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Superannuation Update

September 2009

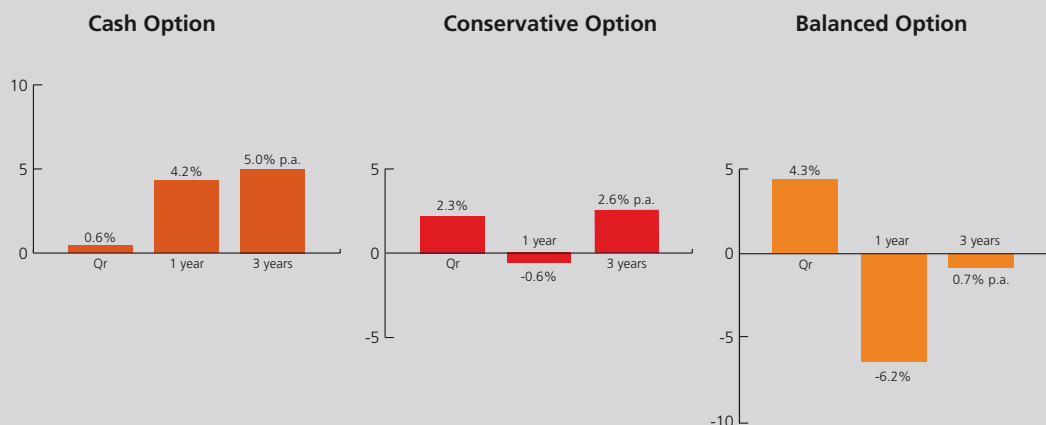
Qantas Superannuation Plan



Credited Interest Rates (CIRs) – periods to 30 June 2009

Note:

The Credited Interest Rates shown in these graphics are the actual rates credited. CIRs can go up or down. Past performance may not be a reliable indicator of future performance. These rates do not apply to Division 9 or Division 14 members – see the table on the right.



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Credited Interest Rates for the year

The CIRs for the Growth (default) Option for the periods to 30 June 2009 were:

- +6.0% for the quarter
- -11.3% for 12 months
- -1.1% p.a. for 3 years
- +4.9% p.a. for 5 years.

The annualised CIRs for each of the MIC Options were:

Cash Option	Conservative Option	Balanced Option	Growth Option	Aggressive Option
4.15%	-0.60%	-6.42%	-11.29%	-15.09%

These CIRs do not apply to Division 9 or Division 14 members. For those members the annualised CIRs were:

Cash Option	Conservative Option	Balanced Option	Growth Option	Aggressive Option
4.90%	-0.43%	-7.01%	-12.49%	-16.75%

The annual CIR for the Growth Option is the lowest for many years, and follows sharp declines in equity and other markets late in 2008 and early in 2009.

The annual rates were assisted by improvements in equity markets in the months leading up to year end. For example, the CIR for the Growth Option was 6% for the quarter to 30 June 2009.

Each MIC Option has an investment strategy which allocates certain proportions of investment across the various asset classes. The proportions vary between MIC Options leading to different CIRs for each option.

The performance of each of the Plan's asset sectors (before tax) were:

Asset Class Returns (periods to 30 June 2009)

Asset Class	Quarter (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)
Australian Equities	12.7	-15.8	-2.3	8.1
International Equities	9.8	-22.4	-8.9	-0.5
Property	-3.5	-9.0	7.7	10.1
Private Capital	-10.6	-13.3	8.2	12.0
Hedge Funds	1.3	-9.4	-3.7	1.4
High Yield and Emerging Market Debt	11.5	-8.4	0.9	n/a
Australian Fixed Interest	0.6	10.5	5.6	5.6
Australian Indexed Bonds	-0.3	-1.7	4.0	5.2
International Fixed Interest	n/a	n/a	n/a	n/a

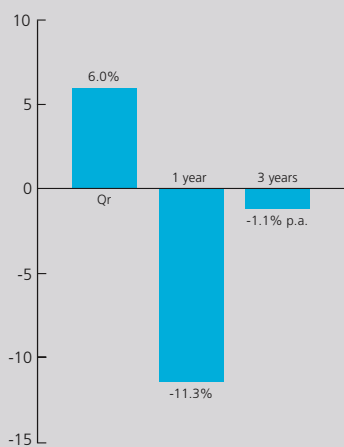
Global Financial Crisis

The Global Financial Crisis, or GFC, has led to tumultuous times for superannuation. The last 12 months have seen:

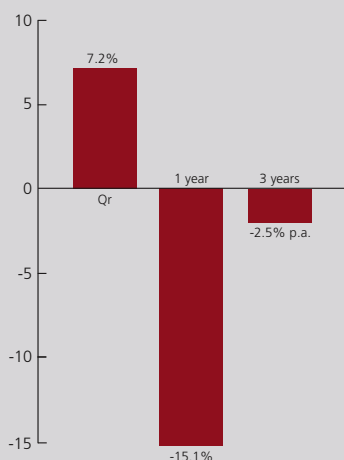
- Significant downturns (and volatility) in investment markets, resulting in the weakest annual returns for many years; and
- A number of exits from the Plan as the Airline has reduced its workforce. It is pleasing that a number of members who have left Qantas have remained within the Plan.

In addition, more changes to superannuation were announced by the Government in May with a reduction in caps on concessional contributions applying from 1 July.

