route were operated."; and
  - B. delete "where the Average Load Factor of a Route for a week is less than the Load Factor Threshold for that Route for that week and at least the two weeks prior," and replace with "where the Average Load Factor of a Route for a week is less than the Load Factor Threshold for that Route for that week and at least the two weeks prior where flights on the Route were operated,"; and
  - C. delete "For the following routes, the Route Viability Multiplier will always be 1.0:"; and replace with "For flights operated up to and including 2 May 2021 on the routes listed below, the Route Viability Multiplier will always be 1.0:".

- v. under the heading 'Claims for payment';
  - A. delete all three instances of "30 April 2021" and replace each instance with 31 October 2021"; and
  - B. delete "Clare Chapple" and replace with "Assistant Secretary, Regional Policy and Programs".
- d. Delete Schedule 2: Details of the routes supported under this agreement in its entirety; and replace with Schedule 2: Details of the routes supported under this agreement set out at Annexure A to this Variation Agreement.

### 2.1.2. Effective Date

2.1.3. The parties agree that the variations to the Agreement set out in this Variation Agreement will apply on and from the Effective Date and do not, unless otherwise stated in this Variation Agreement, affect any rights or liabilities of the parties arising before that date.

### 3. General

### 3.1. Applicable law

3.1.1. This Variation Agreement is governed by the same laws as applicable to the Agreement and each party submits to the non-exclusive jurisdiction of the courts of the jurisdiction as specified in the Agreement.

### 3.2. Costs and Stamp Duty

- 3.2.1. The parties agree to bear their own costs and expenses (including legal costs) of and incidental to the preparation, negotiation, execution and completion of this Variation Agreement and of any related documentation.
- 3.2.2. The Operator will pay any stamp duty payable on execution of this Variation Agreement or any related documents.

### 3.3. Confirmation

3.3.1. The parties confirm all other terms and conditions of the Agreement and, subject only to the variations contained in this Variation Agreement, the Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the terms of this Variation Agreement were supplemental to the Agreement.

### 3.4. Entire Agreement

- 3.4.1. This Variation Agreement and the Agreement, when read together, contain the entire agreement of the parties with respect to the parties' rights and obligations under the Agreement and supersede all prior understandings and representations between the parties with respect to the parties' rights and obligations under the Agreement.
- 3.4.2. Each party will take such steps, execute all such documents and do all such acts and things as may be reasonably required by any other party to give effect to any of the transactions contemplated by this Variation Agreement.

### 3.5. Amendments in writing

3.5.1. The provisions of this Variation Agreement will not be varied either in law or in equity except by agreement in writing signed by the parties.

This Variation Agreement is made on 23	April 202	21.
Executed for and on behalf of the Commonwealth of Australia, as represented by the Department of	)	
Infrastructure, Transport, Regional	)	
Development and Communications ABN 86 267 354 017:	S	s22(1)(a)(ii)
Name of signatory	5	Signature
In the presence of: s22(1)(a)(ii)		s22(1)(a)(ii)
_		
Name of witness	,	Signature of witness
Executed on behalf of Qantas Airways Limited by its authorised	) ) <sub>s47F</sub>	
representative:	) \$47F	
s47F		
Name of Authorised Representative		Signature of Authorised Representative
s47F		s47F
Name of Witness		Signature of Witness

### Annexure A

Schedule 2 - Details of the routes supported under this agreement

			S	47(1)(b)	s47G(1)(a)
Route	Aircraft type	Number of weekly services	Commencement date	Stage Length Multiplier	
7G(1)(a)		2	29/07/2020	0.65	
		2	15/07/2020	0.65	
		2	15/07/2020	1	
		2	1/07/2020	2	1
		2	1/07/2020	2	
		2	2/09/2020	0.65	ĺ
		2	1/07/2020	2	
		2	15/07/2020	0.65	
		2	9/11/2020	0.65	
		2	15/07/2020	0.65	
		2	1/07/2020	0.65	
		2	29/07/2020	0.65	
		2	2/11/2020	0.65	
		2	2/11/2020	1	
		2	9/11/2020	1.5	5
		2	1/10/2020	1.5	
		2	1/10/2020	1.5	
		2	1/07/2020	1.5	
		2	1/07/2020	2	Ì
		2	15/07/2020	1.5	
		2	1/07/2020	2	
		2	15/07/2020	0.65	
		2	1/07/2020	1.5	
		3	1/07/2020	1.5	
		2	1/07/2020	2	
		2	14/12/2020	0,65	
		2	22/07/2020	0.65	
		2	1/07/2020	2	
		2	29/07/2020	1	
		2	1/07/2020	2	
		2	1/07/2020	1.5	1
		2	22/07/2020	1 1 1	
		2	26/08/2020	0.65	

s47G(1)(a)			-s47(1)(b)		s47G(1)(a)
	2	9/11/2020		2	
	2	1/07/2020		2	
	2	1/07/2020		2	
	2	9/11/2020		0.65	
	2	1/07/2020		1.5	
	2	1/07/2020		2	
	2	1/07/2020		2	
	2	1/07/2020	-	2	
	2	1/07/2020		0.65	
	2	15/08/2020		1.5	
	2	1/07/2020		1.5	
	3	1/07/2020		1.5	
	2	2/09/2020		1.5	
	2	1/07/2020	-	2	
	2	1/07/2020		2	
	2	1/07/2020		2	
	2	2/09/2020		2	
	2	15/07/2020	-	2	
	2	1/07/2020		2	
	2	1/07/2020		2	

### Stage Length Multiplier

Stage Length	Multiplier
<500km	2.0
500km – 999km	1.5
1000km – 1500km	1.0
>1500km	0.65



Managing Director and Chief Executive Officer

Alan Joyce AC

16 July 2021

The Hon Barnaby Joyce MP
Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
Parliament House
Canberra ACT 2600

Via email: <u>barnaby.joyce.mp@aph.gov.au</u> / <u>@infrastructure.gov.au</u>

### STRICTLY CONFIDENTIAL

Dear Deputy Prime Minister,

Thank you for taking the time to speak with me and my team last Wednesday. I appreciate your engagement on issues impacting the aviation sector and wider economy and I look forward to working closely with you and your office.

As I outlined when we spoke, since the beginning of pandemic the Qantas Group has taken steps to raise capital and restructure its business to ensure we can endure this crisis and preserve as many jobs as possible. We announced a major three-year restructuring plan to accelerate our recovery and lay the foundation for the business to succeed in a changed market. This involved the difficult but necessary decisions to reduce our workforce by more than a third, stand down the majority of our people, place aircraft into hibernation, renegotiate supplier and travel agent arrangements and review the Group's property footprint. The Qantas Group continues to take proactive steps to navigate the ongoing crisis.

The spread of the more infectious Delta variant and subsequent lockdowns and border closures have come at a time when the Qantas Group's recovery was gathering speed and our domestic flying had almost returned to pre-COVID levels. As we have seen over the last few weeks, the aviation industry remains vulnerable to the COVID-19 pandemic, with the Qantas Group reducing the July domestic network from 97 per cent to 61 per cent of pre-COVID capacity. This is likely to change further with additional State lockdowns and until we reach higher vaccination levels.

It is on this basis that I outline what we feel is an appropriate balance of managing our own way through the crisis and asking the Government to consider some extensions of sector-wide assistance in a targeted and measured way, namely by:

- Ensuring critical connectivity, especially to support regional Australia;
- Continuing employee support linked to pending Government decisions on international borders;
- Payment for delivery of key services such as freight and repatriation; and
- Deferral or relief on government costs in the control of the Commonwealth.



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While the significant structural changes we have made to our business mean our costs are lower and our operation can respond more quickly, helping reduce the impact of domestic lockdowns, we ask that the Government consider:

- Extending the Qantas Group's Passenger Movement Charge (PMC) payment deferral for 2020 charges until 30 June 2022;
- Extending grant funding under the International Aviation Support (IAS) program until at least 30 June 2022;
- Extending grant funding under the International Freight Assistance Mechanism (IFAM) until at least 30 June 2022;
- Extending the DANS and RANS programs until at least the end of 2021;
- Extending the Domestic Airports Security Costs Support (DASCS) program until at least the end of 2021; and
- Extending the 50 per cent waiver of domestic Airservices charges until at least the end of 2021.

