

Appendix: Audited financial statements 2023-24



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To the Presiding Member South Australian Superannuation Board

Opinion

I have audited the financial report of the South Australian Superannuation Board for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Superannuation Board as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity/Reserves for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member of the South Australian Superannuation Board, the Acting Chief Executive, Super SA and the Director Finance, Super SA.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Superannuation Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Acting Chief Executive, Super SA and members of the South Australian Superannuation Board for the financial report

The Acting Chief Executive, Super SA is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Acting Chief Executive, Super SA is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Acting Chief Executive, Super SA is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the South Australian Superannuation Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 9 of schedule 3 of the *Superannuation Act 1988*, I have audited the financial report of the South Australian Superannuation Board for the financial year ended 30 June 2024.

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australian Superannuation Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive, Super SA
- conclude on the appropriateness of the Acting Chief Executive, Super SA's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Acting Chief Executive, Super SA and members of the South Australian Superannuation Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

22 September 2024

South Australian Superannuation Board
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Fees and charges	5	40 974	41 658
Interest revenue	6	198	163
Total income		41 172	41 821
Expenses			
Administration Expenses	3	(41 196)	(43 057)
Other expenses	4	(26)	(17)
Total expenses		(41 222)	(43 074)
Total comprehensive result	9	(50)	(1 253)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

South Australian Superannuation Board
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	11	4 406	3 657
Receivables	7	6 299	10 593
Non-current assets			
Loan receivable	7,14	599	575
Total assets		<u>11 304</u>	<u>14 825</u>
Current liabilities			
Payables	8	6 309	9 780
Total liabilities		<u>6 309</u>	<u>9 780</u>
Net assets		<u>4 995</u>	<u>5 045</u>
Equity			
Retained earnings	9	559	557
General reserve	9	4 436	4 488
Total equity		<u>4 995</u>	<u>5 045</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

South Australian Superannuation Board
Statement of Changes in Equity/Reserves
for the year ended 30 June 2024

		Retained earnings	General Reserves	Total equity
2024	Note	\$'000	\$'000	\$'000
Opening balance		557	4 488	5 045
Total comprehensive result		(50)	-	(50)
Transferred to reserves		52	(52)	-
Closing balance as at 30 June	9	559	4 436	4 995
		Retained earnings	General Reserves	Total equity
2023	Note	\$'000	\$'000	\$'000
Opening balance		559	5 739	6 298
Total comprehensive result		(1 253)	-	(1 253)
Transferred to reserves		1 251	(1 251)	-
Closing balance as at 30 June	9	557	4 488	5 045

The Statement of Changes in Equity/Reserves should be read in conjunction with the accompanying notes.

South Australian Superannuation Board
Statement of Cash Flows
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
Interest received		171	135
Fees and charges		45 276	40 259
GST recovered from the ATO		1	83
Cash generated from operations		<u>45 448</u>	<u>40 477</u>
Cash outflows			
Administration expenses paid		(44 681)	(47 501)
Other expenses		(18)	(15)
Cash (used in) operations		<u>(44 699)</u>	<u>(47 516)</u>
Net cash (used in)/provided by operating activities		<u>749</u>	<u>(7 039)</u>
Net change in cash	11	749	(7 039)
Cash at the beginning of the financial period		<u>3 657</u>	<u>10 696</u>
Cash at the end of the financial period	11	<u>4 406</u>	<u>3 657</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

South Australian Superannuation Board

Notes to and forming part of the financial statements

for the year ended 30 June 2024

1. Objectives and funding

Objectives of the South Australian Superannuation Board

The South Australian Superannuation Board (the Board) was established under Section 6 of the *Superannuation Act 1988* (the Act) and is responsible to the Treasurer for all aspects of the administration of the Act (Pension and Lump Sum schemes) and the *Southern State Superannuation Act 2009* (Triple S Scheme, Flexible Rollover Product and Income Stream), except for investment matters relating to the schemes and products. Under clause 2(1)(d) of Schedule 3 of the Act, the Treasurer declared that the Board act as Trustee of the SA Ambulance Service Superannuation Scheme and be responsible for administering the Trust Deed and Rules.

