QANTAS SUPERANNUATION PLAN

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

CONTENTS

Issued by Qantas Superannuation Limited (ABN 47 003 806 960, AFS Licence No.288330, RSE L0002257)
as Trustee for Qantas Superannuation Plan (ABN 41 272 198 829, RSE R1005486)

The directors of Qantas Superannuation Limited (the Trustee), as trustee for the Qantas Superannuation Plan (the Plan or Qantas Super), present their report on the Plan for the financial year ended 30 June 2024 (year or financial year).

Principal activities

During the year the principal continuing activities of the Plan consisted of providing superannuation and retirement benefits. There were no significant changes to the principal operations of the Plan during the year.

Review of operations

Qantas Super is a contributory Plan established for the benefit of eligible Australian based employees of Qantas Airways Limited (QAL) and its controlled entities under a Trust Deed dated 1 June 1939 as subsequently amended. The Plan has both defined benefit (DB) and defined contribution (DC) divisions for the provision of superannuation benefits and arrangements to the members of the Plan (Members).

<u>Operating results</u>

The net assets available for Member benefits increased from $8,391,690,000 to $8,836,358,000 during the financial year. This increase is a combination of contributions, expenses and investment returns during the year.

The Plan invests Member funds in financial investments designed to provide a return to Members commensurate with the risk taken and the relevant time horizon. For the year ended 30 June 2024 the Plan received income from superannuation activities after tax of $703,571,000 (2023: $496,576,000). This was an increase on the prior year and is reflective of the performance of investment markets generally during the year.

Each of the Plan's investment options delivered competitive returns for periods ending 30 June 2024 and over the long term, with each option ranking in the 1st quartile over the 3, 5 and 7 year periods to 30 June 2024 and above median for 10 years.

The statement of changes in Member benefits shows the impact of after-tax contributions and benefit payments during the year. For the year ended 30 June 2024 there was a net outflow of $245,877,000 (2023: $193,768,000).

Significant changes in the state of affairs

On 21 September 2023, the Trustee Board approved that the Trustee would commence a process of exploring merger options for the Plan. This conclusion was reached after carefully reviewing the Plan's scale compared with leading superannuation funds, the sustainability of the Plan and the legislative and regulatory environment.

On 16 July 2024, the Trustee Board entered into an agreement to merge the Plan with Australian Retirement Trust. As the corporate sponsor of the Plan, QAL is also a party to this agreement. This agreement followed a rigorous process by the Trustee Board, including a comprehensive assessment of the options available to the Plan. This assessment considered each of the leading merger options available to the Plan, as well as assessing the option of the Plan remaining an independent corporate super fund.

The agreement sets out the framework that will be used to prepare for the implementation of a merger. The merger is expected to occur by way of a Successor Fund Transfer (SFT), which is a method that is set out in Federal Government legislation. There are significant legal requirements that must be complied with prior to implementing a SFT, so implementation is subject to both Qantas Super's and Australian Retirement Trust's trustees completing the final assessments of their respective Members' best financial interests and equivalency of rights in relation to benefits, and each of the relevant parties signing relevant legal agreements, including an SFT Deed.

Other than reaching an agreement to merge the Plan with Australian Retirement Trust, there were no other significant changes in the state of affairs of the Plan that occurred during the year.

Events since the end of the financial year

As at the date of this report, except as disclosed above, no additional events have arisen since 30 June 2024 that have significantly affected the Plan.

Likely developments and expected results of operations

As at the date of this report, except as disclosed above, there are no additional likely developments or expected results to disclose.

Audit and non-audit services

During the year the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the Plan and by PwC's related network firms:

	2024	2023
Audit services:		
• Audit of the financial report and regulatory compliance	349,978	312,640
• Other audit related services	48,274	50,578
Non-audit services:		
• Taxation services	294,509	378,404
	692,761	741,622

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 11.

Rounding of amounts

Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Remuneration report

The directors present the Plan remuneration report for the year ended 30 June 2024 outlining key aspects of the Plan Remuneration Framework and Policy and remuneration awarded this year.

(a) Key management personnel (KMP) covered in this report

The names of the persons who were Trustee directors during the year and as at the date of this report are:

Employer appointed:	Member elected:
John Atkin (Chair)	Richard Garner (Group A and QAL employee)
Lorraine Berends AM	Klair Safier (Group B and QAL employee)
Cecilia Ho (QAL employee)	Denis Evison (Group C and QAL employee)
Rachel Yangoyan (QAL employee)	Luke Murray (Group D and QAL employee)
Reed Tanger (QAL employee)	Lyle Brownscombe (Group E and QAL employee)

Directors are appointed for a term of office of four years in accordance with the Rules for the Nomination, Appointment and Removal of Directors (Rules). The maximum tenure of any director is 12 years, unless otherwise permitted under the Rules or the Trustee's Governance Framework.

All directors of the Trustee except John Atkin and Lorraine Berends AM are also Members of the Plan and made contributions to the Plan on an arms-length basis.

The membership terms and conditions, contributions and benefits entitlements for the Trustee directors who are also Members of the Plan are determined in accordance with the Trust Deed and Rules on the same basis available to other Members of the same divisions of the Plan.

Other KMP

In addition to the Trustee directors, the following employees of the Trustee are also KMPs:

Michael Clancy (Chief Executive Officer)
Andrew Spence (Chief Investment Officer)
Suzette Thurman (Chief Risk Officer)
Andy Moser (Chief Financial Officer)

(b) Principles with respect of remuneration arrangements

The People, Remunerations and Nominations Committee (PRNC) recommends and the Trustee Board approves the Remuneration Framework and Policy which has been prepared with reference to legislation, APRA Prudential Standards and accompanying Prudential Practice Guides.

The Trustee Board has established the following principles with respect to remuneration arrangements:

- the culture and working environment within the Trustee must support the delivery of the Trustee's Strategic Plan and Business Plan in a way that is aligned with the Risk Management Framework and all relevant laws and regulations;
- the Trustee Board is responsible for ensuring that decisions are made in the best financial interests of Members;
- fair, consistent and competitive reward and recognition are provided to attract, motivate and retain appropriately skilled and experienced employees who have accountability for and/or undertake the various roles and responsibilities of the Trustee;
- remuneration arrangements are to be structured to reward and recognise people for:
  - their collective and individual contribution to the long-term financial soundness of the Plan;
  - demonstrating exemplary governance;
  - protecting and creating value for Members; and
  - demonstrating appropriate behaviours;
- for directors, the Trustee Board monitors remuneration arrangements for employer-appointed and Member-elected directors;
- for executives, the Trustee Board has determined that fixed annual remuneration, a discretionary performance-based incentive and other benefits are made available; and
- benchmarking of remuneration arrangements are undertaken periodically.

(c) Director remuneration approach

Objectives

The objectives for director remuneration arrangements are to:

- ensure no director who is a QAL employee is disadvantaged by their involvement with the Trustee; and
- remunerate employer appointed directors who are not otherwise QAL employees and independent directors in keeping with superannuation industry practice, or QAL Board practices where the director is also a QAL director.

Employer appointed directors who are not otherwise QAL employees

QAL may select a person to act as an employer appointed director who is not otherwise an employee of QAL. QAL pays a director in this category a director fee and it may provide access to other benefits; e.g. travel benefits.

The remuneration arrangements for this category of director is in consideration for all accountabilities and responsibilities, and is in keeping with superannuation industry practice for a director of a superannuation fund.

Employer appointed directors and Member elected directors who are QAL employees

QAL has determined, consistent with the policy it applies to all its wholly owned QAL subsidiaries, that no director fee is paid to any QAL employee who chooses to act as a director of the Trustee.

QAL ensures that this category of directors is able to participate fully as directors. That is, QAL put in place flexible work arrangements to allow directors to prepare for and participate in meetings.

Whilst no director fee is paid to any regular QAL employee who acts as a director of the Trustee, for the purposes of this remuneration report a notional estimated value has been developed relative to the remuneration of the employer appointed directors who are not otherwise QAL employees and receive a director fee, and reflects the Board and Committees to which the director has been appointed.

Non-monetary remuneration provided by QAL is to be considered when reviewing and proposing any change in remuneration arrangements.

John Atkin and Lorraine Berends AM are Trustee directors who are not otherwise QAL employees.

Benchmarking

Remuneration benchmarking may be undertaken periodically for employer appointed directors who are not otherwise QAL employees. Judgement is to be applied in the evaluation of market data to ensure remuneration arrangements remain appropriate and proportional when compared to market practice.

(d) Executive remuneration approach

Objectives

The objectives for executive remuneration arrangements are to:

- ensure that the interests of executives are aligned with the Trustee's strategy, risk appetite and compliance obligations, the Trustee's culture and behaviours and the best financial interests of Members;
- promote effective management of financial and non-financial risks, sustainable performance and long-term soundness of the Plan;
- support the prevention and mitigation of conduct risk;
- differentiate between executives that are performing above, in line with or below expectations to optimise performance and ensure QSL can attract, retain and develop talent;
- incorporate fixed annual remuneration and a discretionary performance-based incentive linked to Plan performance and individual performance, based on results that can be reliably measured in the performance period;
- ensure that the Key Performance Indicators (KPIs) for discretionary performance-based incentives for the CRO and CFO do not compromise their integrity as they perform their functions; and
- achieve simplicity and transparency in design and communication of outcomes.

Total reward (TR)

Remuneration arrangements with employees are as per the terms of their employment agreements. TR for employees is made up of the following:

- Fixed Annual Remuneration (FAR); and if applicable
- Short term At-Target Discretionary Bonus Plan Award (At-Target DBP Award) paid in cash.

The Trustee has no long term incentive arrangements in place for employees.

The Trustee does not pay any remuneration (whether directly or indirectly) to, or for the benefit of, a person through vehicles or methods that undermine the effect or intent of the requirements of APRA's Prudential Standard CPS 511 *Remuneration* (CPS 511).

Fixed Annual Reward

FAR is established upon employment and is reviewed annually. Performance and the positioning of FAR relative to market is considered in each annual review. FAR is comprised of salary, superannuation contributions and other salary package benefits as detailed on employment and amended from time to time.

Discretionary Bonus Plan (DBP) Award

Eligibility for a DBP Award

- Each year the Trustee invites employees to participate in the DBP, which is a discrete offer with its own set of terms and conditions.
- Generally, employees who commence employment between 1 May and 30 June in a given financial year are not eligible for a DBP Award for that financial year.

Amount of a DBP Award

- The DBP Award, in dollar terms, is calculated as At-Target DBP Award x Plan Performance Factor (PPF) x Individual Performance Factor (IPF).
- The DBP Award can be nil, in the event of:
  - misconduct or a failure to comply with the Trustee's Risk and Conduct Requirements; or
  - a significant adverse outcome for the Trustee, the Plan or the Plan's Members that is partially or wholly attributed to an employee's conduct, or in an employee's area of accountability.

DBP Awards are not a contractual employment entitlement, and this benefit may be withdrawn, varied or replaced by the Board at any time. The operation of any DBP, including all terms of participation and any payments that may be made, is at the Board's absolute discretion. In unusual circumstances the Board may decide not to offer a DBP or not to make a DBP Award.

The grant date of the DBP Award in respect of the financial year ended 30 June 2024 is 30 August 2024. The DBP Award is expected to be paid by the end of September 2024.

Discretionary Bonus Plan Design

The key elements of the DBP design are set out below.

General

- The ability to achieve a DBP Award depends on the performance of the Plan in achieving certain KPIs and the performance of the individual employee achieving certain goals.
- The magnitude of the At-Target DBP Award for each employee is established upon employment and is reviewed annually.
- No DBP Award is made to any employee who has ceased employment or is in their notice period on the date when the DBP Award is due to be made.
- If a DBP Award is made, it is paid in the form of cash.
- QSL does not currently defer any portion of DBP Awards.
- If a DBP Award is made, it is in addition to FAR and net of any applicable tax and any required superannuation contribution for that individual.
- Other non-cash benefits may be provided at the discretion of the Board or QAL.