We have separately written to Minister Andrews seeking funding for Australian airlines to cover the amount payable to airports for international security shortfall recoupment and extension of the grant funding for enhanced airport security equipment and supporting infrastructure to the 10 remaining ports to offset the significant cost to deliver the security enhancement policy.

### **Deferral of PMC Payment**

The Qantas Group is grateful for the deferral of PMC payments until 31 July 2021 for charges incurred during 2020. The deferral of 2020 charges, which amounts to s47(1)(b) , has provided the Qantas Group with critical and temporary cost relief. Due to the ongoing operational disruption of border closures, the Qantas Group seeks a further deferral of this payment until 30 June 2022, which will align the payment with the anticipated reopening of the international border as set out in the 2021-22 Federal Budget.

### **Extension of IAS**

The IAS program has been a vital support mechanism for our international workforce while restrictions on international travel remain. For our international employees who remain stood down, the program has ensured they remain connected to our business and retain the necessary skills when international travel resumes. The Government's four-phase COVID-19 transition plan will provide a roadmap which will help inform when Australia's international borders can be safely opened. We ask that the IAS program be linked to this plan and extended until Australia reaches the appropriate phase allowing international travel to resume.

### **Extension of IFAM**

The IFAM program has kept international freight routes operating and Australian businesses connected to overseas markets. It was pleasing to see the Government announce on 2 July that it would extend additional support through IFAM to assist freight supply lines impacted by the reduction of commercial caps at international airports, including for agricultural producers. We seek the extension of the IFAM program until international borders open given the closure will continue to suppress underwing capacity throughout 2021 and early 2022. Quarterly pre-payment of IFAM funding would also assist the Group to better manage cash flow in the meantime.

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### **Extension of DANS and RANS**

The DANS and RANS programs continue to provide a safeguard to ensure critical minimum connectivity is protected in the event of domestic border closures, particularly on thin marginal routes in regional Australia.

### **Extension of DASCS**

The DASCS program has been important in providing much needed cost relief to ensure airports can keep mandated domestic security charges at reasonable levels while they experience a significant drop in passenger traffic. We seek the extension of the DASCS program until at least the end of 2021.

### Extension of the Airservices Australia fee waiver

The 50 per cent fee waiver on domestic Airservices Australia charges has been critical in helping airlines manage costs as we bring capacity back online. We seek the extension of the 50 per cent waiver until at least the end of 2021.

### **Airport Security**

Airlines' relationship with airports will be critical to the sector's recovery. s47G(1)(a)

The Group has written to Minister Andrews asking her to consider providing grant funding to Australian airlines to cover the amounts payable to airports for international security shortfall recoupment.

The Qantas Group has also asked the Government to extend the grant funding provided to regional airports to reduce the costs associated with the capital and initial operation of enhanced security screening equipment to the 10 remaining ports to offset the significant costs to deliver the Government's enhanced security screening policy.

We would welcome a further discussion with you and your Department on these important issues.

Yours sincerely,

**ALAN JOYCE** 

s22(1)(a)(ii)

From: s47F @qantas.com.au>

Sent:Wednesday, 25 August 2021 1:05 PMTo:Regional Aviation Network SupportCc:S47F: S47F: S47F

Subject: HPE CM: RE: Regional Airline Network Support Program - extension to 31 December

2021 [SEC=OFFICIAL]

Hi (a)(ii)

Thank you for confirming the extension of the RANS program.

I also note your comments that once support under TANS Part 2 finishes in September, any route that was receiving TANS funding up until 30 September and was previously eligible for RANS funding will automatically transfer to the RANS Agreement for support.

I confirm that the Qantas Group would like to extend our RANS agreement and maintain the existing list of routes supported.

Grateful if you could send through the RANS Agreement to us for review in due course.

Kind regards,

s47F

s47F

Manager, Government Affairs

Government, Industry, International and Sustainability

Qantas Airways Limited

A Wing, Level 1, 10 Bourke Road, Mascot NSW 2020

P. 0423 s47F

E. s47F @qantas.com.au

gantas.com | facebook.com/gantas | twitter.com/gantasairways | youtube.com/gantas

From: Regional Aviation Network Support Sent: Tuesday, 24 August 2021 10:33 AM

**To:** \$47F

Cc: \$47F ; Regional Aviation Network Support

Subject: RE: Regional Airline Network Support Program - extension to 31 December 2021 [SEC=OFFICIAL]

**OFFICIAL** 

Dear

Further to my previous email about the RANS program extension to 31 December 2021, revised grant guidelines have now been published and are available on GrantConnect. As previously noted, no changes have been made to the operation of the program beyond extending the closing dates.

I would appreciate if you could confirm in writing that you wish to extend Qantas' RANS grant agreement, and whether there are any routes you are no longer seeking support for.

Once I have your confirmation, the Department can issue you with a Variation Agreement to extend your existing grant agreement.

Regarding routes that were previously supported under RANS but are now receiving a shortfall subsidy under part 2 of the Tourism Aviation Network Support (TANS) program:

- Your RANS grant agreement notes that a Grantee is not eligible to claim RANS payments for flights on a route in any week where flights on that route received TANS support.
- This means that should any routes still require support beyond the TANS part 2 end date of 30 September 2021, if they were previously supported under RANS then they will become eligible for RANS payments once more from the week commencing 4 October, unless they cease claiming TANS funding at an earlier date.

Please let me know if you have any questions.

Kind regards,

s22(1)(a)(ii)

Director • Policy, Coordination & Assurance

Regional & Environment • Domestic Aviation & Reform

@infrastructure.gov.au

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GPO Box 594 Canberra, ACT 2601

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I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

### **OFFICIAL**

From: Regional Aviation Network Support < <a href="mailto:COVIDrans@infrastructure.gov.au">COVIDrans@infrastructure.gov.au</a>

Sent: Monday, 2 August 2021 3:57 PM

### **OFFICIAL**

Dear s47F

As you may be aware, today the Deputy Prime Minister announced the extension of the Regional Airline Network Support (RANS) program to 31 December 2021.

We will be in touch soon with further information, but we do not anticipate any changes to the operation of the program as part of this extension. Please let me know if you have any questions in the meantime.

Kind regards,

s22(1)(a)(ii)

Director • Policy, Coordination & Assurance

Regional & Environment • Domestic Aviation & Reform

@infrastructure.gov.au

GPO Box 594 Canberra, ACT 2601

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### **OFFICIAL**

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**************************************	

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Released under the FOI Act 1982 by the Department of Infrastructure,

s22(1)(a)(ii) From: @gantas.com.au> Friday, 8 October 2021 5:09 PM Sent: s22(1)(a)(ii) To: ; Regional Aviation Network Support; s47F Cc: Subject: RE: Regional Airline Network Support Program - extension to 31 December 2021 [SEC=OFFICIAL] Thank you, (a)(ii) Kind regards, From: s22(1)(a)(ii) Sent: Friday, 8 October 2021 4:58 PM To: 847F Cc: s47F ; Regional Aviation Network Support; s47F Subject: RE: Regional Airline Network Support Program - extension to 31 December 2021 [SEC=OFFICIAL] **OFFICIAL** Hi <sup>s47F</sup> Please find attached the executed RANS variation agreement for your records. Kind regards, **OFFICIAL** From: s22(1)(a)(ii)

Sent: Friday, 8 October 2021 11:00 AM

To: 847F \_s47F @qantas.com.au>

Cc: s47F s47F @qantas.com.au>; Regional Aviation Network Support

<s47F < COVIDrans@infrastructure.gov.au>; s47F @gantas.com.au>

Subject: RE: Regional Airline Network Support Program - extension to 31 December 2021 [SEC=OFFICIAL]

### **OFFICIAL**

Many thanks 47F – I'll arrange for execution on this end.

