

**TRADE PRACTICES ACT 1974****VARIATION TO UNDERTAKING TO THE AUSTRALIAN COMPETITION AND
CONSUMER COMMISSION GIVEN PURSUANT TO SECTION 87B OF THE
TRADE PRACTICES ACT 1974 (THE ACT)****BY****QANTAS AIRWAYS LIMITED (ABN 16 009 661 901)****BACKGROUND**

An undertaking given by Qantas Airways Limited (Qantas) for the purposes of section 87B of the Trade Practices Act 1974 (the Act) on 6 June 2002 (the Undertaking) was accepted by the Australian Competition and Consumer Commission (the Commission) on 8 June 2002.

Qantas offers the Commission this Variation to the Undertaking in accordance with section 87B(2) of the Act.

VARIATION TO THE UNDERTAKING

1. **Delete** in Clause 1(b) on page 1 of the Undertaking:

“**All Inclusive Basis**” means, in relation to any advertising that includes an airfare, that the fare includes all amounts payable by a consumer in respect of the fare as a necessary pre-condition to the supply by Qantas of the advertised services to the consumer.”

and

Substitute:

“**Total Fare Basis**” means, in relation to any advertising that includes an airfare, that the fare:

- (i) includes all amounts payable by a consumer in respect of the fare as a necessary pre-condition to the supply by Qantas of the advertised services to the consumer (“**the single total fare**”); or
- (ii) refers in dollar terms to all component amounts (whether individually specified or aggregated) that make up the single total fare (“**the composite total fare**”).”

2. **Delete** in Clause 3.1(a) on page 1 of the Undertaking:

“in respect of advertisements committed to after 13 May 2002 and published in Australia from 10 June 2002, Qantas will only advertise or represent the price of fares for domestic air travel on an All Inclusive Basis;”

and

Substitute:

“Qantas will only advertise or represent the price of fares for domestic air travel on a Total Fare Basis;”

3. **Delete** in Clause 3.1(b) on page 1 of the Undertaking:

“in respect of advertisements committed to after 15 June 2002 and published in Australia from 30 June 2002, Qantas will only advertise or represent the price of fares for international air travel on an All Inclusive Basis; and”

and

Substitute:

“Qantas will only advertise or represent the price of fares for international air travel on a Total Fare Basis; and”

4. **Delete** in Clause 3.2 on pages 1 and 2 of the Undertaking:

“For the avoidance of doubt in respect of Qantas or its Subsidiaries advertising on an All Inclusive Basis:

- (a) in any advertisement, any component amount or amounts that have been included in the total fare may be included. However, the total fare shall be given equal or greater prominence to the component amounts; and
- (b) where passengers may incur different charges, levies and taxes in respect of travel between two points depending on whether the passenger travels directly between those points or travels via particular intermediary points or on particular aircraft, Qantas or its Subsidiaries may advertise a fare on a ‘from’ basis, and include in the fare the amount of charges, levies and taxes that passengers will incur in travelling between those points via the routing that incurs the least amount of charges, levies and taxes.”

and

Substitute:

“In respect of Qantas or its Subsidiaries advertising on a Total Fare Basis:

- (a) in any advertisement that includes or refers to a composite total fare, all component amounts shall be:
 - (i) individually specified or aggregated in such a manner; and
 - (ii) given such prominence as is necessary;to allow the consumer to readily ascertain the single total fare, including without having to perform a complex calculation; and
- (b) where passengers may incur different charges, levies and taxes in respect of travel between two points depending on whether the passenger travels directly between those points or travels via particular intermediary points or on particular aircraft, Qantas or its Subsidiaries may advertise:
 - (i) a single total fare on a ‘from’ basis, and include in the fare the amount of charges, levies and taxes that passengers will incur in travelling between those points via the routing that incurs the least amount of charges, levies and taxes; and

- (ii) a composite total fare on a 'from' basis, and include in the component amount(s) that constitute(s) the charges, levies and taxes, the amount of charges, levies and taxes that passengers will incur in travelling between those points via the routing that incurs the least amount of charges, levies and taxes."

5. **Delete** in Clause 3.3(a) on page 2 of the Undertaking:

"the advertising of domestic fares on a non-All Inclusive Basis in advertisements published by Qantas or its subsidiaries prior to 10 June 2002;"

and

Substitute:

"the advertising of domestic fares on a non-Total Fare Basis in advertisements published by Qantas or its Subsidiaries prior to the Commission consenting to the Variation of Undertaking executed by Qantas on 19 November 2004;"

6. **Delete** in Clause 3.3(b) on page 2 of the Undertaking:

"the advertising of domestic fares on a non-All Inclusive Basis in advertisements published by Qantas or its subsidiaries after 10 June 2002 in respect of which Qantas or its subsidiaries entered into a binding commitment for publication prior to 13 May 2002 provided that before 31 March 2003 Qantas and its subsidiaries cease publication of all such advertisements. A schedule of all such advertisements is Confidential Attachment A to this Undertaking;"

and

Substitute:

"the advertising of international fares on a non-Total Fare Basis in advertisements published by Qantas or its Subsidiaries prior to the Commission consenting to the Variation of Undertaking executed by Qantas on 19 November 2004."

7. **Delete** Clause 3.3(c) on page 2 of the Undertaking.

8. **Delete** Clause 3.3(d) on page 2 of the Undertaking.

9. **Add** to Clause 4 on page 2 of the Undertaking:

"4.3 This undertaking will expire 24 months from the date on which the Commission consents to the Variation of Undertaking executed by Qantas on 19 November 2004."

COMMENCEMENT OF VARIATION OF UNDERTAKING

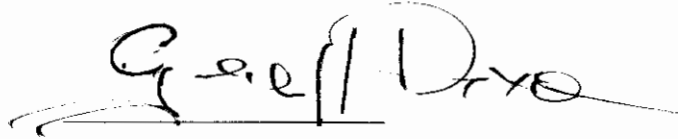
This Variation of Undertaking once it has been executed by Qantas comes into effect from the date on which the Commission consents to the Variation.

ACKNOWLEDGMENTS

Qantas acknowledges the Commission's right to make this Variation of Undertaking available for public inspection.

EXECUTED by
QANTAS AIRWAYS LIMITED
(ABN 16 009 661 901) pursuant to section
127(1) of the Corporations Act

Director



Geoff Dixon

Secretary

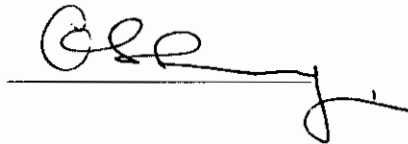


Brett Johnson

This 19th day of November 2004

**CONSENTED TO BY THE AUSTRALIAN COMPETITION AND CONSUMER
COMMISSION PURSUANT TO SECTION 87B(2) OF THE TRADE PRACTICES
ACT 1974:**

Chairperson:



This 20th day of November 2004