Growth Option



Aggressive Option



The monthly CIRs over the last quarter have been:

	Cash Option	Conservative Option	Balanced Option	Growth Option	Aggressive Option
Apr 09	0.22%	1.15%	2.36%	3.39%	4.13%
May 09	0.21%	0.50%	1.05%	1.55%	1.92%
Jun 09	0.21%	0.67%	0.85%	0.95%	1.04%

For Division 9 and Division 14 the monthly CIRs have been:

	Cash Option	Conservative Option	Balanced Option	Growth Option	Aggressive Option
Apr 09	0.26%	1.29%	2.65%	3.82%	4.65%
May 09	0.25%	0.56%	1.19%	1.77%	2.18%
Jun 09	0.24%	0.79%	0.98%	1.08%	1.18%

Over the last 18 months the Trustee has monitored all these changes very closely and very actively. The only change that has arisen purely because of the GFC is the establishment of a revised funding plan with the Company. Other key enhancements that are being introduced to the Plan continue on schedule. Following a significant review by the Trustee, enhanced investment strategies for all MIC Options and assets supporting the defined benefit liabilities will be implemented from 1 October 2009. These changes are described in the special Super News on the website and included with this newsletter. Other changes include the introduction of new services such as Division 14 - transition to retirement pensions, minimum death benefits and new website functionality.

Financial Strength of the Plan

In April 2009 the Plan and Qantas Airways Limited announced their agreement to a new funding plan for the defined benefit Divisions of the Plan.

Since that funding Plan was established in April, the investment performance of Plan assets has been favourable. This has further strengthened the financial position of the Plan. The Trustee continues to closely monitor the financial position of the Plan and the Company has been making the additional contributions as agreed.

Changes to Company Policy

The Company has announced a change in policy allowing members of Divisions 1, 2 and 3 of the Plan to request to transfer to Division 6. Information about this policy is available from the Plan's website www.qantassuper.com.au in the Super News section, and includes a link to an information sheet, Product Disclosure Statement for Division 6 and a Request to transfer to Division 6 form.

Since that announcement, the Company has extended the date from which the Company Contribution rate will change, from 1 November 2009 to 1 December 2009. Details of this change are also contained on the website.

Changes to Final Interest Payment

When a member ceases employment, the benefit is calculated in two parts.

Firstly, an exit benefit is determined as at the date of ceasing employment consistent with the relevant Division and the cause of exit. Interest is then applied from the date of exit to the date of payment, which is known as the Final Interest Payment.

For members not in employment, such as Division 8 or 9 members or Spouse members, interest is simply calculated to the date of payment based on the MIC Option which applied prior to exit notification. The same approach applies when a Division 14 – Transition to Retirement account is closed.

The changes to the Final Interest Payment are as follows:

1. For members who left service on or before 31 July 2009, the Final Interest Payment was calculated using the Growth Option.
2. For members who left service on or after 1 August 2009, the Final Interest Payment is calculated using:
 - the member's MIC Option (or if no MIC Option notification has been provided, the default option); or
 - the Cash Option if a death benefit is being paid.

Important note

The items in this newsletter have been provided for information only. Any decisions you may make on any of these matters should have regard for your personal circumstances and tax position, and we strongly recommend you seek professional financial planning advice to assist you making decisions about your options in the Plan.

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Trust Deed Amendments

An amendment to the Trust Deed has been made with effect from 16 June 2009. The change acts to broaden the definition of 'dependant' to be consistent with changes under relevant superannuation legislation.

A dependant may now include:

Your Spouse, being:

- a person to whom you are married
- a person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple regardless of whether they are of the same or opposite sex;
- a person with whom you are in a relationship that is registered under the Relationships Act 2008 (Vic), Relationships Act 2003 (Tas) of the Civil Partnerships Act 2008 (ACT);

Your Children, being:

- step-children, adopted or ex-nuptial children
- a child of your spouse
- a child born to a woman as a result of an artificial conception procedure while that woman was married to you or was your defacto partner; and
- a child who is your child because of a State or Territory order giving effect to a surrogacy arrangement;

Any other person who:

- in the opinion of the Trustee, was wholly or partially financially dependent on you at the time of death; or

- was in an 'interdependency relationship' with you at the time of death. This requires that:
 - o you had a close personal relationship; and
 - o you lived together; and
 - o each or one provided financial support to the other; and
 - o one or each provided domestic support and personal care to the other of a type and quality normally provided in a close personal relationship (other than by a friend or flatmate).

Note that if a close personal relationship existed but the other requirements of an interdependency relationship were not satisfied because one or both of you suffered from a physical, intellectual or psychiatric disability, or if you are temporarily living apart, then an interdependency relationship may still exist.

You may view your current nominated beneficiaries by visiting the secure section of the Plan's website www.qantassuper.com or by calling the Plan on **1300 654 384**. You can change your nominated beneficiaries from the website or by completing a Nomination of Beneficiary Form, also available on the Plan's website or by calling the Plan.

You should note that your nomination is not binding on the Trustee. It does provide them with up-to-date information to assist them with their decision as to who (subject to the Trust Deed) should receive the death benefit. It is important that this information is kept up-to-date.

New Director

The Trustee welcomes Mr Jon Scriven, Group Executive People for Qantas Airways Group, who was appointed by the Company as Director of Qantas Superannuation Limited.

Mr Scriven replaces Mr Kevin Brown. The Trustee wishes to acknowledge the contribution made by Mr Brown.

Other news

1. A new calculator is available on the website. This allows members to view their Concessional Contributions made to the Plan during this financial year to date, and to estimate their potential concessional contributions for the full financial year.
2. Member Statements are currently being prepared and are expected to begin to be available to members by the end of September. Copies of member statements will also be available from the member section of the Plan website from late September.