Calculation of the DBP Award

- At-Target DBP Award is calculated as FAR x Service Fraction x At-Risk Opportunity Percentage.
- The following apply to the calculation of At-Target DBP Award:
  - FAR is annual salary, inclusive of superannuation guarantee contributions and other salary sacrificed amounts;
  - FAR is pro-rated if an employee has worked for QSL for less than a full year;
  - Service Fraction is a measure that reflects what proportion of a full-time role an employee works (for example, full-time = 1, 3 days per week = 0.6); and
  - At-Risk Opportunity Percentage has a defined value for each the role grade.
- The Actual DBP Award, in dollar terms, is calculated as At-Target DBP Award x PPF x IPF.
- The metrics that are used to guide PPF and IPF outcomes must be a mix of financial and non-financial measures.

Determining the Plan Performance Factor

Each year, the Board approves an annual Business Plan, including KPIs to be achieved with respect to each Strategic Goal, and their respective weights. The PPF is principally derived by making an assessment of the actual performance of the Plan relative to the Business Plan KPIs. The Business Plan KPIs relate to Strategic Goals, which have been weighted as follows for determining PPF outcomes for the period up to 30 June 2024.

Category	Description	Weight (%)
Strategic Goal 1	Deliver Great Investment Performance	30%
Strategic Goal 2	Create Exceptional Member Experiences	15%
Strategic Goal 3	Provide Value for Money	15%
Strategic Goal 4	Deliver an exemplary merger evaluation process	30%
Strategic Goal 5	Be a Great Fund to Work for	10%
Total		**100%**

When determining the PPF, the Board is guided by these Strategic Goal weights but may, at its discretion, vary the weights or incorporate other considerations. The Board uses its collective judgement when making its final decision on the PPF. The range for the PPF is from 0.0 to 1.3 as per the following table.

PPF rating	Description
1.2 and above	Exceptional performance
>1.0 and <1.2	Overdrive performance
1.0	Strong performance
>0.8 and <1.0	Sound performance
0.5 to 0.8	Reasonable performance
<0.5	Poor performance

Determining the Individual Performance Factor

Each financial year, each employee agrees a set of personal goals (individual, team and organisational) with their manager, or in the case of the CEO, with the Chair of the Board prior to a recommendation being made to the Board for approval.

The CEO must ensure that the personal goals for the CRO and CFO do not compromise their integrity as they perform their functions.

These goals are to be recorded and in principle are to be weighted as follows. The exceptions to these weightings are for the Investment team, who have significant weights attached to delivering investment results which are approved by the CEO and CIO.

Category	Leadership Team	Other members of the EO
Individual goals	45%	70%
Team goals	45%	20%
Organisational goals	10%	10%
Total	**100%**	**100%**

Employees must undertake regular performance reviews with their manager throughout the year. The assessment of each employee's individual performance takes into account not only what they have achieved but also how they have achieved it, their performance relative to peers and their compliance with QSL's Risk & Conduct Requirements.

IPF's result in a lower value, including potentially to nil, in the event of:
- misconduct or a failure to comply with QSL's Risk and Conduct Requirements; or
- where there is a Risk Adjustment Event or a significant adverse outcome for QSL, the Plan or the Plan's Members or counterparties, that is partially or wholly attributed to an employee's conduct, or in an employee's area of accountability.

Risk Adjustment Event means:
- misconduct leading to significant adverse outcomes;
- a significant failure of financial or non-financial risk management;
- a significant failure or breach of accountability, fitness and propriety or compliance obligations; or
- a significant error or a significant misstatement of criteria on which the variable remuneration determination was based.

At the end of each financial year the Board or the PRNC (via the delegation in its charter) determines the annual IPF result for each employee.

The range for IPFs is from 0.0 to 1.3 as per the following table.

IPF rating	Description
1.2 and above	Exceptional performance/behaviours
>1.0 and <1.2	Overdrive performance/behaviours
1.0	Strong performance/behaviours
>0.8 and <1.0	Sound performance/behaviours
0.5 to 0.8	Reasonable performance/behaviours
<0.5	Poor performance/behaviours

Benchmarking

Remuneration benchmarking may be undertaken periodically for employees. Judgement is to be applied in the evaluation of market data to ensure remuneration arrangements remain appropriate and proportional when compared to market practice.

Remuneration targets, without taking into account Plan performance, individual performance, challenges in filling roles or any premium required to attract the right person, are generally:

- FAR – Median / Percentile 50; and
- TR – Upper quartile / above Percentile 75.

It is important to note that when these factors are taken into account, actual TR may vary significantly from these remuneration targets.

(e) Remuneration of key management personnel

All directors

The following table shows details of the remuneration expense recognised for the Trustee's directors for the financial year up to 30 June 2024 measured in accordance with the requirements of the accounting standards.

	Short-term employee benefits			Post-employment benefits	
	Base director fee $	Director fee for additional merger duties $	Non-monetary $	Superannuation $	Total $
Directors[1]					
John Atkin	121,708	75,400	11,445[2]	3,092[3]	211,645
Lorraine Berends AM	85,586	34,608	-	12,411	132,605
Cecilia Ho	-	-	-	-	-
Rachel Yangoyan	-	-	-	-	-
Reed Tanger	-	-	-	-	-
Richard Garner	-	-	-	-	-
Klair Safier	-	-	-	-	-
Denis Evison	-	-	-	-	-
Luke Murray	-	-	-	-	-
Lyle Brownscombe	-	-	-	-	-
	207,294	**110,008**	**11,445**	**15,503**	**344,250**

Notes to remuneration table
1 – Except for John Atkin and Lorraine Berends AM, no director fee is paid to any regular QAL employee who acts as a director of the Trustee.
2 – John Atkin is entitled to one free of charge long-haul and two short-haul flights on Qantas operated services each calendar year for him and his spouse. If the trips are not taken during the year, that year's entitlements lapse.
3 – In accordance with the provisions of section 19AA of the Superannuation Guarantee (Administration) Act 1992 (SGAA), an employer shortfall exemption certificate has been issued to John Atkin reducing the superannuation guarantee contributions paid during the year.

Employer appointed directors and Member elected directors who are QAL employees

The following table shows the estimated notional value attributed for the financial year up to 30 June 2024. It is important to note that employer appointed directors and Member elected directors who are regular QAL employees receive no actual additional remuneration to act as a director of the Trustee. The estimated notional value has been developed relative to the remuneration of the employer appointed directors who are not otherwise QAL employees and do receive a director fee, and reflects the Board and Committees to which each director has been appointed.

	Total estimated notional value attributed to Trustee duties[1] $
Directors	
Cecilia Ho	**32,000**
Rachel Yangoyan	**21,500**
Reed Tanger	**23,500**
Richard Garner	**32,750**
Klair Safier	**33,500**
Denis Evison	**25,250**
Luke Murray	**35,000**
Lyle Brownscombe	**25,250**

Notes to remuneration table
1 – No actual additional remuneration is paid to any regular QAL employee who acts as a director of the Trustee, including non-monetary and post-employment benefits.

Other KMP

The following table shows details of the remuneration expense recognised for the Trustee's executives for the financial year up to 30 June 2024 measured in accordance with the requirements of the accounting standards.

	Short-term employee benefits				Post-employment benefits	Long-term employee benefits	
	Salary	DBP Award	Non-monetary	Other	Superannuation	Long service leave	Total
	$	$	$	$	$	$	$
Executives							
Michael Clancy	465,601	325,380	-	-	27,399	16,072	834,452
Andrew Spence	448,851	301,228	-	1,643[1]	27,399	14,577	793,698
Suzette Thurman	270,101	112,901	-	-	27,399	6,568	416,969
Andy Moser	276,101	125,194	-	4,401[2]	27,399	1,127	434,222
	1,460,654	**864,703**	-	**6,044**	**109,596**	**38,344**	**2,479,341**

Notes to remuneration table
1 – This represents the tax benefit of two electronic devices obtained via a salary sacrifice arrangement.
2 – Andy Moser is a member of Division 5 of the Plan and in accordance with the Trust Deed in relation to that Division, his superannuation administration fees and insurance costs are met by QSL.

This directors' report is signed in accordance with a resolution of directors of the Trustee made pursuant to s 298(2) of the *Corporations Act 2001*.

On behalf of the directors of the Trustee

....
Trustee director LUKE MURRAY

....
Trustee director John Atkin

Signed at Sydney this 19th day of September 2024.

Auditor’s independence declaration

As lead auditor for the audit of Qantas Superannuation Plan for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

BSS Tompsett
Partner
PricewaterhouseCoopers

Sydney
19 September 2024

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QANTAS SUPERANNUATION PLAN

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Cash and cash equivalents	18(a)	1,104,935	1,277,279
Receivables	16	195,906	207,882
Financial investments	8	8,051,824	7,425,235
Fixed assets		86	240
TOTAL ASSETS		**9,352,751**	**8,910,636**
LIABILITIES			
Benefits payable		4,248	606
Creditors and accruals	17	118,115	133,588
Current tax liabilities	14(d)	29,210	31,005
Financial liabilities	9	187,088	234,138
Deferred tax liabilities	14(e)	177,732	119,609
TOTAL LIABILITIES EXCLUDING MEMBER BENEFITS		**516,393**	**518,946**
NET ASSETS AVAILABLE FOR MEMBER BENEFITS		**8,836,358**	**8,391,690**
MEMBERS BENEFITS			
Defined contribution (DC) Member liabilities	4(a)	5,942,497	5,634,955
Defined benefit (DB) Member liabilities	4(b)	2,485,031	2,452,313
TOTAL MEMBERS BENEFITS		**8,427,528**	**8,087,268**
NET ASSETS		**408,830**	**304,422**
RESERVES			
Disability reserve	7	4,727	5,012
Forgone benefits reserve	7	213	210
Operational risk reserve	7	27,009	25,532
DB plans that are over/(under) funded		376,881	273,668
TOTAL RESERVES		**408,830**	**304,422**

QANTAS SUPERANNUATION PLAN

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 $'000	2023 $'000
INCOME FROM SUPERANNUATION ACTIVITIES			
Interest		87,743	70,420
Dividends and distributions		221,802	518,864
Net gains/(losses) on financial instruments held at fair value through profit or loss	10	479,487	(20,393)
Other income		3,761	3,899
TOTAL SUPERANNUATION ACTIVITIES REVENUE		**792,793**	**572,790**
EXPENSES			
Investment expenses		29,903	29,461
Administration expenses	15	17,982	15,867
TOTAL EXPENSES		**47,885**	**45,328**
RESULTS FROM SUPERANNUATION ACTIVITIES BEFORE INCOME TAX		**744,908**	**527,462**
Income tax expense	14(a)(b)	41,337	30,886
RESULTS FROM SUPERANNUATION ACTIVITIES AFTER INCOME TAX		**703,571**	**496,576**
NET INSURANCE ACTIVITIES	**6**	**(8,141)**	**(9,115)**
ALLOCATION TO MEMBERS BENEFITS			
Net benefits allocated to DC Member accounts		(451,721)	(318,513)
Net benefits allocated to DB Member liabilities		(136,812)	(188,272)
TOTAL ALLOCATION TO MEMBER BENEFITS		(588,533)	(506,785)
OPERATING RESULT AFTER INCOME TAX		**106,897**	**(19,324)**

STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2024

Year ended 30 June 2024	Notes	DC Member Benefits $'000	DB Member Benefits $'000	Total 2024 $'000
Liability for accrued benefits beginning of period		5,634,955	2,452,313	8,087,268
CONTRIBUTION REVENUE				
Employer contributions		169,982	84,606	254,588
Member contributions		35,463	7,063	42,526
Government co-contributions		47	24	71
Low income contributions		279	11	290
Transfers in		46,322	6,852	53,174
Transfers from DB to DC Members benefits		185,055	(185,055)	-
Total contributions before tax		437,148	(86,499)	350,649
Income tax on contributions	14(c)	(27,079)	(12,692)	(39,771)
Net after tax contributions		**410,069**	**(99,191)**	**310,878**
BENEFITS PAID				
Benefits paid		(548,173)	(8,582)	(556,755)
Total benefits paid		**(548,173)**	**(8,582)**	**(556,755)**
INSURANCE				
Insurance premiums charged to Members' accounts		(21,421)	(1,393)	(22,814)
Claims credited to Members' accounts		12,139	2,374	14,513
Income tax benefit on insurance premiums	14(c)	3,207	209	3,416
Net Insurance (cost)/benefit		**(6,075)**	**1,190**	**(4,885)**
INCOME AND EXPENSES				
Investment earnings/(losses) applied to Members		461,426	-	461,426
Net change in DB Member accrued benefits*		-	136,812	136,812
Administration fees paid by Members		(9,705)	-	(9,705)
Reserve transfers to/(from) Members				
- Disability reserve		-	2,349	2,349
- Forgone benefits reserve		-	140	140
Net income/(expenses)		**451,721**	**139,301**	**591,022**
Liability for accrued benefits end of period		**5,942,497**	**2,485,031**	**8,427,528**