The Act provides that the Board may make use of the staff or facilities of an administrative unit of the SA Public Service. Super SA, a branch of the Department of Treasury and Finance (DTF), provides administrative services to the Board. Super SA adopts the "Super SA" name as administrator of the Board schemes and products. The superannuation legislation also provides for the Board to charge administration fees.

The Board is responsible for payment of the Service Level Agreement (SLA) Fee to DTF for costs incurred in the administration of the schemes and products. This amount is then recouped from the various schemes and products as per the SLA.

The Board has carefully considered anticipated future expenditure and sets aside money to cover expected future specific costs.

2. Material accounting policies

a) Statement of compliance

The general purpose financial statements have been prepared in accordance with relevant Australian Accounting Standards, including AASB 1056 Superannuation Entities and other authoritative pronouncements of the Australian Accounting Standards Board, Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the Public Finance and Audit Act 1987 (PFAA), and Relevant Australian Accounting Standards applicable to not-for-profit entities, as the Board is a not-for-profit entity.

b) New and amended accounting standards

The Board has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective. No Australian Accounting Standards have been early adopted.

c) Basis of preparation

The preparation of the general purpose financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes,
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported,
- compliance with Accounting Policy Statements issued pursuant to section 41 of the PFAA. In the interest of public accountability and transparency, the Accounting Policy Statements require the following note disclosures, which have been included in this financial report, and
- board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Board's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention except as otherwise noted.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2024, and comparative information presented.

South Australian Superannuation Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

Where applicable, the restated comparative amounts do not replace the original financial statements for the preceding period.

e) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$000).

f) Taxation

The Board, as a wholly owned and controlled statutory authority of the Crown, is not subject to income tax. The Board is registered for Goods and Services Tax (GST) and GST is recoverable and payable to the Australian Taxation Office (ATO).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the ATO, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable, and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2024 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2024.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

h) Income and expenses

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the Board will occur and can be reliably measured.

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Income

Fees and charges are derived from the recovery of administration fees from the superannuation schemes and products which the Board administers. Revenue is recognised when earned.

Interest comprises the interest received on the loan to the Treasurer (formally the Minister for Finance) and cash and deposits in the Board's Deposit Account held with DTF, which receives interest at the applicable SA Government rate. Interest is recognised when earned.

South Australian Superannuation Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Expenses

Administration expenses are the payment of the administration fees to DTF for the provision of services to the Board. This expense is recognised upon delivery of the service.

i) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

j) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash and deposits in the Board's Deposit Account held with DTF.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and cash equivalents as outlined above.

Cash is measured at nominal value.

k) Receivables

Receivables include amounts owing from services provided prior to the end of the reporting period that are unpaid at the end of the reporting period. Receivables include all amounts not received relating to the normal operations of the Board.

Refer to Note 14 regarding the Loan Receivable.

l) Payables

Payables include creditors and accrued expenses.

Creditors represent the amounts owing for services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid amounts due relating to the normal operations of the Board.

Accrued expenses represent services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received, as per Treasurer's Instruction 11.

South Australian Superannuation Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3. Administration expenses

		2024	2023
		\$'000	\$'000
Administration fees ⁽ⁱ⁾		36 935	40 240
Strategic projects	15	4 261	2 817
Total administration expenses		41 196	43 057

⁽ⁱ⁾ As all administration expenses are incurred by DTF on behalf of the South Australian Superannuation Board, this expenditure has been reimbursed by the Board to DTF. As such, all payments are to SA Businesses.

4. Other expenses

		2024	2023
		\$'000	\$'000
Other expenses ⁽ⁱ⁾		26	17
Total other expenses		26	17

⁽ⁱ⁾ Other expenses include amounts paid (or payable) which relate to the Audit Office of South Australia work performed under the PFAA. The Audit Office of South Australia uses the services of Ernst and Young for the audit. No other services were provided by the Audit Office of South Australia. Audit fees for the Board were \$25,600 (2023: \$16,700).

5. Fees and Charges

		2024	2023
		\$'000	\$'000
Recovery of administration fees		40 974	41 658

6. Interest revenue

		2024	2023
		\$'000	\$'000
Deposit account held with DTF		174	147
Loan to Southern Select Corporation ⁽ⁱ⁾		24	16
Total interest revenue		198	163

⁽ⁱ⁾ Refer note 14.

