

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Supplementary Budget Estimates Hearing – October 2006

Question: F53

Outcome 2, Output 2.1.1

Topic: Qantas Employees - Superannuation

Written Question on Notice

Senator Sherry asked:

Before we get to all privatisations, let's stick with Qantas for the moment. Was it not a part of the sale of Qantas that very similar provisions were included in the Qantas trust deed at that time that reflected their existing superannuation promise? That was determined, negotiated and discussed at the same time as the privatisation of Qantas.

Answer:

Qantas was responsible for decisions concerning the superannuation arrangements offered to former Commonwealth Superannuation Scheme (CSS) members post-sale. In response to a request from Qantas during the privatisation process, the then Department of Finance (Finance) informed Qantas on the superannuation arrangements that could be offered post-sale. Qantas advised Finance that it was prepared to develop arrangements in the Qantas Airways Limited Staff Superannuation Plan to mirror the benefits for staff had they remained in the CSS. This meant that members' superannuation benefits were to be provided from two sources – the Qantas Superannuation Plan in respect of future service benefits and the CSS for past service benefits. Prior to the sale being finalised, Qantas advised Finance that the arrangements offered in respect of future service benefits were to be effected by amendments to the Trust Deed of the Superannuation Plan. The details of these arrangements are a matter for Qantas.