Kind regards,

### **OFFICIAL**

From: s47F @gantas.com.au> Sent: Friday, 8 October 2021 10:55 AM To: s22(1)(a)(ii) @infrastructure.gov.au> Cc: s47F <s47F @gantas.com.au>; Regional Aviation Network Support < <u>COVIDrans@infrastructure.gov.au</u>>; s47F @qantas.com.au> Subject: RE: Regional Airline Network Support Program - extension to 31 December 2021 [SEC=OFFICIAL] Hi (a)(ii) Please find attached the QFG executed RANS Variation 5. Apologies for the delay in getting this to you. Grateful if you could return a fully executed copy in due course. Kind regards, @infrastructure.gov.au> Sent: Friday, 1 October 2021 12:50 PM **To:** 847F <s47F @gantas.com.au> Cc: S47F @qantas.com.au>; Regional Aviation Network Support < COVIDrans@infrastructure.gov.au>; 847F @gantas.com.au> Subject: RE: Regional Airline Network Support Program - extension to 31 December 2021 [SEC=OFFICIAL]

Hi<sup>s47F</sup>

Thanks for your email, happy to have a discussion this afternoon, I'm available any time after 3pm. Potentially I might be able to answer your question before then however.

**OFFICIAL** 

Regarding the increase in the maximum RANS grant amount, the first thing I'd reiterate is that if conditions don't improve in the lead-up to December and additional funding is required, the maximum grant amount can be increased further through another variation, as we've done throughout the program.

The increase has been calculated on the basis of what we reasonably project Qantas might claim in coming months, based on previous invoices and assuming higher claims in October-November before a reduction in claims as (hopefully) flying activity increase in late November and December. When the variation was drafted, Qantas had around remaining in the RANS agreement, so this has also been accounted for in the projections. We have assumed weekly claims of, on average, around noting that claims may initially be higher than this, but by December will potentially be lower.

FOI 24-083 Document 9

The reason we haven't increased the maximum grant amount by more at this stage is simply to ensure we can manage the program within the budget, and avoid committing funding that subsequently isn't used. However we anticipate there will be capacity to increase maximum grant amounts further if required.

Hope that provides some assurance, and happy to have a further discussion if it would be useful.

Kind regards,

s22(1)(a)(ii)

Director • Policy, Coordination & Assurance
Regional & Environment • Domestic Aviation & Reform

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### **OFFICIAL**

From: s47	F	< <sup>\$47F</sup>	@qantas.co	m.au>	
		er 2021 11:43			
To: Regi	onal Aviation	n Network Sup	port < <u>COV</u>	TDrans@i	nfrastructure.gov.au>; s47F
<\$47F	@qantas.com	n.au>; s22(1)(a)(ii)		<s22(1)(a)(ii)< th=""><th>@infrastructure.gov.au&gt;</th></s22(1)(a)(ii)<>	@infrastructure.gov.au>
Cc: S47F		47E	antas.cor	n.au>	

Subject: RE: Regional Airline Network Support Program - extension to 31 December 2021 [SEC=OFFICIAL]

Hi (ii)

Hope you're well. I was hoping to see if you're free at 3pm (or any time after 3) for a quick call on the RANS variation? Legal were comfortable we are just hoping to get a bit more clarity around the funding envelope.

We understand this variation increases the funding envelope from (in Variation 4) to
and that this represents the total funding bucket from 1 July 2020 to 31 December 2021. We're
just hoping to understand how the extra was calculated to ensure we're comfortable that it will
cover the extended period.

Thanks,

s47F

From: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au > Sent: Friday, 24 September 2021 5:06 PM  To: SATF
Thanks 47F — appreciate the update.
Kind regards, s22(1) (a)(ii)
OFFICIAL
From: S47F @qantas.com.au>  Sent: Friday, 24 September 2021 4:14 PM  To: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au>  Cc: S47F @qantas.com.au>; S47F @qantas.com.au>  Subject: RE: Regional Airline Network Support Program - extension to 31 December 2021 [SEC=OFFICIAL]
$\mathrm{Hi}_{(a)(ii)}^{\mathrm{s22(1)}}$
Thanks for touching base.
We are comfortable with the Variation – we are just getting Legal approval (hopefully Monday) and as soon as we do we will sign and send through an executed copy.
Apologies for the delay.
Kind regards,
s47F
From: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au >  Sent: Tuesday, 21 September 2021 10:48 AM  To: SATF

# **OFFICIAL**

Hi s47F

Just checking whether you had any questions on the RANS Variation Agreement, and when Qantas might be in a position to sign?

Kind regards,

s22(1)(a)(ii)

Director • Policy, Coordination & Assurance

Regional & Environment • Domestic Aviation & Reform

@infrastructure.gov.au

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### **OFFICIAL**

From: s47F @qantas.com.au>

Sent: Wednesday, 1 September 2021 10:01 AM

To: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au>

Cc: s47F @qantas.com.au>; s47F <s47F @jetstar.com>; s47F

< s47F @gantas.com.au>

Subject: HPE CM: RE: Regional Airline Network Support Program - extension to 31 December 2021 [SEC=OFFICIAL]

Hi <sup>s22(1)(a)(ii)</sup>

Thank you for sharing Variation 5.

We will review the contract and assuming no questions we will arrange for signing.

Kind regards,

s47F

s47l

Manager, Government Affairs Government, Industry, International and Sustainability Qantas Airways Limited A Wing, Level 1, 10 Bourke Road, Mascot NSW 2020

P. 0423

E. s47F @qantas.com.au

<u>qantas.com</u> | <u>facebook.com/qantas</u> | <u>twitter.com/qantasairways</u> | <u>youtube.com/qantas</u>



From: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au>

Sent: Wednesday, 1 September 2021 9:39 AM

To: s47F @qantas.com.au>

<s47F</p>
@qantas.com.au>; Regional Aviation Network Support <<a href="mailto:COVIDrans@infrastructure.gov.au">COVIDrans@infrastructure.gov.au</a>

Subject: RE: Regional Airline Network Support Program - extension to 31 December 2021 [SEC=OFFICIAL]

### OFFICIAL

Hi s47F

Thank you for the confirmation. Please find attached a Variation Agreement, extending Qantas' RANS grant agreement to 31 December 2021, and increasing the maximum grant amount to satisfies a satisfies of the confirmation.

If you could please arrange for signing and return to me for counter-signing that would be appreciated. Any questions, let me know.

Kind regards, \$22(1)(a)

s22(1)(a)(ii)

Director • Policy, Coordination & Assurance

Regional & Environment • Domestic Aviation & Reform

@infrastructure.gov.au

 $P + 61 \ 2 \ 6274 \stackrel{\text{s22(1)(a)}}{\text{(ii)}} \bullet M + 61 \ 448 \stackrel{\text{s22(1)(a)(ii)}}{}$ 

GPO Box 594 Canberra, ACT 2601

Department of Infrastructure, Transport, Regional Development and Communications CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS

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I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

### FOI 24-083 **OFFICIAL**

From: s47F	<s47f< th=""><th>@qantas.com.au&gt;</th></s47f<>	@qantas.com.au>
------------	--	-----------------

Sent: Wednesday, 25 August 2021 1:05 PM

To: Regional Aviation Network Support < <a href="mailto:COVIDrans@infrastructure.gov.au">COVIDrans@infrastructure.gov.au</a>>



## **Australian Government**

# Department of Infrastructure, Transport, Regional Development and Communications

### VARIATION AGREEMENT

VARIATION AGREEMENT IN RELATION TO THE REGIONAL AIRLINE NETWORK SUPPORT PROGRAM

The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications
ABN 86 267 354 017

Qantas Airways Limited ACN 009 661 901 ABN 16 009 661 901

VARIATION: 005

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### VARIATION AGREEMENT

VARIATION AGREEMENT IN RELATION TO THE REGIONAL AIRLINE NETWORK SUPPORT **PROGRAM** 

### **Parties**

This Variation Agreement is made between and binds the following parties:

- 1. The Commonwealth of Australia as represented by the Department of Infrastructure. Transport, Regional Development and Communications ABN 86 267 354 017, 111 Alinga Street, Canberra, Australian Capital Territory (Commonwealth)
- Qantas Airways Limited ACN 009 661 901, ABN 16 009 661 901 2. 10 Bourke Road, Mascot, NSW, 2020 (the 'Operator')

### Context

- A. The parties entered into the Agreement on 7 July 2020.
- The parties have previously varied the Agreement on 15 October 2020, 16 October 2020. B. 6 January 2021 and 23 April 2021 (the Former Variations).
- The parties agree to vary the Agreement in accordance with the terms of this Variation C. Agreement.