* Includes investment earnings/(losses) applied to accumulation accounts of DB Members

QANTAS SUPERANNUATION PLAN

STATEMENT OF CHANGES IN MEMBER BENEFITS
FOR THE YEAR ENDED 30 JUNE 2024

Year ended 30 June 2023	Notes	DC Member Benefits $'000	DB Member Benefits $'000	Total 2023 $'000
Liability for accrued benefits beginning of period		5,400,328	2,377,769	7,778,097
CONTRIBUTION REVENUE				
Employer contributions		149,202	53,533	202,735
Member contributions		32,896	8,137	41,033
Government co-contributions		104	40	144
Low income contributions		292	70	362
Transfers in		63,445	6,802	70,247
Transfers from DB to DC Members benefits		166,474	(166,474)	-
Total contributions before tax		412,413	(97,892)	314,521
Income tax on contributions	14(c)	(23,805)	(8,037)	(31,842)
Net after tax contributions		**388,608**	**(105,929)**	**282,679**
BENEFITS PAID				
Benefits paid		(467,027)	(9,420)	(476,447)
Total benefits paid		**(467,027)**	**(9,420)**	**(476,447)**
INSURANCE				
Insurance premiums charged to Members' accounts		(24,868)	(1,695)	(26,563)
Claims credited to Members' accounts		15,678	1,416	17,094
Income tax benefit on insurance premiums	14(c)	3,723	254	3,977
Net Insurance (cost)/benefit		**(5,467)**	**(25)**	**(5,492)**
INCOME AND EXPENSES				
Investment earnings/(losses) applied to Members		327,550	-	327,550
Net change in DB Member accrued benefits*		-	188,272	188,272
Administration fees paid by Members		(9,037)	-	(9,037)
Reserve transfers to/(from) Members				
- Disability reserve		-	1,536	1,536
- Other insurance reserve		-	-	-
- Forgone benefits reserve		-	110	110
Net income/(expenses)		**318,513**	**189,918**	**508,431**
Liability for accrued benefits end of period		**5,634,955**	**2,452,313**	**8,087,268**

* Includes investment earnings/(losses) applied to accumulation accounts of DB Members

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 JUNE 2024

	Disability reserve $'000	Foregone benefits reserve $'000	Operational risk reserve $'000	DB Surplus/ (deficit) $'000	Total reserves $'000
Year Ended 30 June 2024					
Opening Balance	5,012	210	25,532	273,668	304,422
Amount allocated to DB Members	(2,349)	(140)	-	-	(2,489)
Net income/(loss) applied	2,064	143	2,734	103,213	108,154
Transfer to/(from) reserve	-	-	(1,257)	-	(1,257)
Closing Balance	4,727	213	27,009	376,881	408,830
Year Ended 30 June 2023					
Opening Balance	6,254	209	22,938	295,991	325,392
Amount allocated to DB Members	(1,536)	(110)	-	-	(1,646)
Net income/(loss) applied	294	111	2,618	(22,323)	(19,300)
Transfer to/(from) reserve	-	-	(24)	-	(24)
Closing Balance	5,012	210	25,532	273,668	304,422

Refer to Note 7 for details on the reserves

QANTAS SUPERANNUATION PLAN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 $'000	2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		88,040	69,430
Dividend and distributions received		181,772	491,970
Other income		3,565	3,885
Investment expenses		(34,546)	(41,530)
Administration expenses		(19,400)	(18,610)
Income tax refunded/(paid)		4,090	38,645
GST received from ATO		1,779	1,769
NET CASH FLOWS FROM OPERATING ACTIVITIES	**18(b)**	**225,300**	**545,559**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of financial instruments held at fair value through profit or loss		5,529,059	4,685,540
Purchase of financial instruments held at fair value through profit or loss		(5,683,978)	(4,660,972)
Purchase of fixed assets		-	(300)
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		**(154,919)**	**24,268**
CASH FLOWS FROM MEMBER ACTIVITIES			
Employer contributions		256,305	197,589
Member contributions		42,613	40,860
Government co-contribution		71	144
Low income super contributions		290	362
Transfers in		53,174	70,247
Benefits paid		(552,805)	(480,004)
Insurance proceeds		14,513	17,094
Insurance premiums paid		(32,868)	(37,140)
Income tax on contributions		(24,018)	(20,068)
NET CASH FLOWS USED IN MEMBER ACTIVITIES		**(242,725)**	**(210,916)**
NET (DECREASE)/INCREASE IN CASH HELD		(172,344)	358,911
CASH AT THE BEGINNING OF PERIOD		1,277,279	918,368
CASH AT THE END OF PERIOD	**18(a)**	**1,104,935**	**1,277,279**

1. GENERAL INFORMATION

Qantas Superannuation Plan (the Plan) (ABN: 41 272 198 829) is a contributory Plan established for the benefit of eligible Australian based employees of Qantas Airways Limited (Plan Sponsor) and its controlled entities under a Trust Deed dated 1 June 1939 as subsequently amended.

The annual report of the Plan as at 30 June 2024 (reporting date) comprises the Plan and its controlled entities. The Plan has both defined and accumulation divisions for the provision of superannuation benefits and arrangements to its Members. The Plan is registered with the Australian Prudential Regulation Authority (registration no: RI005486)

Qantas Superannuation Limited (ABN: 47 003 806 960) (the Trustee) is a not for profit Trustee company for the Plan. The Plan and Trustee are incorporated and domiciled in Australia. The registered address for the Trustee is 10 Bourke Road, Mascot, NSW, 2020, Australia. The Trustee has a licence from the Australian Prudential Regulatory Authority. Its RSE licence was granted on 27 April 2006 and last varied on 13 October 2016 (Licence No. L0002257).

The annual report was approved by the Trustee Board on 19 September 2024.

2. BASIS OF PREPARATION

(a) Entering into Heads of Agreement with Australian Retirement Trust
As outlined in Note 22, on 16 July 2024, the Trustee Board entered into an agreement to merge the Plan with Australian Retirement Trust. The agreement sets out the framework that will be used to prepare for the implementation of a merger. The merger is expected to occur by way of a SFT, which is a method that is set out in Federal Government legislation. There are significant legal requirements that must be complied with prior to implementing a SFT, so implementation is subject to both Qantas Super's and Australian Retirement Trust's trustees completing the final assessments of their respective Members' best financial interests and equivalency of rights in relation to benefits and each of the relevant parties signing relevant legal agreements, including an SFT Deed.

The Annual Report has been prepared on a going concern basis as the Trustee considers that the Plan will continue to be able to meet its debts and when they fall due. As a result of the Trustee Board's decision to enter into an agreement to merge the Plan with Australian Retirement Trust, the Plan may be wound up within 12 months from the date of this Annual Report. Therefore, in accordance with Australian Accounting Standards there is material uncertainty that casts significant doubt as to the continuation of the Plan.

Should the SFT proceed, investments will continue to be valued at fair value at the SFT date in accordance with the Trustee's Valuation and Credited Interest Rate Policy. Expenses associated with the SFT, which include merger and wind up costs, are estimated to be approximately $13 million. These expenses will not impact the fees charged to Members, nor impact Member benefits.

(b) Statement of compliance
The annual report has been drawn up in accordance with Australian Accounting Standards, including AASB 1056 *Superannuation Entities,* other applicable Accounting Standards and the requirements of the *Corporations Act 2001* and Corporation Regulations 2001 and the provisions of the Trust Deed.

(c) Basis of measurement
The annual report has been prepared using fair value as a basis of measurement.

(d) Functional and presentation currency
The annual report is presented in Australian dollars, which is the functional currency of the Plan.

(e) Use of estimates and judgements
The preparation of the annual report requires the use of certain critical accounting assumptions and estimates. It also requires the Trustee and Management to exercise judgement in the process of applying the entity's accounting policies and reporting amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. There are no critical accounting estimates and judgements contained in this annual report other than those used to determine the liability for accrued benefits (Note 4(b)), valuation of investments (Note 3(a)) and deferred tax asset recognition (Note 3(i)).

(f) Comparatives
Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year information and other disclosures.

(g) New and amended standards adopted during the year

The Fund has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]*
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112]*
- AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules [AASB 112]*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(h) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Plan. None of these are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(i) Rounding of amounts

Amounts in the annual report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in this annual report.

(a) Investments
Investments of the Plan are initially recognised using trade date accounting. From this date any gains and losses arising from net remeasurement changes in assets are recorded.

The Plan uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Fair values have been determined as follows:

Market quoted equities
The fair value of an investment for which there is a readily available market quotation is determined as the last quoted bid price at the close of business at reporting date.

Non-market quoted equities
Investments for which market quotations are not readily available are valued at the fair value determined by the Trustee as follows:

Unlisted securities are recorded with reference to recent arm's length transactions, current market value of another instrument substantially the same or discounted cash flows.

Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate used is a market rate at reporting date applicable for an instrument with similar terms, conditions and risk.

Where other pricing models are used, inputs are based on market data at reporting date.

Managed funds
These are valued at the redemption price at reporting date quoted by the investment managers which are based on the fair value of the underlying investments. Unit values denominated in foreign currency are translated to Australian dollars at the current exchange rates.

Derivatives
Derivative financial instruments including forward exchange contracts and fixed rate futures are recorded at market rates at close of business at reporting date.

Short-term deposits, fixed floating interest securities
These are valued at their fair value at close of business on the last business day of the reporting period.

(b) Cash and cash equivalents
Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Foreign currency
Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences are recognised in the Income Statement.

(d) Receivables
Interest receivable represents accrued interest revenue from government securities, other fixed interest securities, money market securities and derivatives. Distributions receivable, settlements and other receivables are carried at nominal amounts accrued or due at reporting date, which approximate fair value. Receivables are normally settled within 30 days.

(e) Financial liabilities
The Plan recognises financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Other payables are payable on demand or over short time frames of less than 60 days.

The Plan recognises financial liabilities at fair value at reporting date with any net remeasurement changes in liabilities since the beginning of the reporting period being included in the Income Statement.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Net remeasurement changes in value of investments
Net remeasurement changes in value of investments are recognised as a revenue item in the Income Statement in the periods in which they occur. Net remeasurement changes in value are determined as the difference between the fair value at reporting date or consideration received (if sold during the year) and the fair value at the previous reporting date or the cost (if the investment was acquired during the year).

Interest revenue
Interest revenue is recognised in the Income Statement as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Dividend revenue
Revenue from dividends is recognised on the date the shares are quoted ex-dividend and, if not received at reporting date, is reflected in the Statement of Financial Position as a receivable at fair value.

Trust distribution revenue
Distributions from managed funds are recognised on the date the unit value is quoted ex-distribution and the Plan is entitled to the distribution. If not received at reporting date, the distribution receivable is reflected in the Statement of Financial Position as a receivable at fair value.

(g) Contributions revenue and transfers in
Contributions revenue and transfers in are recognised in the Statement of Changes in Member Benefits on an accruals basis, when control and the benefit from the revenue has been transferred to the Plan. Employer contributions are recognised gross of tax and are assessable income for tax purposes. Where contributions have not been allocated to Members accounts at period end they are included as a liability on the Statement of Financial Position. If not received at reporting date, the contributions receivable are recognised in the Statement of Financial Position as a receivable at fair value.

(h) Benefits
Benefits paid and payable are recognised in the Statement of Changes in Member Benefits. Benefits payable at reporting date are settled in accordance with the Plan's Trust Deed.

