

# ❖ NOTICE ❖



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**TO: ALL MEMBERS**

**RE: QANTAS SUPER MERGER CONSIDERATION**

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The ALAEA met with Qantas Super Board representatives recently. Information was presented about a possible merger with a bigger Super fund. From the outset we wondered why the number #1 performing Super fund would want to close. Upon considering their presentation, we were more inclined to oppose the merger. We passed the following motion:

The ALAEA opposes Qantas Super merging with another fund. We are concerned that Qantas employees will lose elected Board positions and a direct say in the fund's future. Instead Qantas should expand the categories of people who can join, and contribute to, Qantas Super.

The general push by Qantas Super was based on economies of scale, they loosely argued that a bigger fund has more people sharing administration costs. We were more concerned with fund performance.

Qantas Super said their decision to explore these options was unanimous. This means the five Qantas Company-appointed Directors and five employee Member-elected Directors all voted in favour. It appeared their work had gone further than exploring. They even advised us who one of the likely bidders will be. Qantas Airways seems to be behind the push which raises alarm bells from the outset.

Members have expressed concerns about the future of defined benefit schemes, and linked insurance policies. Qantas Super explained that they would attempt to secure the best possible terms, and no less than an equivalent to what is in place now. But the terms may not be the same. There are also worries that years from now, the Directors of the successor fund could alter terms without our input. This would be possible because a merged fund would have no Member-elected Qantas employee Directors. We would be in the hands of corporate Australia.

The language used by the Super representatives was one of foregone conclusion. It felt like a sales job, not an information session. There is a trend of smaller funds merging with others. This does not necessarily make it right. If bigger merged funds meant better financial performance, Qantas Super would not be number #1. Their reasoning was not convincing.

We are interested in your opinion. Qantas Super has provided information to all fund members. The ALAEA position is described here. We will be releasing a survey shortly to all financial ALAEA members and retirees. Please take the time to complete the survey. We are forming a committee who will use that information to develop plans to address the merger proposal. If members share our views, we will take all possible steps to stop it.

**Steve Purvinas**  
**Federal Secretary**