### Operative provisions

In consideration of the mutual promises contained in this document, the parties to this Variation Agreement agree as follows:

#### Interpretation 1.

#### 1.1. Definitions

- In this Variation Agreement, unless the contrary intention indicates otherwise: 1.1.1.
  - a. terms used in this Variation Agreement that are not defined below and are defined in the Agreement have the same meaning as in the Agreement; and
  - b. a term in bold type has the meaning shown opposite it.

Agreement

means the grant agreement in relation to the provision of funding under the Regional Airline Network Support Program executed by the parties on 7 July 2020 as varied by the Former Variations.

**Effective Date** 

means 24 August 2021.

**Variation** 

means this Variation Agreement and any other documents expressly identified as forming a part of

Agreement

this Variation Agreement.

#### Variation 2.

#### 2.1. Variation to the terms and conditions of the Agreement

- The parties agree that on and from the Effective Date, the Agreement is varied as follows: 2.1.1.
  - a. In Clause C of the Grant Details, 'Duration of the Grant', delete the Activity Completion Date of "30 September 2021" and replace with "31 December 2021".

- b. In Clause D of the Grant Details, 'Payment of the Grant':
  - i. Delete the figure and replace with s47(1)(a)
  - Under the heading 'Claims for payment' delete all three instances of "31 October 2021" and in each instance, replace with "28 February 2022".

### 2.1.2. Effective Date

2.1.3. The parties agree that the variations to the Agreement set out in this Variation Agreement will apply on and from the Effective Date and do not, unless otherwise stated in this Variation Agreement, affect any rights or liabilities of the parties arising before that date.

### General

### 3.1. Applicable law

3.1.1. This Variation Agreement is governed by the same laws as applicable to the Agreement and each party submits to the non-exclusive jurisdiction of the courts of the jurisdiction as specified in the Agreement.

### 3.2. Costs and Stamp Duty

- 3.2.1. The parties agree to bear their own costs and expenses (including legal costs) of and incidental to the preparation, negotiation, execution and completion of this Variation Agreement and of any related documentation.
- 3.2.2. The Operator will pay any stamp duty payable on execution of this Variation Agreement or any related documents.

### 3.3. Confirmation

3.3.1. The parties confirm all other terms and conditions of the Agreement and, subject only to the variations contained in this Variation Agreement, the Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the terms of this Variation Agreement were supplemental to the Agreement.

### 3.4. Entire Agreement

- 3.4.1. This Variation Agreement and the Agreement, when read together, contain the entire agreement of the parties with respect to the parties' rights and obligations under the Agreement and supersede all prior understandings and representations between the parties with respect to the parties' rights and obligations under the Agreement.
- 3.4.2. Each party will take such steps, execute all such documents and do all such acts and things as may be reasonably required by any other party to give effect to any of the transactions contemplated by this Variation Agreement.

### 3.5. Amendments in writing

3.5.1. The provisions of this Variation Agreement will not be varied either in law or in equity except by agreement in writing signed by the parties.

This Variation Agreement is made on	3 October 2021.
Executed for and on behalf of the	)
Commonwealth of Australia, as represented by the Department of	)
Infrastructure, Transport, Regional	)
Development and Communications	s22(1)(a)(ii)
ABN 86 267 354 017:	
CLARE CHAPPLE	
Name of signatory	Signature V V
In the presence of:	s22(1)(a)(ii)
s22(1)(a)(ii)	322(1)(a)(II)
	_
Name of witness	Signature of witness
Executed on behalf of Qantas	) s47F
Airways Limited by its authorised	)
representative:	)
s47F	
Name of Authorised Representative	Signature of Authorized Description
rame of radionosci representative	Signature of Authorised Representative s47F
s47F	
Name of Witness	Signature of Witness

s22(1)(a)(ii)

From: s47F @qantas.com.au>

**Sent:** Thursday, 2 December 2021 12:51 PM **To:** Regional Aviation Network Support

Cc: TANS; s47F

**Subject:** RE: In Confidence: RANS Program [SEC=OFFICIAL]

Hi Ben,

Thank you very much for the advanced notice – we are grateful for the RANS extension and for the heads up to assist us with our crewing deadlines this week.

We note the slight tweaks to the program and will keep this extension in strict-confidence until publicly announced.

Thanks again.

Kind regards,

s47F

s47F

Manager, Government Affairs
Government, Industry, International and Sustainability
Qantas Airways Limited

A Wing, Level 1, 10 Bourke Road, Mascot NSW 2020

**P**. 0423 s47F

E. s47F @qantas.com.au

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From: Regional Aviation Network Support <COVIDrans@infrastructure.gov.au>

Sent: Thursday, 2 December 2021 11:53 AM

**To:** s47F @qantas.com.au>

Cc: TANS <TANS@infrastructure.gov.au>; Regional Aviation Network Support <COVIDrans@infrastructure.gov.au>

**Subject:** In Confidence: RANS Program [SEC=OFFICIAL]

OFFICIAL

Dear s47F

I am writing to alert you on a confidential basis, ahead of a formal announcement from Government, that the Regional Airline Network Support (RANS) program will be extended to 31 March 2022.

FOI 24-083 Document 10

The Department is working to finalise revised Grant Guidelines, which we expect will be released shortly. Once the revised guidelines are released, the Department will be in touch regarding eligibility for support going forward, and the process for extending existing grant agreements.

To ensure support continues to taper as routes and networks return to commercial viability, a change will be made to the weekly flight frequency cap as part of this final extension. The current RANS frequency cap of seven will reduce to three from Monday 3 January 2022 for all airlines. This means from this date, in any week where four or more return services are operated on a route, the route will be ineligible to claim a RANS subsidy in that week. If the frequency drops back below the cap in a future week, the route will be eligible to claim a subsidy again in that week.

I am writing to you in confidence on this subject, recognising the lead-time required for an airline to make commercial arrangements for the future. A public announcement is expected shortly and I would be grateful if you could treat this information as strictly in-confidence until that time.

As recently announced, the Tourism Aviation Network Support program is also being extended to 28 February 2022 to enable the sale of residual tickets allocated to airlines that have not been used for travel due to the recent travel restrictions applying across various states and territories. Documentation to vary the TANS grant agreement to reflect the extended timeframe will be provided shortly.

We are operating in a dynamic and crucial phase of the pandemic and the Government will continue to review all COVID-19 pandemic response measures to ensure that it continues to be fit for purpose.

Should you wish to discuss the RANS extension further, p	olease contact s22(1)(a)(ii)	on 6274 (ii)
For enquiries related to TANS, please contact s22(1)(a)(ii)	on 0419 <sup>s22(1)(a)(ii)</sup> .	
Regards		
Ben Vincent Assistant Secretary Aviation Programs Branch		
0	FFICIAL	
 Disclaimer		

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**Qantas Airways Limited** ABN 16 009 661 901 Visit Qantas online at http://qantas.com s22(1)(a)(ii)

From: @gantas.com.au>

Wednesday, 9 February 2022 4:39 PM Sent: To: Regional Aviation Network Support Cc:

RE: RANS Program extension to 31 March 2022 [SEC=OFFICIAL] Subject:

very much appreciated.

Kind regards,

s47F

From: Regional Aviation Network Support Sent: Wednesday, 9 February 2022 4:26 PM

To: s47F ; Regional Aviation Network Support

Cc: s47F s47F

Subject: RE: RANS Program extension to 31 March 2022 [SEC=OFFICIAL]

OFFICIAL

Thanks s47F

Please find attached the executed Grant Agreement.