(i) Income tax
The Plan is a complying superannuation fund within the provisions of the Income Tax Assessment Act and accordingly the concessional tax rate of 15% has been applied.

Current tax
Current tax is the expected tax payable on the estimated taxable income for the current year based on the applicable tax rate adjusted for instalment payments made to the Australian Taxation Office (ATO) during the year and adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the annual report and the amounts used for taxation purposes. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Goods and services tax
Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

(k) Financial instruments

Recognition/derecognition
The Plan recognises financial assets and financial liabilities on the date it becomes a party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Plan has transferred substantially all of the risks and rewards of ownership.

Measurement
At initial recognition, the Plan measures financial assets and financial liabilities at fair value. Transaction costs for financial assets and liabilities carried at fair value through profit or loss are expensed in the Income Statement.

Subsequent to initial recognition all financial assets and liabilities are measured at fair value. Gains and losses are presented in the Income Statement in the period in which they arise as net changes in fair value of financial instruments.

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis or realise the asset and settle the liability at the same time.

(l) Structured entities
A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. This could be the case where voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The nature and extent of the Plan's interests in structured entities are titled "Other related parties – direct holdings and associates" and are summarised in Note 19(c). During the year the Plan did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

The Plan invests in structured entities for the purpose of capital appreciation and earning investment income. The investee fund's objectives range from achieving medium to long-term capital growth. The investee funds invest in a number of different financial instruments, including equities and debt instruments. The size of a related investee fund is indicated by the net asset value of the fund per the investee funds' balance sheet. For unrelated funds, size is indicated by the carrying value of the Plan's investment as recognised on the Plan's Statement of Financial Position at reporting date as there is no other exposure to the Plan other than the carrying value of its investment.

As at 30 June 2024 there were no capital commitment obligations other than disclosed in Note 20.

4. MEMBER LIABILITIES

The entitlements of Members to superannuation benefits are recognised as liabilities. They are measured as the amount of the accrued benefits at reporting date, being the benefits that the Plan is presently obliged to transfer to Members or their beneficiaries in the future as a result of the membership up to the end of the reporting period. The Plan has numerous divisions. Some of these provide DBs whilst the others provide DC (or accumulation) benefits. All of the DB divisions are closed to new Members. Gateway, which is a DC division, is the only division currently open to new Members. Most DB Members will have both a DB and an accumulation benefit and for the purpose of these statements are referred to as DB Members.

Vested benefits are benefits which are not conditional upon continued membership of the Plan (or any factor other than exiting the Plan) and include benefits which Members were entitled to receive had they voluntarily terminated their Plan membership at reporting date.

(a) DC Member liabilities

DC Members have accounts that are credited or debited each year with contributions and a proportionate share of net investment income and expenses (including income tax expense) of the Plan. Therefore, DC Members bear the investment risk relating to the underlying assets of the Plan.

For the purpose of these statements, DC Members comprise:

- Members in Divisions 3A, 5, 6, 7 and 10;
- Gateway and Gateway Income Members; and
- Late retirement Members (DB Members who have reached their Superannuation Date) and non-member spouses.

DC Member liabilities are measured as the amount of Member account balances on reporting date.

At reporting date the DC Member liabilities, which also represent their vested benefits, are as follows:

	2024 $'000	2023 $'000
Vested Benefits	5,942,497	5,634,955

(b) DB Member liabilities

DB Members receive benefits that are determined on the basis of various formulae based on the Member's membership and their salary in the final years before they retire or leave employment.

Nearly all of the Plan's DB Members also have accumulation accounts (i.e. DC accounts such as an additional voluntary contribution account). DB Members comprise Members in Divisions 1, 2, 3, 4 and 15.

The actuarial value of accrued benefits represents the total value in current dollars of the DB Members' accrued benefits in respect of their membership up to the end of the reporting period allowing for future salary increases, investment earnings and expected incidence and type of payment.

The Plan Actuary has calculated the amount of the DB Member liabilities to be equal to the present value of the benefits accrued in respect of service to the relevant calculation date. This involved:

- Calculating the amount of benefits expected to be paid in the future to existing DB Members in respect of membership already completed to the reporting date, allowing for the contingencies under which benefits can be paid (retirement, death, disablement, ill health and resignation) and for future salary increases; and

- Discounting these amounts to determine the present value of the liability for benefits accrued in the Plan up to the reporting date (in aggregate these are the accrued benefits).

4. MEMBER LIABILITIES (CONTINUED)

The actuarial value of the accrued benefits at 30 June is as follows:

	2024 $'000	2023 $'000
Actuarial Value of Accrued Benefits	2,485,031	2,452,313
Split as follows:		
DC benefits	832,472	813,402
DB benefits	1,652,559	1,638,911
Assets related to DB Members' DB benefits	2,029,440	1,912,579
Surplus related to DB Members' DB benefits	376,881	273,668

The surplus in the Plan has arisen primarily through:

- The requirement to ensure that the net assets are at least equal to the Plan's vested benefits which at times has resulted in additional contributions being payable to the Plan; and
- The strong investment performance of the assets attributable to DB liabilities relative to the future rates of return assumed by the actuary.

The main assumptions used to determine the actuarial value of accrued benefits at the last review date were:

- The net investment rate of return of 6.3% p.a. (2023: 5.8%) was derived based on long term capital market assumptions as at 31 March 2024 taking into account the Plan's investment strategy for the assets backing its DB liabilities and the Plan's projected benefit cash flows; and
- The long-term inflationary salary increase rate was assumed to be 3.2% p.a. (2023: 3.3%).

The eventual costs of the benefits will depend on the Plan experience rather than on the assumptions.

The Plan Actuary considers that the material risks to the funding of the Plan include:

- Investment returns being lower than expected;
- Salary increases being higher than expected;
- The employer being unable or unwilling to make the recommended contributions; and
- Any large downsizing of the membership, when the Plan's assets are less than the vested benefits.

The impact to the actuarial value of accrued benefits of the reasonably possible changes in these key assumptions is shown below:

- The future rate of investment return being 1% p.a. higher or lower than assumed (2023: 1%).
- Future salary increases being 1% p.a. higher or lower than assumed (2023: 1%).

	2024 $'000	2023 $'000
Reasonably possible change in key assumptions (with no change in other assumptions)		
Increase in future rate of investment return	(119,096)	(128,976)
Decrease in future rate of investment return	135,482	147,397
Increase in future salary increases	119,254	130,486
Decrease in future salary increases	(106,718)	(116,306)

Other assumptions made when calculating the DB liabilities for which changes are not considered reasonably possible, or for which reasonably possible changes are not expected to have a material effect, include pre and post retirement mortality rates, pension increase rates and retirement patterns.

For completeness, as at 30 June 2024 the Plan's DB vested benefits totalled $2,702,456,309 (2023: $2,596,129,507). DB assets exceeded DB vested benefits.

4. MEMBER LIABILITIES (CONTINUED)

Funding Arrangements

(a) Funding policy

The funding policy adopted in respect of the Plan is directed at ensuring that benefits accruing to Members and beneficiaries are fully funded as the benefits fall due. As such, in advising the Trustee on employer contribution rates for DB divisions, the Plan Actuary considers the long-term trends in such factors as Plan membership, salary growth and the market value of Plan assets.

As per the DB Funding Strategy document, the DB investment portfolio is progressively de-risked as the DB's funding position improves over time. The DB Funding Strategy document also sets out the manner in which the Trustee and the Plan Sponsor will respond in the event of the Plan moving into an "Unsatisfactory Financial Position" which is defined as the Plan's DB vested benefits exceeding the net assets related to those liabilities. The Plan's financial position is monitored by the Trustee each quarter and the Plan Actuary determines the amounts of any additional contributions to be made each quarter in line with the requirements of the DB Funding Strategy.

(b) Employer contributions

The Plan Sponsor has made DB contributions for the year ending 30 June 2024 in accordance with the recommendations of the Plan Actuary. Total employer contributions for the year ending 30 June 2024 were $254,589,231 (2023: $202,734,986).

No additional amounts were paid under the DB Funding Strategy for the year ended 30 June 2024. As at 30 June 2024 the Plan had a surplus of net assets over vested benefits.

5. MEMBER NUMBERS

	2024 Number	2023 Number
Members at the beginning of the year	26,260	26,527
New Members admitted	4,491	3,022
Member exits	(4,688)	(3,289)
Members at the end of the year	26,063	26,260
The membership is split as follows:		
Division 1	80	83
Division 2	1,737	1,808
Division 3	2,562	2,647
Division 3A	27	33
Division 4	31	31
Division 5	179	199
Division 6	1,915	1,993
Division 7	309	329
Division 10	298	320
Division 15	200	216
Gateway	16,988	16,964
Gateway Income	1,737	1,637
Members at the end of the year	26,063	26,260

6. INSURANCE

The Plan self-insured death and disability benefits for Members of the DC divisions up to 30 June 2013. These were funded through the allocation of assets to reserves maintained for this purpose. From 1 July 2013 insurance was transferred to policies with MLC Limited.

The Plan's self-insured death and disability benefits for Members of DB divisions were funded through the allocation of assets to reserves maintained for this purpose until 1 August 2014 when insurance was transferred to policies with MLC Limited. Transitional variable premium arrangements existed from 1 August 2014 through until 31 July 2016.

On 1 July 2020 insurance was transferred to policies with MetLife Insurance Limited.

Payment of premiums is reported in the Statement of Changes in Member Benefits.

Insurance proceeds are recognised when the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to Member accounts are recognised in the Statement of Changes in Member Benefits.

The Plan has incurred insurance expenses that were not deducted from Members accounts and self-insurance payments as follows:

	2024 $'000	2023 $'000
Insurance premiums paid by Plan	(9,578)	(10,723)
Self-insurance amounts paid to Members	-	-
Tax benefit for insurance premiums paid by Plan	1,437	1,608
	(8,141)	(9,115)

The Plan has reserves in place to cover self-insured insurance liabilities that arose before 1 August 2014.

The Trustee has determined that the Plan is not exposed to material insurance risk because:

- Members or their beneficiaries (excluding self-insured Members) will only receive insurance benefits if the external insurer pays the claim; and
- Insurance premiums are effectively set directly by reference to premiums set by an external insurer.

7. RESERVES

In line with sound administration and financial practice and actuarial advice, the Plan maintains reserves to provide for operational risks and the remaining self-insured risks of the Plan. The insurance reserves are in respect of self-insured claims providing income benefits which have already arisen and those claims which may arise in the future.

The excess of the net assets over the amounts of these reserves represent amounts held directly to pay benefits. The following is a summary of the reserves at 30 June:

		2024 $'000	2023 $'000
Disability reserve	(i)	4,727	5,012
Foregone benefits reserve	(ii)	213	210
Operational risk reserve	(iii)	27,009	25,532
		31,949	30,754

(i) The disability reserve is to cover the expected self-insured benefits payable in respect of permanent and initial incapacitants that have arisen from Division 1 and Division 2 of the Plan.

	2024 $'000	2023 $'000
Disability reserve		
- Current permanent incapacities	4,438	4,688
- Current initial incapacities	289	324
Total disability reserve	4,727	5,012

(ii) Benefits foregone by Division 1 Members on resignation and certain employer contributions in respect of Division 1 Members are credited to the foregone benefits reserve. The balance of the reserve as at 30 June 2024, after meeting applicable costs of disability benefits for Division 1 Members, is $213,000 (2023: $210,000). There was a contribution of $143,000 to the reserve and a distribution of $140,218 or 0.20% to active Division 1 Members for the year ended 30 June 2024 (2023: $97,000 contribution and $110,000 or 0.20% distribution).

(iii) The operational risk reserve is designed to provide adequate financial resources to address losses arising from operational risks that may affect the Plan's normal operations. The current strategy, approved by the Trustee Board on 13 March 2013, specifies that the reserve of 0.25% of the Plan's invested assets was to be built up over three years to 30 June 2016. The operational risk reserve is being maintained with a tolerance limit set at 80% of the reserve target amount. The operational risk reserve currently represents 0.31% (2023: 0.30%) of the Plan's invested assets and is invested in line with the Thrifty investment strategy during the period. The operational risk reserve may only be used to make a payment to address an operational risk event as defined by SPS 114. If the amount falls below the tolerance limit Members would be charged a fee and the additional funds would be transferred into the operational risk reserve to replenish it.

8. FINANCIAL INVESTMENTS

	Note	2024 $'000	2023 $'000
Australian equities and managed funds		3,755,483	3,589,212
Global equities and managed funds		3,066,995	3,022,534
Australian fixed income securities	12(b)	672,380	465,762
Global fixed income securities	12(b)	25,997	31,759
Money market securities		432,924	218,974
Derivatives	11	98,045	96,994
TOTAL FINANCIAL INVESTMENTS		8,051,824	7,425,235

9. FINANCIAL LIABILITIES

	Note	2024 $'000	2023 $'000
Derivatives	11	67,362	110,344
Repurchase agreements		119,726	123,794
TOTAL FINANCIAL LIABILITIES		187,088	234,138

10. NET GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	2024 $'000	2023 $'000
Net gains/(losses) on financial assets and liabilities (Derivatives)		(60,057)	(73,077)
Net gains/(losses) on financial assets and liabilities (Non-Derivatives)		539,544	52,684
NET GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS		479,487	(20,393)
Realised gains/(losses) on net assets at fair value		(2,401)	(23,516)
Unrealised gains/(losses) on net assets at fair value		541,889	105,165
Realised forward foreign exchange (FFX)		(64,551)	(98,567)
Total currency gains/(loss)		4,569	(1,072)
Total settlement gain/(loss) on purchases		891	870
Total settlement gain/(loss) on sales		(714)	(3,250)
Total income exchange gain/(loss) on dividends		(124)	(27)
Total income exchange gain/(loss) on interest		9	1
Total income exchange gain/(loss) on trusts		(81)	3
NET GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS		479,487	(20,393)

11. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, a number of the Plan's investment managers enter into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date where value changes in response to the change in specified interest rate, equity price, commodity price, foreign exchange rate, index or prices or rates, credit rating or credit index or other variable.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process and are an essential part of the Plan's portfolio and risk management. The use of derivatives includes:

- To manage risk or hedge against movements in interest rates, values or prices in relation to permitted investments and movements in foreign currency exposures;
- To achieve or reduce exposure to assets, all or part of any asset class and foreign currency; and
- To achieve transactional efficiency or reduce the transactional cost of achieving required exposures.

The types of derivatives include:

(i) Exchange traded futures
Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Required margins are settled with the clearing house on a daily basis.

(ii) Exchange traded options
Options are contractual arrangements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the obligation to deliver securities or financial instruments under the contract. Options held by the Plan are typically exchange-traded and any required margins are settled with the clearing house on a daily basis.

(iii) Forward currency contracts
Forward currency contracts are primarily used by the Plan to hedge foreign currency exchange rate risks on its non-Australian dollar denominated investments. The Plan agrees to receive or deliver a fixed quantity of foreign currency for an agreed price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at reporting date. The Plan recognises a gain or loss equal to the change in fair value at reporting date.

(iv) Over-the-counter securities
Over-the-counter securities including options and swaps are contracts that are traded directly between two parties, without going through an exchange or other intermediary. The contracts may be collateralised if arrangements are in place. Parties will be exposed to counter-party credit risk, however, this can be minimised if collateral arrangements are in place, or where the contract is centrally cleared.

11. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 30 June, the fair value of derivatives held by the Plan were as follows:

30 June 2024	Fair Value Assets $'000	Fair Value Liabilities $'000
Australian fixed interest futures	997	1,253
Global fixed interest futures	4,809	505
Australian share price index futures	1,379	-
Global share price index futures	1,072	117
Money market futures	908	614
Australian exchange traded options	568	-
Global exchange traded options	791	14
Australian fixed interest options	-	-
Global fixed interest options	840	123
Global currency options	-	-
Swaps	51,791	51,348
Forward currency contracts	34,890	13,388
	98,045	67,362

30 June 2023	Fair Value Assets $'000	Fair Value Liabilities $'000
Australian fixed interest futures	187	5,262
Global fixed interest futures	1,364	6,507
Australian share price index futures	1,472	2
Global share price index futures	651	1,264
Money market futures	3,606	4,531
Australian exchange traded options	227	7
Global exchange traded options	210	6
Australian fixed interest options	-	-
Global fixed interest options	3,324	-
Global currency options	-	-
Swaps	77,822	73,467
Forward currency contracts	8,131	19,298
	96,994	110,344

When there is a legally enforceable right to offset the recognised amounts and there is an intention to settle or realise the asset and settle the liability simultaneously, financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position. The Trustee has not entered into any offsetting arrangements, or master netting arrangement. Some derivative instruments settle on a net basis through the Statement of Financial Position rather than through an offsetting arrangement. Under the terms of the derivative contracts where certain credit events occur (such as default), the net position owing/receivable to a single counterparty will be taken as owing and all the relevant arrangements terminated. Where the Plan does not presently have a legally enforceable right to off-set, amounts will be presented on a gross basis in the Statement of Financial Position.

12. FINANCIAL RISK MANAGEMENT

Objectives, strategies, policies and processes

The Plan's financial assets and liabilities principally consist of financial instruments, including shares in listed companies, debt securities, units in collective investment vehicles, units in sole investor investment vehicles, derivative instruments, other unlisted investments and cash. The Trustee has determined that these types of investments are appropriate for the Plan and are in accordance with the Plan's published investment strategy.

The Plan's investing activities expose it to the following risks from its use of financial instruments:

- Market risk (including price, currency and interest rate risks);
- Credit or counterparty risk; and
- Liquidity risk.

This note presents information about the Plan's exposure to each of the above risks together with its objectives and processes for measuring and managing these risks.

The Trustee Board acknowledges that an integral part of its good governance practice is a sound and prudent Risk Management Framework. The Trustee Board has adopted a Risk Management Framework in accordance with APRA Prudential Standard SPS 220 *Risk Management* that includes a Risk Management Strategy that describes that the key elements of the Risk Management Framework and a Risk Appetite Statement that covers the Trustee's business operations and each category of material risk.

The Trustee Board has overall responsibility for the establishment and oversight of the Plan's Risk Management Framework and risk management controls. A three lines-of-defence risk management and assurance model has been implemented to assist in facilitating an effective risk governance model for risk management. The Trustee also recognises the importance of a central risk management function which is headed up by the Chief Risk Officer (CRO). The Plan's risk management policies are established to identify and analyse the risks faced by the Plan, including those risks managed by the Chief Investment Officer (CIO), to set appropriate risk limits and controls, and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly with support from advisers to reflect changes in market conditions and the Plan's activities.

The Audit and Risk Committee also reviews the adequacy of the Risk Management Framework in relation to the risks faced by the Plan. The Audit and Risk Committee is assisted in its oversight role by Internal Audit.

The Trustee Board has established an Investment Committee, including selected Trustee Board Members with appropriate investment experience, as well as an independent expert. The Investment Committee is responsible for developing and monitoring the Plan's Risk Management Framework related to investment activities. This includes oversight and evaluation of investment performance and providing reports to the Trustee Board. The Trustee Board has delegated responsibility to the CIO for the appointment of investment managers within agreed limits, with all decisions reported to the Investment Committee.

The Investment Committee receives performance and risk management reports from the CIO and Head of Investment Operations (HoIO), and, in turn, reports to the Trustee Board on its activities. Performance and key manager characteristics, divergence from strategic asset allocations and the composition of the portfolio are monitored by the CIO and HoIO on a regular basis. Reports from the CIO and HoIO include the following:

- Investment performance against benchmarks;
- Risk reporting; and
- Compliance reporting.

Furthermore, the Investment Committee undertakes extensive due diligence to ensure investment managers have appropriate skills and expertise to manage the Plan's investments. Operational due diligence updates are provided by the HoIO to the Investment Committee.

In relation to Environmental, Social and Governance (ESG) Risks, including climate change, the Trustee Board has a Sustainable Growth Investment Belief which acknowledges the management of ESG factors influences investment risks, returns and reputation. A sustainable approach to investing is expected to contribute to Qantas Super meeting its investment mission of delivering long term investment outcomes that best meet the retirement needs of Members. The Trustee Board strives to understand its exposure to potentially material ESG risks, controversies and opportunities. In particular climate change, which could impede or contribute to its ability to achieve sustainable growth. In this regard the Trustee Board has the following sustainability objective, 'To be a responsible asset owner that aims to reduce carbon emissions from our investment assets such that we achieve Net Zero Carbon Emissions by 2050'.
The Plan's Audit and Risk Committee oversees how Management monitors compliance with the Risk Management Framework and its risk management policies and procedures.

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

To mitigate market risk, the Plan diversifies investment exposures. Diversification is achieved through investment in different asset classes, and the selection of investment managers with a range of different investment processes and different investment mandates. In addition, the Plan undertakes extensive due diligence prior to the appointment of investment managers to ensure they have the appropriate expertise and skill. Market risk is managed and monitored using sensitivity and scenario analysis in addition to diversification and by ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The sensitivity of the Plan's net assets available to pay benefits to price risk, currency risk and interest rate risk is measured by the 'reasonably possible movements approach'. This approach is determined based on Management's best estimate of volatility, having regard to a number of factors, including the standard deviation of returns and historical levels of changes in interest rates and foreign exchange rates. Overall, it is believed that volatility factors based on market or portfolio movements are the most appropriate measure of risk for the purposes of carrying out sensitivity analysis. The actual measure of volatility considers the historical average movement of assets. Applying an absolute basis is appropriate as it establishes the size of potential movements, which forms part of the long-term risk and return assumptions used for modelling.

i) Price risk

The Plan is exposed to price risk in practically all securities, as prices in the future are uncertain. The securities are classified in the Statement of Financial Position at fair value which the Trustee believes approximates net fair value. The maximum risk is determined by the fair value of the financial instruments. Price risk sensitivity analysis is prepared on the basis of the Plan's investments across all assets classes subject to price risk. The disclosure of price risk is considered by the Trustee as a reasonable guide to the sensitivity of the value of the investments within the Plan.

Sensitivity analysis

Analysis incorporates sensitivity factors reasonably considered by the Trustee across price risk variables associated with securities to which the Plan is exposed. An increase of the weighted-average sensitivity factor of 13% in 2024 (2023: 13%) at reporting date would increase the Plan's net assets available for members by $989 million (2023: $929 million). A decrease in the weighted-average sensitivity factor would have the equal but opposite effect assuming that all other variables remain constant.

The sensitivities have been calculated using volatility factors based on actual market or historical portfolio movements. The Trustee believes that volatility factors are appropriate for this market price sensitivity disclosure, on the basis that the Plan's dedicated and alternative investment strategies utilise market price sensitivities that have been based on actual market or portfolio historical experience. The weighted-average sensitivity is calculated on the total investment portfolio, excluding cash securities.

ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Plan holds monetary assets denominated in currencies other than the Australian dollar, the functional currency. The Plan is exposed to foreign exchange risk, as the value of the securities denominated in non-Australian dollar currencies will fluctuate due to several factors outside the control of the Plan. The risk is measured using sensitivity analysis.

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk disclosures have been prepared on the basis of the Plan's direct investments and not on a look-through basis for investments held indirectly through managed funds. Managed funds are classified according to the currency of the managed fund. Consequently, the disclosure of currency risk in the note may not represent the true currency risk profile of the Plan where the Plan has investments in managed funds that also have exposure to currency. Risk management controls include engagement of currency hedging managers, hedging procedures and monthly liquidity stress testing.