Please also note we have finished processing the RANS payments for the period 23 August to 26 September and expect payment to be made next week (Tuesday).

Please let me know if you have any queries.

s22(1)(a)(ii)

s22(1)(a)(ii)

Assistant Director • Aviation Programs Branch • Domestic Aviation and Reform Division P +61 2 6274 (a)(ii)

COVIDrans@infrastructure.gov.au

GPO Box 594 Canberra, ACT 2601

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OFFICIAL		
From: s47F	47F	
Hi <sup>s22(1)(a)(ii)</sup> and <sup>s22(1)(a)(ii)</sup>		
Please find attached the RANS Variation 6 which has been executed by Qantas.		
Grateful if you could please share a fully executed copy in due course.		
Kind regards,		
s47F		
From: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au >  Sent: Thursday, 3 February 2022 3:08 PM  To: SATE	47F	
OFFICIAL		
Hi <sup>s47F</sup>		
Sorry for the delay replying. seems to have had email issues.		
Unfortunately, [822(1)(a)(ii)] has another meeting today at 3pm. We are available tomorrow after 11am anytime if that	suits?	
Just to confirm the cessation date of 31 December for the in the Deed of Variation sent to you (please refer to p.6 Annexure A).  Please let us know if you have trouble locating it.	cluded	
We will provide a new invoice template for 3 January onwards once we have all the data from you up to this date	:-	
Many thanks		

s22(1)(a)(ii)

s22(1)(a)(ii)

**Director • Regional Aviation Programs** @infrastructure.gov.au Department of Infrastructure, Transport, Regional Development and Communications CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS

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### **OFFICIAL**

-		
From: s47F @qantas.com.au>		
Sent: Thursday, 3 February 2022 1:26 PM		
To: Regional Aviation Network Support < <a href="mailto:COVIDrans@infra">COVIDrans@infra</a>	structure.gov.au>	
Cc: s47F @qantas.com.au>; s22(1)(	a)(ii) <s22(1)(a)(ii) @infrastructure.gov.a<="" td=""></s22(1)(a)(ii)>	
<pre>s47F </pre> <pre>aqantas.com.au&gt;;</pre>	s47F < s47F @qantas.com.au>	
Subject: RE: RANS Program extension to 31 March 2022 [S	EC=OFFICIAL]	
Hi <sup>s22(1)(a)(ii)</sup>		
Thank you – will you share an updated RANS contract for us to sign?		
We are available at 3pm today if that works for you? If so, I will send through dial-in details.		
Kind regards,		
s47F		
From: Regional Aviation Network Support < COVIDrans@ir	frastructure.gov.au>	
Sent: Wednesday, 2 February 2022 10:17 AM		
To: s47F @qantas.com.au>		
Cc: s47F @qantas.com.au>; Regi	onal Aviation Network Support	
< <u>COVIDrans@infrastructure.gov.au</u> >; s22(1)(a)(ii)	< s22(1)(a)(ii) @infrastructure.gov.au>	

### OFFICIAL

Hi <sup>s47F</sup>

Thanks for your email. We have put an end date in the Schedule 2 (pg 7) for the route with the cessation date of 31 December and once we have invoice data up to this date we will update the invoice template to reflect the cessation dates from 1 January onwards.

Are you free tomorrow to talk to s22(1)(a)(ii) and myself re the final report and route incentives?

Subject: RE: RANS Program extension to 31 March 2022 [SEC=OFFICIAL]

Cheers

s22(1)(a)(ii)

Assistant Director • Aviation Programs Branch • Domestic Aviation and Reform Division P +61 2 6274 (S22(1) (AVIII)

COVIDrans@infrastructure.gov.au

GPO Box 594 Canberra, ACT 2601

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#### OFFICIAL

From: s47F @qantas.com.au>

Sent: Friday, 28 January 2022 12:47 PM

<COVIDrans@infrastructure.gov.au>

Cc: s4/F @qantas.com.au>

Subject: RE: RANS Program extension to 31 March 2022 [SEC=OFFICIAL]

Hi<sub>(ii)</sub>

Hope you're well and had a great New Year.

Just wanted to loop back on the RANS extension – thank you for sending this through.

s47G(1)(a)

This route is in the Schedule however as part of the QLD regulated route changes Qantas no longer operates this route. I was hoping to confirm whether you would like to keep the Schedule/Variation as is and we just don't claim against it or if you wanted to insert an 'end date' for that one?

### Final Report

We understand the Department has amended Clause E Reporting and the content to be included in the report which is due 45 calendar days after Activity Completion. Is there a reason as to why it has been amended so that all data is to be provided on an individual route basis? Are we able to have a call to discuss this change and in particular, to clarify the requirement to provide "apportioned revenue (passenger, freight and other) on a route-by-route basis"?

### Route incentives

We will also provide you with an update with a couple of additional route incentives for your awareness. We aim to provide this to you next week.

Kind regards,

From: Regional Aviation Network Support < <a href="mailto:COVIDrans@infrastructure.gov.au">COVIDrans@infrastructure.gov.au</a>

Sent: Wednesday, 5 January 2022 3:04 PM

To: s47F @qantas.com.au>

Cc: s47F @qantas.com.au>; Regional Aviation Network Support

<COVIDrans@infrastructure.gov.au>

Subject: RE: RANS Program extension to 31 March 2022 [SEC=OFFICIAL]

OFFICIAL

Hi s47F

Happy New Year. Hope you got some down time before heading back into the fray.

Please see attached the DOV for signature at your end to extend the RANS grant period to 31 March 2022. We have not increased the amount of the funding at the moment as we only have data and invoices up to mid August. Once we have data and invoices up to December we will revisit the amount needed till the end of March 2022 and action another DOV.

Please let me know if you have any queries.

s22(1)(a)(ii)

s22(1)(a)(ii)

Acting Director • Aviation Programs Branch • Domestic Aviation and Reform Division P +61 2 6274 (a)(ii)

COVIDrans@infrastructure.gov.au

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I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

### OFFICIAL

From: Regional Aviation Network Support <COVIDrans@infrastructure.gov.au>

Sent: Friday, 24 December 2021 1:09 PM

To: 1547F < aqantas.com.au>; Regional Aviation Network Support

< COVIDrans@infrastructure.gov.au>

Cc: agantas.com.au>

Subject: RANS Program extension to 31 March 2022 [SEC=OFFICIAL]

**OFFICIAL** 

Hi <sup>s47F</sup>

Thank you for confirming and we will provide you a Deed of Variation in the new year.

Merry Christmas.

s22(1)(a)(ii)

s22(1)(a)(ii)

Director
Regional Aviation Programs
Aviation and Airports
Ph. 6274 (2017)

#### OFFICIAL

From: s47F < @qantas.com.au>

Sent: Tuesday, 21 December 2021 9:38 AM

To: Regional Aviation Network Support < <a href="mailto:COVIDrans@infrastructure.gov.au">COVIDrans@infrastructure.gov.au</a>>

Cc: s47F @qantas.com.au>

Subject: HPE CM: RE: RANS Program extension to 31 March 2022 [SEC=OFFICIAL]

Hi s22(1)(a)(ii)

Thank for your email – we are very grateful for the extension of RANS.

I confirm that the Qantas Group would like to have its RANS grant agreement extended. Grateful if you could please send through the Variation for us to review.

Kind regards,

s47F

s47F

Manager, Government Affairs Government, Industry, International and Sustainability Qantas Airways Limited

A Wing, Level 1, 10 Bourke Road, Mascot NSW 2020

P. 0423 s47F

E. s47F @gantas.com.au

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FOI 24-083 Document 11

From: Regional Aviation Network Support < COVIDrans@infrastructure.gov.au >

Sent: Monday, 20 December 2021 12:19 PM

To: s4/F < aquantas.com.au>; Regional Aviation Network Support

<COVIDrans@infrastructure.gov.au>

Cc: sa/F < @qantas.com.au>

Subject: RANS Program extension to 31 March 2022 [SEC=OFFICIAL]

#### OFFICIAL

Dear s47F

As you may have seen, today the Deputy Prime Minister announced the extension of the Regional Airline Network Support (RANS) program to 31 March 2022. Revised guidelines will be available on GrantConnect shortly.