The table below summarises the Plan's exposure to foreign exchange risk:

30 June 2024	USD A$'000	EUR A$'000	GBP A$'000	JPY A$'000	Other A$'000	Total Foreign Currency Exposure A$'000	AUD A$'000	Total A$'000
Assets								
Cash and cash equivalents	2,791	2,710	877	1,742	10,094	18,214	1,086,721	1,104,935
Receivables	5,999	9,242	5,064	6,340	6,683	33,328	162,578	195,906
Fixed assets	-	-	-	-	-	-	86	86
Financial Investments	2,282,117	132,393	54,741	156,934	501,357	3,127,542	4,924,282	8,051,824
Total Assets	2,290,907	144,345	60,682	165,016	518,134	3,179,084	6,173,667	9,352,751
Liabilities								
Payables	44,993	8,341	4,461	4,053	7,202	69,050	53,313	122,363
Financial liabilities	12,440	3,408	6,284	1,270	336	23,738	163,350	187,088
Other liabilities	-	-	-	-	-		206,942	206,942
Total Liabilities	57,433	11,749	10,745	5,323	7,538	92,788	423,605	516,393
Net assets available to pay benefits	2,233,474	132,596	49,937	159,693	510,596	3,086,296	5,750,062	8,836,358

30 June 2023	USD A$'000	EUR A$'000	GBP A$'000	JPY A$'000	Other A$'000	Total Foreign Currency Exposure A$'000	AUD A$'000	Total A$'000
Assets								
Cash and cash equivalents	7,605	2,967	1,306	2,185	9,733	23,796	1,253,483	1,277,279
Receivables	18,338	8,587	4,556	4,220	9,635	45,336	162,546	207,882
Fixed assets	-	-	-	-	-	-	240	240
Financial Investments	2,251,550	161,688	75,526	139,267	468,225	3,096,256	4,328,979	7,425,235
Total Assets	2,277,493	173,242	81,388	145,672	487,593	3,165,388	5,745,248	8,910,636
Liabilities								
Payables	24,979	3,284	3,853	810	11,510	44,436	89,758	134,194
Financial liabilities	33,147	7,820	10,414	707	1,930	54,018	180,120	234,138
Other liabilities	-	-	-	-	-	-	150,614	150,614
Total Liabilities	58,126	11,104	14,267	1,517	13,440	98,454	420,492	518,946
Net assets available to pay benefits	2,219,367	162,138	67,121	144,155	474,153	3,066,934	5,324,756	8,391,690

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity Analysis

A strengthening of the Australian dollar against the following currencies by the specified percentages as at 30 June 2024 would have decreased the net assets available to pay benefits and the net investment revenue by the amounts shown in the table below. A weakening of the Australian dollar against the following currencies by the specified percentages as at 30 June 2024 would have the equal but opposite effect.

The analysis assumes that all other variables, in particular interest rates, remain constant. The impact mainly arises from the reasonably possible change in foreign currency rates, which has been determined based on a number of factors, including the standard deviation of the exchange rate between the Australian dollar and a range of foreign currencies.

	USD A$'000	EUR A$'000	GBP A$'000	JPY A$'000
30 June 2024				
Currency risk *	8.0%	7.0%	7.0%	8.0%
Impact on net assets available to pay benefits	178,678	9,282	3,496	12,775
30 June 2023				
Currency risk *	9.0%	8.0%	8.0%	8.0%
Impact on net assets available to pay benefits	199,743	12,971	5,370	11,532

* 10-year average absolute divergence between each currency paired with the AUD.

iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Plan's interest-bearing financial assets especially expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates in its financial position and cash flows.

The Plan controls its interest rate exposure by using investment managers for these types of investments who diversify exposures and impose duration limits within fixed interest mandates.

The table below summarises the Plan's exposure to interest rate risks. It includes the Plan's assets and liabilities at net market value. Interest rate risk disclosures have been prepared on the basis of the Plan's direct investments and not on a look-through basis for investments held indirectly through managed funds. Managed funds are classified under 'non-interest bearing' in relation to the fixed interest maturing analysis. Consequently, the disclosure of interest rate risk in the note may not represent the true interest rate risk profile of the Plan where the Plan has investments in managed funds, some of which also have exposure to interest rates.

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

30 June 2024	Floating Interest Rate $'000	Fixed Interest Rate $'000	Non-interest Bearing $'000	Total $'000
Assets				
Cash and cash equivalents	1,104,935	-	-	1,104,935
Receivables	138,853	-	57,053	195,906
Fixed assets	-	-	86	86
Financial Investments	553,889	597,691	6,900,244	8,051,824
Total assets	1,797,677	597,691	6,957,383	9,352,751
Liabilities				
Payables	81,560	-	40,803	122,363
Financial liabilities	13,581	2,446	171,061	187,088
Other liabilities	-	-	206,942	206,942
Total liabilities	95,141	2,446	418,806	516,393
Net assets/(liabilities) available to pay benefits	1,702,536	595,245	6,538,577	8,836,358

30 June 2023	Floating Interest Rate $'000	Fixed Interest Rate $'000	Non-interest Bearing $'000	Total $'000
Assets				
Cash and cash equivalents	1,277,279	-	-	1,277,279
Receivables	121,016	-	86,866	207,882
Fixed assets	-	-	240	240
Financial Investments	275,411	465,422	6,684,402	7,425,235
Total assets	1,673,706	465,422	6,771,508	8,910,636
Liabilities				
Payables	56,160	-	78,034	134,194
Financial liabilities	29,934	12,018	192,186	234,138
Other liabilities	-	-	150,614	150,614
Total liabilities	86,094	12,018	420,834	518,946
Net assets/(liabilities) available to pay benefits	1,587,612	453,404	6,350,674	8,391,690

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis

An increase of 240 basis points (2023: 209 basis points) in interest rates would have decreased the net assets available to pay benefits and the net investment revenue by $54.2 million (2023: a decrease of $42.1 million). A move by the same amount in the opposite direction would have the equal but opposite effect.

The 240 basis points impact mainly arises from the reasonable possible change in interest rates on the net market value of fixed interest securities. The reasonably possible movements in the risk variables have been determined based on Management's best estimate having regard to the average annual absolute movement in the yields of 10 year Australian and US Government bonds and other large developed market government bonds over a 10 year period.

(b) Credit risk

Exposure to credit risk is inherent when holding credit securities, with a counterparty default, combined with nil recovery being the maximum risk for credit securities. The Plan's exposure to credit securities is predominantly within Australian and Global Fixed Income Securities. Credit risk is minimised through diversification of counterparties, investment managers and fixed income securities.

Credit quality by credit grade

The credit quality of securities within Australian and Global Fixed Income Securities have been rated using primarily Standard & Poor's (S&P) rating categories and other agencies where no S&P rating is given. The table below shows the credit quality by credit rating grades. Credit quality disclosures have been prepared on the basis of the Plan's direct investments within Australian and Global Fixed Income Securities and not on a look-through basis for investments held indirectly through managed funds. Consequently, the disclosure of credit quality in the note may not represent the true credit grade profile of all credit securities within the Plan.

Fixed income securities	**2024 $'000**	**2023 $'000**
Credit Grade		
AAA	308,266	297,432
AA	167,110	119,246
A	106,839	32,655
BBB	97,042	42,875
BB	7,387	-
Not rated	11,733	5,312
	698,377	497,520

(c) Liquidity risk

Liquidity risk is the risk that the Plan may not be able to generate sufficient cash resources to settle its obligations to Members or counterparties in full as they fall due or can only do so on terms that are disadvantageous.

The liquidity position of the Plan is conditional on a number of external factors including the liquidity of the investment markets in which the Plan invests and the relevant legislative requirements governing Members' access to their superannuation benefits. The Plan is obligated to pay Member benefits in accordance with the relevant legislative requirements. This includes the payment of rollovers to other superannuation funds upon request and the payment of benefits to Members within 30 days from meeting a condition of release.

In accordance with the Plan's Risk Management Framework, the Investment Committee regularly reviews the Plan's liquidity position. Monitoring of the Plan's liquidity incorporates a range of stress tests that take into account potential adverse impacts on cash flows resulting from investment switching by Members, rollover and benefit requests, settling foreign currency transactions and funding capital call commitments. Stress tests assess the impact on the liquidity of the investment portfolio.

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The Plan limits its allocation to illiquid assets and ensures that the allocation is consistent with the intended term of investment. The Plan's membership profile coupled with the bulk of its assets being invested in highly liquid asset classes allows the Plan to tolerate the lower liquidity of some unlisted investments in an expectation of higher long-term gains.

The Plan's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Plan's reputation.

Maturity analysis for financial liabilities

The table below analyses the contractual maturities of the Plan's financial liabilities, excluding gross settled derivative liabilities, based on the remaining period to the contractual maturity date at the year end.

	Less than 1 month $'000	1 to 3 months $'000	3 to 12 months $'000	12 to 60 months $'000	60+ months $'000
30 June 2024					
Financial liabilities					
Benefits payable	4,248	-	-	-	-
Accounts payable	22,654	-	-	-	-
Income tax payable	2,392	-	26,818	-	-
Outstanding settlements securities purchased	13,901	-	-	-	-
Deposits held broker margin accounts	81,560	-	-	-	-
Repurchase agreements	119,726	-	-	-	-
Accrued benefits	8,427,528	-	-	-	-
Total including Member benefits	8,672,009	-	26,818	-	-

	Less than 1 month $'000	1 to 3 months $'000	3 to 12 months $'000	12 to 60 months $'000	60+ months $'000
30 June 2023					
Financial liabilities					
Benefits payable	606	-	-	-	-
Accounts payable	27,068	-	-	-	-
Income tax payable	3,816	-	27,189	-	-
Outstanding settlements securities purchased	50,359	-	-	-	-
Deposits held broker margin accounts	56,161	-	-	-	-
Repurchase agreements	123,795	-	-	-	-
Accrued benefits	8,087,268	-	-	-	-
Total including Member benefits	8,349,073	-	27,189	-	-

Liabilities to DB Members are payable upon the Member meeting a vesting condition (such as resignation or retirement) in accordance with the terms of the Plan's Trust Deed. The Plan considers it is highly unlikely that all liabilities to Members would fall due at the same time.

The following table analyses the Plan's derivative financial instruments allocated into relevant maturity groupings based on the remaining period to the contractual maturity date. A figure is only disclosed if the net settled amount across all types of derivatives for a respective period is a liability. The majority of the totals disclosed in the table relate to swaps.

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Maturity analysis for financial liabilities (continued)

30 June 2024	Less than 1 month $'000	1 to 3 months $'000	3 to 12 months $'000	12 to 60 months $'000	60+ months $'000
Derivatives					
Net settled derivatives	(856)	30,162	215	(5,983)	7,144

30 June 2023	Less than 1 month $'000	1 to 3 months $'000	3 to 12 months $'000	12 to 60 months $'000	60+ months $'000
Derivatives					
Net settled derivatives	(3,507)	(16,017)	6,005	(552)	721

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value reflects the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted prices are used to determine fair value where an active market exists. If the market for a financial asset or liability is not active, fair values are estimated using discounted cash flow or other valuation techniques, using inputs based on market conditions prevailing on the measurement date.

The Plan's financial assets and liabilities are carried at fair value. Refer to Note 3(a) for the methods and assumptions adopted in determining the fair values of investments.

Fair value hierarchy

Financial assets and liabilities measured at fair value are categorised in accordance with the levels of the fair value hierarchy as outlined below:

- Level 1: Inputs to the valuation methodology are quoted prices (adjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), for substantially the full term of the financial instrument.
- Level 3: Inputs to the valuation methodology are valuation techniques using inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table discloses the financial investments of the Plan according to the fair value hierarchy. The Plan's policy is to recognise transfers into and transfers out of the fair value hierarchy as at the end of the reporting period. The fair value hierarchy is assessed on an annual basis to determine the most appropriate value of the investment within a provided range. During the year there was a reclassification from level 1 to level 3 of $818,670 (2023: $3,311,303) in Australian listed equities, a reclassification from level 3 to level 1 of $483,872 in Australian listed equities (2023: $nil), and a reclassification from level 3 to level 2 of $nil (2023: $4,370,058) in Australian and global managed funds. There were no other reclassifications during the period.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2024				
Financial Investments				
Derivative assets	9,164	88,881	-	98,045
Australian and global equities	3,498,133	5,980	1,047	3,505,160
Australian and global managed funds	158,033	236,962	2,922,323	3,317,318
Australian and global fixed income securities	-	690,240	8,137	698,377
Money market securities	-	432,924	-	432,924
Total financial investments	3,665,330	1,454,987	2,931,507	8,051,824
Investment liabilities				
Derivatives liabilities	2,488	64,874	-	67,362
Repurchase agreements	-	119,726	-	119,726
Total investment liabilities	2,488	184,600	-	187,088
Net investment	3,662,842	1,270,387	2,931,507	7,864,736

Fair value hierarchy

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2023				
Financial Investments				
Derivative assets	7,280	89,714	-	96,994
Australian and global equities	3,369,170	-	1,496	3,370,666
Australian and global managed funds	145,421	325,514	2,770,146	3,241,081
Australian and global fixed income securities	-	490,991	6,529	497,520
Money market securities	-	218,974	-	218,974
Total financial investments	3,521,871	1,125,193	2,778,171	7,425,235
Investment liabilities				
Derivatives liabilities	17,566	92,778	-	110,344
Repurchase agreements	-	123,794	-	123,794
Total investment liabilities	17,566	216,572	-	234,138
Net investment	3,504,305	908,621	2,778,171	7,191,097

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

The tables below set out the movement in level 3 instruments by class of financial instrument:

	Australian and global managed funds $'000	Total $'000
30 June 2024		
Opening balance	2,778,171	2,778,171
Purchases	777,988	777,988
Sales	(626,664)	(626,664)
Transfers from level 1 to level 3	819	819
Transfer from level 3 to level 1	(484)	(484)
Total unrealised and realised gains/(losses) on level 3 financial instruments	1,677	1,677
Closing balance	**2,931,507**	**2,931,507**

	Australian and global managed funds $'000	Total $'000
30 June 2023		
Opening balance	3,137,064	3,137,064
Purchases	476,813	476,813
Sales	(443,275)	(443,275)
Transfers from level 1 to level 3	3,311	3,311
Transfers from level 3 to level 2	(4,370)	(4,370)
Total unrealised and realised gains/(losses) on level 3 financial instruments	(391,372)	(391,372)
Closing balance	**2,778,171**	**2,778,171**

Valuation inputs and relationships to fair value

The Plan's level 3 investments predominantly comprise investments in unlisted managed funds which hold illiquid investments such as infrastructure and private equity. These investments are managed by external investment managers and are not actively traded in public markets.

The Plan values these investments using the valuation provided by the external investment manager. As the underlying interests in these investments are not actively traded in a public market, the valuation provided by the external investment manager is considered unobservable and the interests are therefore classified as a level 3 investments.

The Plan reviews the valuation methodology adopted by the relevant investment manager and makes further enquiries, as appropriate, relating to valuation methodology and key inputs used to determine valuations at each reporting date. The Plan values units in unit trusts and other unlisted investments classified as level 3 instruments using the implied unit price provided by the underlying fund manager unless there is a specific verifiable reason to vary from the unit price provided.

The valuation of the Plan's level 3 investments is based on data available at the time of the relevant valuation which may change as circumstances and events continue to unfold. The Plan's level 3 investment valuations will be updated as and when new information becomes available and will be reflected in future accounting periods.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table summarises the information about the key unobservable inputs used for the Plan in level 3 fair value measurements. The range of inputs shown below are provided by the underlying investment managers or based on reasonable sensitivities determined in consultation with the Plan's external consultants and are derived with reference to the nature of the underlying level 3 asset exposure. The Trustee has considered the nature of the holding entity, materiality and the complexity of each level 3 asset in presenting the information disclosed below.

30 June 2024

Description	Fair Value at 30 June $'000	Unobservable inputs	Range of inputs	Sensitivity of unobservable inputs to fair value
Australian and global managed funds				
A portfolio of Australian senior loans	550,423	Unit Price	-0.75% to +0.75%*	Fair value sensitivity is subject to a range of unobservable inputs with the overall sensitivity reasonably expected to be between -0.75% to +0.75% or -$4m to +$4m.
A portfolio of US gas royalties & working interests	487,227	Discount Rate Risk Ratings (Reserves) Gas Price (HH) Oil Price (WTI)	+8% to +15% 90-100% for Proved Reserves 50% for Probable Reserves 20% for Possible Reserves USD3.19 to USD4.83/mcf USD78.99 to USD82.70/bbl	Fair value sensitivity is subject to unobservable inputs such as current gas and oil prices, forward curves and well performance, as well as discount rate and various reserve risk factors with overall sensitivity reasonably expected to be between -26.3% to +15.6% or -$128m to +$76m.
A portfolio of US Real Estate loans	311,226	Unit Price	-11% to +11%*	Fair value sensitivity is subject to a range of unobservable inputs with the overall sensitivity reasonably expected to be between -11% to +11% or -$33m to +$33m.
A portfolio of Australian infrastructure	272,545	Discount Rate	+9.10% to +14.77%	Fair value sensitivity is subject to unobservable inputs such as discount rate, inflation and interest rates (base and margin) with the overall sensitivity reasonably expected to be between -15% to +15% or -$40m to $40m.
A portfolio of private equity investments	270,847	Unit Price	-16% to +16%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -16% to +16% or -$42m to +$42m.
A portfolio of Australian private equity investments	243,287	Unit Price	-29% to +29%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -29% to +29% or -$70m to +$70m.
A portfolio of impact private equity and credit investments	225,568	Unit Price	-22% to +22%*	Fair value sensitivity is subject to a range of unobservable inputs with the overall sensitivity reasonably expected to be between -22% to +22% or -$50m to +$50m.
A portfolio of distressed & special situations	210,504	Unit Price	-3% to +20%*	Fair value sensitivity is subject to a range of unobservable inputs with the overall sensitivity reasonably expected to be between -3% to +20% or -$6m to +$42m.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2024 (CONTINUED)

Description	Fair Value at 30 June $'000	Unobservable inputs	Range of inputs	Sensitivity of unobservable inputs to fair value
A portfolio of Australian and Global equity (listed and private)	123,060	Unit Price	-42% to +42%*	Fair value sensitivity considers the sensitivity of listed equity exposure, as well as the sensitivity of private companies which is subject to various unobservable inputs. Overall sensitivity is reasonably expected to be between -42% to +42% or -$52m to +$52m.
A portfolio of Australian agricultural investments	79,215	Net Tangible Assets	-10% to +10%**	Fair value sensitivity is subject to unobservable inputs such as net tangible assets with overall sensitivity reasonably expected to be between -10% to +10% or -$8m to +$8m.
A portfolio of plant based Australian agricultural investments	73,868	Unit Price	-12% to +10%*	Fair value sensitivity is subject to a range of unobservable inputs with the overall sensitivity reasonably expected to be between -12% to +10% or -$9m to +$7m.
A portfolio of infrastructure debt	28,350	Unit Price	-3.52% to 0.00%*	Fair value sensitivity is impacted by a loss or a credit rating downgrade. These investments generate attractive levels of income, rather than capital gain. A loss or credit rating downgrade across all holdings will impact fair value by -3.52% to 0% or -$1m to $0m.
A portfolio of private equity investments	26,704	Unit Price	-17% to +17%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -17% to +17% or -$5m to +$5m.
A portfolio of critical mineral and decarbonisation technology investments	13,571	Unit Price	-24% to +36%*	Fair value sensitivity is subject to a range of unobservable inputs with the overall sensitivity reasonably expected to be between -24% to +36% or -$3m to +$5m.
Holding in residential loans.	8,137	Unit Price	-11% to +11%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -11% to +11% or -$0.9m to +$0.9m.
A portfolio of Australian retail property	3,586	Discount Rate Capitalisation Rate Terminal Yield	+6.75% to +7.00% +5.38% to +5.88% +5.63% to +6.13%	Fair value sensitivity is subject to unobservable inputs such as discount rate, capitalisation rate, terminal yield and passing yield with the overall sensitivity reasonably expected to be between -8% to +8% or -$0.3m to +$0.3m.
A portfolio of credit hedge funds	2,339	Unit Price	-8% to +8%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -8% to +8% or -$0.2m to +$0.2m.
Holdings in suspended Australian and global equities	1,050	Unit Price	-14% to +14%	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -14% to +14% or -$0.2m to +$0.2m.
Total	**2,931,507**			

*Range of unit price sensitivity based on aggregate range of underlying unobservable inputs
**Range of Net Tangible Asset sensitivity based on aggregate range of underlying unobservable inputs

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2023

Description	Fair Value at 30 June $'000	Unobservable inputs	Range of inputs	Sensitivity of unobservable inputs to fair value
Australian and global managed funds				
A portfolio of Australian senior loans	508,514	Unit Price	-0.75% to +0.75%*	Fair value sensitivity is subject to a range of unobservable inputs with the overall sensitivity reasonably expected to be between -0.75% to +0.75% or -$4m to +$4m.
A portfolio of private equity investments	481,701	Unit Price	-11% to +11%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -11% to +11% or -$53m to +$53m.
A portfolio of US gas & oil royalties & working interests	460,198	Discount Rate Risk Ratings (Reserves) Gas Price (HH) Oil Price (WTI)	+8% to +15% 90-100% for Proved Reserves 50% for Probable Reserves 20% for Possible Reserves USD3.06 to USD4.78/mcf USD63.04 to USD76.85/bbl	Fair value sensitivity is subject to unobservable inputs such as current gas and oil prices, forward curves, well performance, as well as discount rate and various reserve risk factors with overall sensitivity reasonably expected to be between -28.0% to +16.5% or -$129m to +$76m.
A portfolio of distressed & special situations	240,030	Unit Price	-3% to +20%*	Fair value sensitivity is subject to a range of unobservable inputs with the overall sensitivity reasonably expected to be between -3% to +20% or -$7m to +$48m.
A portfolio of US real estate loans	236,230	Unit Price	-9% to +9%*	Fair value sensitivity is subject to a range of unobservable inputs with the overall sensitivity reasonably expected to be between -9% to +9% or -$21m to +$21m.
A portfolio of Australian infrastructure	234,563	Discount Rate	+9.00% to +13.45%	Fair value sensitivity is subject to unobservable inputs such as discount rate, inflation and interest rates (base and margin) with the overall sensitivity reasonably expected to be between -17% to +17% or -$40m to +$40m.
A portfolio of Australian private equity investments	168,625	Unit Price	-30% to +30%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -30% to +30% or -$51m to +$51m.
A portfolio of impact private equity and credit investments	153,756	Unit Price	-28% to +28%*	Fair value sensitivity is subject to unobservable inputs such as discount rate with the overall sensitivity reasonably expected to be between -28% to +28% or -$43m to +$43m.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2023 (CONTINUED)

Description	Fair Value at 30 June $'000	Unobservable inputs	Range of inputs	Sensitivity of unobservable inputs to fair value
A portfolio of Australian and Global equity (listed and private)	92,040	Unit Price	-26% to +42%*	Fair value sensitivity considers the sensitivity of listed equity exposure, as well as the sensitivity of private companies which is subject to various unobservable inputs. Overall sensitivity is reasonably expected to be between -26% to +42% or -$24m to +$39m.
A portfolio of Australian agricultural investments	74,836	Net Tangible Assets	-10% to +10%**	Fair value sensitivity is subject to unobservable inputs such as net tangible assets, discount rates and market multiples with overall sensitivity reasonably expected to be between -10% to +10% or -$7m to +$7m.
A portfolio of infrastructure debt	53,009	Unit Price	-15.23% to 0.00%*	Fair value sensitivity is impacted by a loss or a credit rating downgrade. These investments generate attractive levels of income, rather than capital gain. A loss or credit rating downgrade across all holdings will impact fair value by -15% to 0% or -$8m to $0m.
A portfolio of Australian retail property	33,466	Discount Rate Capitalisation Rate Terminal Yield	+6.50% to +7.00% +5.00% to +6.25% +5.25% to +6.50%	Fair value sensitivity is subject to unobservable inputs such as discount rate, capitalisation rate, terminal yield and passing yield with the overall sensitivity reasonably expected to be between -9% to +9% or -$3m to +$3m.
A portfolio of private equity investments	16,949	Unit Price	-17% to +17%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -17% to +17% or -$3m to +$3m.
A portfolio of credit hedge funds	10,045	Unit Price	-7% to +7%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -7% to +7% or -$0.7m to +$0.7m.
Holding in residential loans	6,549	Unit Price	-11% to +11%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -11% to +11% or -$0.7m to +$0.7m.
A portfolio of critical mineral and decarbonisation technology investments	6,161	Unit Price	-21% to +21%*	Fair value sensitivity is subject to a range of unobservable inputs with the overall sensitivity reasonably expected to be between -21% to +21% or -$1m to +$1m.
Holdings in suspended Australian and global equities	1,499	Unit Price	-15% to +15%*	Fair value sensitivity is subject to various unobservable inputs with the overall sensitivity reasonably expected to be between -15% to +15% or -$0.2m to +$0.2m.
Total	**2,778,171**			