As flagged in the email of 2 December, to ensure support continues to taper as routes and networks return to commercial viability, a change will be made to the weekly flight frequency cap as part of this final extension. The RANS frequency cap of seven will reduce to three from Monday 3 January 2022 for all airlines. This means from this date, in any week where four or more return services are operated on a route, the route will be ineligible to claim a RANS subsidy in that week. If the frequency drops back below the cap in a future week, the route will be eligible to claim a subsidy again in that week.

In addition, from January the RANS program will no longer provide a subsidy for any Queensland regulated routes, noting that these are now subject to separate arrangements with the Queensland Government.

We would appreciate if you can please advise by COB 23 December if you would like to have your RANS grant agreement extended and you will then be provided with a Deed of Variation to cover the extension period.

Please do not hesitate to contact us with any questions.

Regards

22(1)(a)(ii)

s22(1)(a)(ii)

Director • Regional Aviation Prorams • Domestic Aviation and Reform

s22(1)(a)(ii) @infrastructure.gov.au

P +61 2 6274 s22(1)

GPO Box 594 Canberra, ACT 2601

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I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

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FOI 24-083 Document 11

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# **Australian Government**

# Department of Infrastructure, Transport, Regional Development and Communications

#### VARIATION AGREEMENT

VARIATION AGREEMENT IN RELATION TO THE REGIONAL AIRLINE NETWORK SUPPORT PROGRAM

The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications
ABN 86 267 354 017

Qantas Airways Limited ACN 009 661 901 ABN 16 009 661 901

VARIATION: 006

# Released under the FOI Act 1982 by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts

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#### VARIATION AGREEMENT

VARIATION AGREEMENT IN RELATION TO THE REGIONAL AIRLINE NETWORK SUPPORT PROGRAM

#### **Parties**

This Variation Agreement is made between and binds the following parties:

- The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications
   ABN 86 267 354 017, 111 Alinga Street, Canberra, Australian Capital Territory (Commonwealth)
- Qantas Airways Limited ACN 009 661 901, ABN 16 009 661 901
   Bourke Road, Mascot, NSW, 2020 (the 'Operator')

#### Context

- The parties entered into the Agreement on 7 July 2020.
- The parties have previously varied the Agreement on 15 October 2020, 16 October 2020,
   January 2021, 23 April 2021 and 8 October 2021 (the Former Variations).
- C. The parties agree to vary the Agreement in accordance with the terms of this Variation Agreement.

# Operative provisions

In consideration of the mutual promises contained in this document, the parties to this Variation Agreement agree as follows:

#### 1. Interpretation

#### 1.1. Definitions

- 1.1.1. In this Variation Agreement, unless the contrary intention indicates otherwise:
  - terms used in this Variation Agreement that are not defined below and are defined in the Agreement have the same meaning as in the Agreement; and
  - a term in bold type has the meaning shown opposite it.

Agreement

means the grant agreement in relation to the provision of funding under the Regional Airline Network Support Program executed by the parties on 7 July 2020 as varied by the Former Variations.

**Effective Date** 

means 20 December 2021.

Variation Agreement means this Variation Agreement and any other documents expressly identified as forming a part of

this Variation Agreement.

#### 2. Variation

- 2.1. Variation to the terms and conditions of the Agreement
- 2.1.1. The parties agree that on and from the Effective Date, the Agreement is varied as follows:
  - In Clause C of the Grant Details, 'Duration of the Grant', delete the Activity Completion Date of "31 December 2021" and replace with "31 March 2022".

#### b. In Clause D of the Grant Details, 'Payment of the Grant':

#### i. Delete:

"For flights operated from 3 May 2021, where eight or more return services are operated on a Route in a given week, the Grantee will not be eligible to claim a grant payment for any Flights operated on that Route in that week."

and replace with:

"For flights operated from 3 May 2021 to 2 January 2022, where eight or more return services are operated on a Route in a given week, the Grantee will not be eligible to claim a grant payment for any Flights operated on that Route in that week.

- ii. For flights operated from 3 January 2022, where four or more return services are operated on a Route in a given week, the Grantee will not be eligible to claim a grant payment for any Flights operated on that Route in that week.
- iii. Under the heading 'Claims for payment', delete all three instances of "28 February 2022", and in each instance, replace with "9 May 2022".
- c. In Clause E of Grant Details, "Reporting":
  - Delete:

"The report is to:

- detail how the Grant payment was used including details of Routes, Flights and
  Unsubsidised Flights flown, kilometres flown (by Route), aircraft used (by Route),
  available passenger seating for Flights and Unsubsidised Flights, costs, Revenue,
  Apportioned Revenue, the number of passengers on each Flight and Unsubsidised
  Flight, number of seats paid for with Travel credits, number of seats which are
  Frequent Flyer Redemptions, and the total number of RPT Flights operated across the
  domestic network;
- detail any other payments received in support of Routes that are not classed as Revenue;"

and replace with:

"The report is to detail, for the period 1 July 2020 to the Activity Completion Date for all claimed RANS Routes (on an individual Route basis):

- total flights operated (by Flights and Unsubsidised Flights), kilometres flown, aircraft used, available passenger seating for Flights and Unsubsidised Flights, Revenue (passenger, freight and other), number of weeks the route exceeded the frequency cap, Apportioned Revenue (passenger, freight and other), the number of passengers (by Flights and Unsubsidised Flights) number of seats paid for with Travel credits, number of seats which are Frequent Flyer Redemptions and the total number of RPT Flights operated across the domestic network; and
- any other payments received in support of Routes that are not classed as Revenue."
- d. Delete Schedule 2: Details of the routes supported under this agreement in its entirety; and replace with Schedule 2: Details of the routes supported under this agreement - set out at Annexure A to this Deed of Variation.

#### 2.1.2. Effective Date

2.1.3. The parties agree that the variations to the Agreement set out in this Variation Agreement will apply on and from the Effective Date and do not, unless otherwise stated in this Variation Agreement, affect any rights or liabilities of the parties arising before that date.

#### General

#### 3.1. Applicable law

- 3.1.1. This Variation Agreement is governed by the same laws as applicable to the Agreement and each party submits to the non-exclusive jurisdiction of the courts of the jurisdiction as specified in the Agreement.
- 3.2. Costs and Stamp Duty
- 3.2.1. The parties agree to bear their own costs and expenses (including legal costs) of and incidental to the preparation, negotiation, execution and completion of this Variation Agreement and of any related documentation.
- 3.2.2. The Operator will pay any stamp duty payable on execution of this Variation Agreement or any related documents.
- 3.3. Confirmation
- 3.3.1. The parties confirm all other terms and conditions of the Agreement and, subject only to the variations contained in this Variation Agreement, the Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the terms of this Variation Agreement were supplemental to the Agreement.
- 3.4. Entire Agreement
- 3.4.1 This Variation Agreement and the Agreement, when read together, contain the entire agreement of the parties with respect to the parties' rights and obligations under the Agreement and supersede all prior understandings and representations between the parties with respect to the parties' rights and obligations under the Agreement.
- 3.4.2. Each party will take such steps, execute all such documents and do all such acts and things as may be reasonably required by any other party to give effect to any of the transactions contemplated by this Variation Agreement.
- 3.5. Amendments in writing
- 3.5.1. The provisions of this Variation Agreement will not be varied either in law or in equity except by agreement in writing signed by the parties.