*Range of unit price sensitivity based on aggregate range of underlying unobservable inputs
**Range of Net Tangible Asset sensitivity based on aggregate range of underlying unobservable inputs

14. TAXATION

	2024 $'000	2023 $'000
(a) Recognised in the Income Statement		
Current income tax		
- Current tax charge	13,246	25,159
- Adjustment to current tax for prior period	(30,055)	(8,142)
Deferred income tax		
- Movement in temporary differences	58,146	13,869
Income tax expense	41,337	30,886
(b) Numerical reconciliation between tax expense and profit before income tax		
Profit/(loss) before income tax	744,908	527,462
Tax applicable at the rate of 15% (2023: 15%)	111,736	79,119
Tax effect of income/(losses) not assessable or (deductible) in determining taxable income		
- Movement in realised/unrealised positions	(20,644)	(10,623)
Tax effect of other adjustments		
- Imputation and foreign tax credits	(15,831)	(23,368)
- Exempt pension income	(3,869)	(6,100)
- Under/(Over) provision prior year	(30,055)	(8,142)
Income tax expense	41,337	30,886
(c) Recognised in the Statement of Changes in Members Benefits		
Contributions and transfers in recognised in the Statement of Changes in Members Benefits	350,649	314,521
Tax applicable at the rate of 15% (2023: 15%)	52,597	47,178
Tax effect of income/(losses) not assessable or (deductible) in determining taxable income		
- Contributions revenue and transfers in	(12,858)	(15,655)
Tax effect of other adjustments		
- Insurance premiums	(4,853)	(5,585)
- Under/(over) provision prior year	32	319
Income tax expense	34,918	26,257
Allocated as follows:		
Contributions tax	39,771	31,842
Tax benefit on insurance premiums (to Members)	(3,416)	(3,977)
Tax benefit on insurance premiums (to Plan)	(1,437)	(1,608)
Income tax expense	34,918	26,257

14. TAXATION (CONTINUED)

(d) Current tax liabilities

	2024 $'000	2023 $'000
Balance at beginning of year	31,005	(30,847)
Income tax paid – current period	(18,899)	(20,067)
Income tax paid – prior periods	(1,029)	38,645
Current year income tax provision	48,133	51,097
Under/(Over) provision prior year	(30,000)	(7,823)
Current tax liabilities	29,210	31,005

(e) Deferred tax assets and liabilities

The amount of net deferred tax liability recognised:

	2024 $'000	2023 $'000
Deferred tax assets		
Accounts payable	2,594	974
Deferred tax assets	2,594	974
Deferred tax liabilities		
Contributions receivable	2,085	2,367
Realised and Unrealised capital gains on investments (discounted)	178,241	118,216
Deferred tax liabilities	180,326	120,583
Net deferred tax liabilities	177,732	119,609

15. ADMINISTRATION EXPENSES

Administration expenses comprise payments of staff, board, finance, operations, Member services, legal, risk & compliance and other operating expenses:

	2024 $'000	2023 $'000
Actuarial fees	478	537
Audit fees	335	362
General administration expenses	13,895	13,600
Project expenses	1,930	291
Regulatory fees	1,193	894
Tax agent fees	151	183
TOTAL ADMINISTRATION EXPENSES	17,982	15,867

16. RECEIVABLES

	2024 $'000	2023 $'000
Contributions receivable	14,497	16,464
Other receivables and prepayments	3,144	3,442
Deposits held with broker margin accounts	138,853	121,016
Investment income receivable	17,326	23,388
Outstanding settlements	22,086	43,572
TOTAL RECEIVABLES	195,906	207,882

17. PAYABLES

	2024 $'000	2023 $'000
Creditors and accruals	22,654	27,070
Liabilities held with broker margin accounts	81,560	56,160
Outstanding settlements	13,901	50,358
TOTAL PAYABLES	118,115	133,588

18. CASH FLOW INFORMATION

(a) Reconciliation of cash

	2024 $'000	2023 $'000
Cash at bank	24,295	18,620
Short-term deposits	636,946	557,734
Cash held by investment managers	443,694	700,925
TOTAL CASH AND CASH EQUIVALENTS	1,104,935	1,277,279

(b) Reconciliation of Net Cash provided by Operating Activities to net profit after tax

	2024 $'000	2023 $'000
Net operating result after tax	106,897	(19,324)
Allocated to Members accounts	588,533	506,785
Remeasurement in assets measured at fair value	(467,242)	126,298
Depreciation	113	60
(Increase)/Decrease in investment receivables	9,712	(24,896)
(Increase)/Decrease in receivables	297	(2,745)
Increase/(Decrease) in payables	(158)	(1,177)
Increase/(Decrease) in investment payables	(58,107)	3,423
Increase/(Decrease) in current tax liabilities	(12,868)	(56,733)
Increase/(Decrease) in deferred tax liabilities	58,123	13,868
NET CASH FLOWS FROM OPERATING ACTIVITIES	225,300	545,559

19. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by PwC as the auditor of the Plan and by PwC's related network firms:

	2024	2023
Audit services:		
Audit of the financial report and regulatory compliance	349,978	312,640
Other audit related services	48,274	50,578
Non-audit services:		
Taxation services	294,509	378,404
	692,761	741,622

20. RELATED PARTIES

(a) Plan Sponsor

Qantas Airways Limited is the employer sponsor and, together with the other associated employers, makes employer contributions to the Plan which are disclosed in the Statement of Movement in Member Benefits. Contributions are made in accordance with the Trust Deed and Rules.

Contributions receivable from the employer sponsor and associated employers as at 30 June 2024 (and received subsequent to that date) amounted to $14,497,302 (2023: $16,463,882).

The Plan contracts with Qantas Airways Limited for office accommodation, use of office equipment, technology and certain administrative services, which are provided on an arms-length basis. Cost recoveries paid to the employer sponsor for these services of $304,273 (2023: $304,273) are included in administration expenses in the Income Statement.

At 30 June 2024 the Plan held investments in Qantas Airways Limited to the value of $4,049,920 (2023: $4,292,223). These investments have been made independent of the Trustee by the Plan's investment managers.

(b) Trustee related transactions

The Plan paid Qantas Superannuation Limited $181,856 (2023: $145,722) for trustee related costs on behalf of the Trustee.

(c) Other related parties – direct holdings and associates

The Plan holds fourteen sole purpose investment vehicles which are recorded at fair value:

	2024		2023	
	% Int.	$'000	% Int.	$'000
Q Diversified Credit Trust	100	550,423	100	508,514
QGR Trust	100	487,227	100	460,198
Q Real Estate Debt Trust	100	311,226	-	-
Q Infrastructure Trust	100	272,545	100	234,563
Q Private Equity Trust	100	270,847	100	481,701
Q Private Equity Direct Trust	100	243,287	100	168,625
Q Private Impact Trust	100	225,568	100	153,756
QPIPO Trust	100	123,060	100	92,040
Q Agriculture Trust	100	79,215	100	74,836
Q Farm Trust	100	73,868	-	-
Q Infrastructure Yield Trust	100	28,350	100	53,009
Q Venture Capital Trust	100	26,704	100	16,949
QCM Trust	100	13,571	100	6,161
Q Credit Trust	100	497	100	5,382
Q Timberland Trust	100	-	100	4,370
Total direct holdings and associates		2,706,388		2,260,104

The table on the previous page lists the fair value and the percentage interest of each investment asset at reporting date. The maximum exposure to loss is limited to the net fair value of each investment asset. The net fair value will potentially change on a daily basis throughout the period and in subsequent periods and will cease once the investments are disposed. The investments of the Plan are managed in accordance with the investment mandates with the respective underlying investment managers. The investment decisions of the Plan are made by the investment managers based on their analysis and the investment guidelines provided to them by Management. The investment return of the Plan is exposed to the variability of the performance of the underlying investment assets. The underlying investment managers receive a management fee for undertaking the management of these investments. The Q Private Impact Trust has direct or indirect minority shareholdings in entities that provide either investment or trustee services to one or more Q Trusts.

21. CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

Contingent assets and liabilities

There were no contingent assets or liabilities as at 30 June 2024 (30 June 2023: Nil).

Commitments

The Plan had the following investment commitments:

Undrawn commitments	**2024 $'000**	**2023 $'000**
Private Equity	778,276	463,205
Real Assets	254,077	300,088
Opportunistic Alternatives	89,646	94,128
Multi-Strategy	472,496	401,482
Alternative Credit	277,060	111,335
Defensive Credit	-	160,451
	1,871,555	1,530,689

These undrawn commitments represent the amounts of capital the Plan has committed to invest but not yet allocated. Not all undrawn commitments are legally binding.

22. SUBSEQUENT EVENTS

On 16 July 2024, the Trustee Board entered into an agreement to merge the Plan with Australian Retirement Trust. As the corporate sponsor of the Plan, QAL is also a party to this agreement. This agreement followed a rigorous process by the Trustee Board, including a comprehensive assessment of the options available to the Plan. This assessment considered each of the leading merger options available to the Plan, as well as assessing the option of the Plan remaining an independent corporate super fund.

The agreement sets out the framework that will be used to prepare for the implementation of a merger. The merger is expected to occur by way of a Successor Fund Transfer (SFT), which is a method that is set out in Federal Government legislation. There are significant legal requirements that must be complied with prior to implementing a SFT, so implementation is subject to both Qantas Super's and Australian Retirement Trust's trustees completing the final assessments of their respective Members' best financial interests and equivalency of rights in relation to benefits, and each of the relevant parties signing relevant legal agreements, including an SFT Deed.

Except as disclosed above, no other significant events have occurred since the end of the reporting period which would impact on the financial position of the Plan as at 30 June 2024 or on the results and cash flows of the Plan for the year ended on that date.

QANTAS SUPERANNUATION PLAN

DIRECTORS' DECLARATION

The directors of Qantas Superannuation Limited (Trustee), as trustee for Qantas Superannuation Plan (the Plan), declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Plan will be able to pay its debts as and when they become due and payable; and

(a) in the directors' opinion, the attached annual report and notes set out on pages 2 to 48 are in accordance the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Plan.

Signed in accordance with a resolution of the directors of the Trustee made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the directors of the Trustee

....

Trustee director LUKE MURRAY

....

Trustee director John Atkin

Signed at Sydney this 19th day of September 2024.

Independent auditor's report

To Qantas Superannuation Limited, the Trustee of Qantas Superannuation Plan (ABN: 41 272 198 829)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Qantas Superannuation Plan (the Plan) are in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the Plan's financial position as at 30 June 2024 and of its financial performance for the year then ended
2. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprise:

- the statement of financial position as at 30 June 2024;
- the income statement for the year then ended;
- the statement of changes in members benefits for the year then ended;
- the statement of changes in reserves for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, including material accounting policy information and other explanatory information;
- the Directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report, which discloses that the Trustee Board has entered into an agreement to merge the Plan with Australian Retirement Trust. This condition along with other matters as set forth in Note 2(a) indicates that a material uncertainty exists that may cast significant doubt as to the continuation of the Plan. Our opinion is not modified in respect of this matter.

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Independence

We are independent of the Plan in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors of the Trustee are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Trustee for the financial report

The directors of the Trustee (the directors) are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001, including giving a true and fair view,* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Plan to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Plan or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Qantas Superannuation Plan for the year ended 30 June 2024 complies with section 300C of the *Corporations Act 2001.*

Responsibilities

The directors of the Trustee are responsible for the preparation and presentation of the remuneration report in accordance with section 300C of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

BSS Tompsett
Partner

Sydney
19 September 2024