This Variation Agreement is made on 4	2 (2022.
Executed for and on behalf of the Commonwealth of Australia, as represented by the Department of Infrastructure, Transport, Regional Development and Communications ABN 86 267 354 017:	) ) ) s22(1)(a)(ii)
Name of signatory	Signature
In the presence of: s22(1)(a)(ii)	s22(1)(a)(ii)
Name of witness	Signature of witness
Executed on behalf of Qantas Airways Limited by its authorised representative:	) s47F )
Name of Authorised Representative	Signature of Authorized Representative
S47F	
Name of Witness	Signature of Witness

# Annexure A

# Schedule 2 - Details of the routes supported under this agreement

**Qantas Airways Limited** 

Route	Aircraft Type	Number of weekly services	Commencement date	s47(1)(b)	Stage. length Multiplier	-s47G(1)(a)	Cessation date
inay		2	29/07/2020		0.65	-	31 March 2022
		2	15/07/2020		0.65		31 March 2022
		2	15/07/2020		1		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	2/09/2020		0.65		31 March 2022
		2	1/07/2020		2		
		2	15/07/2020		0.65		31 March 2022
		2	9/11/2020		0.65		31 March 2022 31 March 2022
		2	15/07/2020		0.65		31 March 2022
		2	1/07/2020		0.65		31 March 2022
		2	29/07/2020		0.65		31 March 2022
		2	2/11/2020		0.65		31 March 2022
		2	2/11/2020		1		31 March 2022
		2	9/11/2020		1.5		31 March 2022
		2	1/10/2020		1,5		31 December 2021
		2	1/10/2020		1.5		31 December 2021
		2	1/07/2020		1.5		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	15/07/2020		1.5		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	15/07/2020		0.65		31 March 2022
		2	1/07/2020		1.5		31 March 2022
		3	1/07/2020		1.5		31 December 2021
		2	1/07/2020		2		31 March 2022
		2	14/12/2020		0.65		31 March 2022
		2	22/07/2020		0.65		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	29/07/2020		1		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	1/07/2020		1.5		31 March 2022
		2	22/07/2020		1		31 March 2022
		2	26/08/2020		0.65		31 March 2022
		2	9/11/2020		2		31 March 2022
		2	1/07/2020		2		31 March 2022

Route	Aircraft Type	Number of weekly services	Commencement date	s47(1)(b)	Stage length Multiplier	s47G(1)(a)	Cessation date
G(1)(a)		2	1/07/2020		2		31 March 2022
		2	9/11/2020		0.65		31 March 2022
		2	1/07/2020		1.5		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	1/07/2020		0.65		31 March 2022
		2	15/08/2020		1.5		31 March 2022
		2	1/07/2020		1.5		31 March 2022
		3	1/07/2020		1.5		31 March 2022
		2	2/09/2020		1.5		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	2/09/2020		2		31 March 2022
		2	15/07/2020		2		31 March 2022
		2	1/07/2020		2		31 March 2022
		2	1/07/2020		2		31-March 2022

# Stage Length Multiplier

Stage Length	Multiplier
<500km	2.0
500km – 999km	1.5
1000km – 1500km	1.0
>1500km	0.65

s22(1)(a)(ii)

From:Regional Aviation Network SupportSent:Thursday, 3 March 2022 10:07 AMTo:Regional Aviation Network Support

**Subject:** HPE CM: FW: RANS Program extension [SEC=OFFICIAL]

Importance: High

Follow Up Flag: Follow up Completed

**Record Number:** 22#48961DOC

**OFFICIAL** 

**OFFICIAL** 

**From:** Regional Aviation Network Support **Sent:** Thursday, 3 March 2022 10:03 AM

Cc: s47F @qantas.com.au>
Subject: RANS Program extension [SEC=OFFICIAL]

Importance: High

**OFFICIAL** 

Hi s47F

Further to Janet's discussions with SATE I am writing to advise you that the Regional Airline Network Support (RANS) program will be extended to 30 June 2022 or until existing program funding runs out, whichever occurs sooner. The Department is working to finalise revised Grant Guidelines consistent with current program settings, which we expect will be released shortly.

As outlined in our email to you of 21 February, based on the claims data provided the amount currently available under the RANS Grant agreement will only cover Qantas claims to 24 October 2021. The maximum grant amount is set out at Clause D of the Grant Agreement and no further RANS support beyond this grant amount can be paid unless a Deed of Variation (DoV) is executed. As set out in the Grant Agreement claims must be submitted every fortnight at a minimum.

To inform the grant amount that will be required by Qantas in any Deed of Variation, the Department needs all draft data for the period 15 November 2021 to end of January 2022 by **Monday 7 March 2022**. This will allow the Department to review the current grant amount and consider a DoV.

Please also provide detail on the satisfied as revenue to be declared. This will be required to inform the grant amount for the DoV. In relation to the phone discussion planned on this matter, this can be held next week to allow your team time to prepare the claims data.

If we do not receive the data up to 31 January 2022 by 7 March 2022, the Department may not be in a position to review the maximum grant amount able to be offered to Qantas under the RANS Program and negotiate a DoV ahead of the program's closure.

Any Deed of Variation for additional funds and for the program extension will need to be executed no later than 29 March 2022.

As always, we are happy to schedule a call should you wish to discuss this further.

Regards

OFFICIAL

Ben

#### **Ben Vincent**

Assistant Secretary • Aviation Programs • Domestic Aviation and Reform

Department of Infrastructure, Transport, Regional Development and Communications CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS

infrastructure.gov.au



I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities.

I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

**OFFICIAL** 

s22(1)(a)(ii)

From: Regional Aviation Network Support
Sent: Thursday, 24 March 2022 6:37 PM

To: s47/

Cc: Regional Aviation Network Support

Subject: HPE CM: RE: RANS Program extension: Variation Agreement [SEC=OFFICIAL]

Attachments: Qantas DoV 007 - RANS Extension - Executed.pdf

**OFFICIAL** 

Hi s47F

Please see the executed DOV for your records.

s22(1)(a)(ii)

s22(1)(a)(ii)

Assistant Director • Aviation Programs Branch • Domestic Aviation and Reform Division P +61 2 6274 (a)(ii)

COVIDrans@infrastructure.gov.au

GPO Box 594 Canberra, ACT 2601

Department of Infrastructure, Transport, Regional Development and Communications CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS

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#### **OFFICIAL**

From: s47F

Sent: Thursday, 24 March 2022 3:49 PM To: Regional Aviation Network Support

Cc: s47F

Subject: RE: RANS Program extension: Variation Agreement [SEC=OFFICIAL]

s22(1)(a)(ii)

Please find attached the executed Agreement.

Kind regards,

s47F

s47F

Executive Manager, Government, Industry and Competition Qantas Airways Limited

M. +61 415 s47F

E. <sup>\$47F</sup> @qantas.com.au

<u>qantas.com</u> | <u>facebook.com/qantas</u> | <u>twitter.com/qantasairways</u> | <u>youtube.com/qantas</u>



From: Regional Aviation Network Support Sent: Monday, 21 March 2022 3:30 PM

To: \$47F

Cc: Regional Aviation Network Support

Subject: RANS Program extension: Variation Agreement [SEC=OFFICIAL]

**OFFICIAL** 

Dear s47F and s47F

Please see attached the updated Variation Agreement with the changes to terminology as discussed.

Apologies for the inconvenience.

We would appreciate if you could return the signed version by COB 25 March 2022.

Kind regards

s22(1)(a)(ii)

s22(1)(a)(ii

Director • Regional Aviation Programs @infrastructure.gov.au

P +61 2 6274 (ii)

GPO Box 594 Canberra, ACT 2601

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I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities.
I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

#### **OFFICIAL**

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Qantas Airways Limited ABN 16 009 661 901 Visit Qantas online at http://qantas.com



# **Australian Government**

# Department of Infrastructure, Transport, Regional Development and Communications

#### VARIATION AGREEMENT

VARIATION AGREEMENT IN RELATION TO THE REGIONAL AIRLINE NETWORK SUPPORT PROGRAM

The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications
ABN 86 267 354 017

Qantas Airways Limited ACN 009 661 901 ABN 16 009 661 901

**VARIATION 007** 

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#### VARIATION AGREEMENT

#### VARIATION AGREEMENT IN RELATION TO THE REGIONAL AIRLINE NETWORK SUPPORT PROGRAM

#### **Parties**

This Variation Agreement is made between and binds the following parties:

- The Commonwealth of Australia as represented by the Department of Infrastructure, Transport, Regional Development and Communications
   ABN 86 267 354 017, 111 Alinga Street, Canberra, Australian Capital Territory (Commonwealth)
- Qantas Airways Limited ACN 009 661 901, ABN 16 009 661 901
   Bourke Road, Mascot, NSW, 2020 (the Operator)

#### Context

- A. The parties entered into the Agreement on 7 July 2020.
- B. The parties have previously varied the Agreement on 15 October 2020, 16 October 2020, 6 January 2021, 23 April 2021, 8 October 2021 and 9 February 2022 (the **Former Variations**).
- C. The parties agree to vary the Agreement in accordance with the terms of this Variation Agreement. The parties note that there may not be sufficient funding within the Grant amount to cover claims through to 30 June 2022.

## Operative provisions

In consideration of the mutual promises contained in this document, the parties to this Variation Agreement agree as follows:

# 1. Interpretation

## 1.1. Definitions

- 1.1.1. In this Variation Agreement, unless the contrary intention indicates otherwise:
  - a. terms used in this Variation Agreement that are not defined below and are defined in the Agreement have the same meaning as in the Agreement; and
  - b. a term in bold type has the meaning shown opposite it.

Agreement means the grant agreement in relation to the

provision of funding under the Regional Airline Network Support Program executed by the parties on 7 July 2020 as varied by the Former Variations.

Variation Agreement

means this Variation and any other documents expressly identified as forming a part of this

Variation Agreement.

Effective Date means 11 March 2022.

#### Variation

# 2.1. Variation to the terms and conditions of the Agreement

- 2.1.1. The parties agree that on and from the Effective Date, the Agreement is varied as follows:
  - In Clause C of the Grant Details, 'Duration of the Grant', delete the Activity Completion Date of "31 March 2022" and replace with "30 June 2022", and
  - b. In Clause D of the Grant Details, 'Payment of the Grant':
    - i. Delete the figure s47(1)(b) and replace with
    - ii. Under the heading 'Claims for payment', delete all instances of "9 May 2022", and in each instance, replace with "15 August 2022".
  - c. In Schedule 1: Commonwealth Standard Grant Conditions, under the heading 'Definitions', insert "Cessation Date means the Cessation Date set out for that Route in Schedule 2."
  - d. Delete Schedule 2: Details of the routes supported under this agreement in its entirety; and replace with Schedule 2: Details of the routes supported under this agreement - set out at Annexure A to this Variation Agreement.

#### 2.2. Effective Date

2.2.1. The parties agree that the variations to the Agreement set out in this Variation Agreement will apply on and from the Effective Date and do not, unless otherwise stated in this Variation Agreement, affect any rights or liabilities of the parties arising before that date.

## General

# 3.1. Applicable law

3.1.1. This Variation Agreement is governed by the same laws as applicable to the Agreement and each party submits to the non-exclusive jurisdiction of the courts of the jurisdiction as specified in the Agreement.

#### 3.2. Costs and Stamp Duty

- 3.2.1. The parties agree to bear their own costs and expenses (including legal costs) of and incidental to the preparation, negotiation, execution and completion of this Variation Agreement and of any related documentation.
- 3.2.2. The Operator will pay any stamp duty payable on execution of this Variation Agreement or any related documents.

#### 3.3. Confirmation

3.3.1. The parties confirm all other terms and conditions of the Agreement and, subject only to the variations contained in this Variation Agreement, the Agreement shall remain in full force and effect and shall be read and construed and be enforceable as if the terms of this Variation Agreement were supplemental to the Agreement.

#### 3.4. Entire Agreement

- 3.4.1. This Variation Agreement and the Agreement, when read together, contain the entire agreement of the parties with respect to the parties' rights and obligations under the Agreement and supersede all prior understandings and representations between the parties with respect to the parties' rights and obligations under the Agreement.
- 3.4.2. Each party will take such steps, execute all such documents and do all such acts and things as may be reasonably required by any other party to give effect to any of the transactions contemplated by this Variation Agreement.

#### 3.5. Amendments in writing

3.5.1. The provisions of this Variation Agreement will not be varied either in law or in equity except by agreement in writing signed by the parties.

# Variation Agreement

This Variation Agreement is made on

SIGNED, SEALED AND DELIVERED for and on behalf of the Commonwealth of Australia, as represented by the Department of Infrastructure, Transport, Regional Development and Communications ABN 86 267 354 017:

Ben Vincent

Name of Signatory

In the presence of:

PHIL MCCLURS

Name of Witness

EXECUTED on behalf of **Qantas Airways Limited** by its authorised representative:

s47F

Name of Authorised Representative

In the presence of:

s47F

Name of Witness

2 4 March 2022

s22(1)(a)(ii)

Signature s22(1)(a)(ii)

Signature of Witness



s47F

Signature of Witness

#### Annexure A

Schedule 2 - Details of the routes supported under this agreement

**Qantas Airways Limited** 

Route	Aircraft Type	Number of weekly services	Commencement date	s47(1)(b)	Stage length Multiplier	s47G(1)(a)	Cessation date
7G(1)(a)		2	29/07/2020		0.65		30 June 2022
		2	15/07/2020		0.65		30 June 2022
		2	15/07/2020		1	-	30 June 2022
		2	1/07/2020		2		30 June 2022
		2	1/07/2020		2		30 June 2022
		2	2/09/2020		0.65		30 June 2022
		2	1/07/2020		2		30 June 2022
		2	15/07/2020		0.65		30 June 2022
		2	9/11/2020		0.65		30 June 2022
		2	15/07/2020		0.65		30 June 2022
		2	1/07/2020		0.65	-	30 June 2022
		2	29/07/2020		0.65		30 June 2022
		2	2/11/2020		0.65	-	30 June 2022
		2	2/11/2020		1000		30 June 2022
		2	9/11/2020		1.5		30 June 2022
		2	1/10/2020		1.5		31 December 2021
		2	1/10/2020		1.5		31 December 2021
		2	1/07/2020		1.5		30 June 2022
		2	1/07/2020		2		30 June 2022
		2	15/07/2020		1.5		30 June 2022
		2	1/07/2020		2	-	30 June 2022
		2	15/07/2020		0.65		30 June 2022
		2	1/07/2020		1,5		30 June 2022
		3	1/07/2020		1.5		31 December 2021
		2	1/07/2020		2	-	30 June 2022
		2	14/12/2020		0.65		30 June 2022
		2	22/07/2020		0.65	-	30 June 2022
		2	1/07/2020		2		30 June 2022
		2	29/07/2020		1		30 June 2022
		2	1/07/2020		2		30 June 2022
		2	1/07/2020		1.5		30 June 2022
		2	22/07/2020		1.00		30 June 2022
		2	<b>2</b> 6/08/2020		0.65		30 June 2022
		2	9/11/2020		2		30 June 2022

Route	Aircraft Type	Number of weekly services	Commencement date	s47(1)(b)	Stage length Multiplier	s47G(1)(a)	Cessation date
7G(1)(a)		2	1/07/2020		2		30 June 2022
		2	1/07/2020	2 0.65 1.5 2 2	2		30 June 2022
		2	9/11/2020		0.65		30 June 2022
		2	1/07/2020			30 June 2022	
		2	1/07/2020		2		30 June 2022
		2	1/07/2020		2		30 June 2022
		2	1/07/2020		2		30 June 2022
		2	1/07/2020		0.65		30 June 2022
		2	15/08/2020		1.5		30 June 2022
		2	1/07/2020		1.5		30 June 2022
		3	1/07/2020		1.5		30 June 2022
		2	2/09/2020		1.5		30 June 2022
		2	1/07/2020		2		30 June 2022
		2	1/07/2020		2		30 June 2022
		2	1/07/2020		2		30 June 2022
		2	2/09/2020		2		30 June 2022
		2	15/07/2020		2		30 June 2022
		2	1/07/2020		2		30 June 2022
		2	1/07/2020		2		30 June 2022

# Stage Length Multiplier

Stage Length	Multiplier
<500km	2.0
500km – 999km	1.5
1000km – 1500km	1.0
>1500km	0.65