South Australian Superannuation Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7. Receivables

	2024	2023
	\$'000	\$'000
Current contractual receivables		
Interest receivable	15	12
Sundry debtors	-	1 718
Administration fee recovery	6 279	8 863
Total current contractual receivables	<u>6 294</u>	<u>10 593</u>
Current statutory receivables		
GST input tax receivable	5	-
Total current statutory receivables	<u>5</u>	<u>-</u>
Total current receivables	<u>6 299</u>	<u>10 593</u>
Non-current contractual receivables		
Loan receivable ⁽ⁱ⁾	599	575
Total non-current contractual receivables	<u>599</u>	<u>575</u>
Total receivables	<u>6 898</u>	<u>11 168</u>

All current receivables will be settled within 12 months of the reporting date. There is no anticipated impairment loss on receivables as presented.

⁽ⁱ⁾ Refer Note 14.

8. Payables

	2024	2023
	\$'000	\$'000
Current contractual payables		
Administration fees payable	6 281	8 787
Strategic project expenses payable	-	981
Total current contractual payables	<u>6 281</u>	<u>9 768</u>
Current statutory payables		
Audit fee payable	28	18
GST input tax payable	-	(6)
Total current statutory payables	<u>28</u>	<u>12</u>
Total payables	<u>6 309</u>	<u>9 780</u>

South Australian Superannuation Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

9. Retained earnings and reserves

	Opening balance \$'000	Total comprehensive result \$'000	Transfers from reserve \$'000	2024 \$'000	2023 \$'000
Retained Earnings	557	(50)	52	559	557
	Opening balance \$'000	Total comprehensive result \$'000	Transfers from reserve \$'000	2024 \$'000	2023 \$'000
General Reserve ⁽¹⁾	4 488	-	(52)	4 436	4 488

⁽¹⁾ The General Reserve was established in December 2013. The Transfers to Retained Earnings from Reserve amount represents strategic projects expenditure funded by the Board from July 2023 to June 2024.

The purpose of the General Reserve is to account for under and overspend in office expenditure, to provide for project expenditure as required from time to time and to provide funding for the triennial Board Election. Any surplus related to scheme expenditure will be distributed to the relevant schemes administration reserve.

10. Related parties

The Board is a statutory authority and is wholly owned and controlled by the Crown.

Related parties of the Board include all key management personnel and their close family members, all Cabinet Ministers and their close family members and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

a) Key management personnel

The key management personnel of the Board include the Treasurer, the Board members, the Chief Executive and the six members of the Executive Leadership Team, Super SA who have responsibility for the strategic direction and management of the Board.

The compensation disclosed in this note excludes salaries and other benefits the Treasurer receives. The Treasurer's remuneration and allowances are set by the Parliamentary Remuneration Act 1990 and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the Parliamentary Remuneration Act 1990. The Chief Executive and Executive Leadership Team, Super SA, are compensated through the Department of Treasury and Finance so their compensation is also not included below.

b) The South Australian Superannuation Board

Kevin Foley (Presiding Member - Appointed 02/12/2022, Resigned 18/07/2023)

June Roache (Presiding Member – Appointed 27/07/2023)

Virginia Deegan (Re-appointed 23/07/2021, Appointment term ended 22/07/2023)

Richard Dennis (Re-appointed 23/07/2021)

Bill Griggs (Re-elected 02/10/2021)

Alison Kimber (Re-elected 02/10/2021)

Rosina Hislop (Appointed 14/12/2023)

c) The South Australian Superannuation Board Audit, Risk and Finance Committee

Virginia Deegan (Convenor – Appointed 23/07/2015, Appointment term ended 22/07/2023)

Alison Kimber (Convenor – Appointed 23/07/2023, Appointment term ended 31/12/2023)

Rosina Hislop (Chair - Appointed 01/01/2024)

Richard Dennis (Appointed 19/12/2018)

Kevin Foley (Appointed 07/12/2022, Resigned 18/07/2023)

June Roache (Appointed 27/07/2023)

South Australian Superannuation Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

d) The South Australian Superannuation Board Member Outcomes and Insurance Committee

Bill Griggs (Convenor - Appointed 02/10/2015, Appointment term ended as Convenor 31/12/2023)

Alison Kimber (Appointed 19/12/2018, Appointed Chair – 01/01/2024)

Kevin Foley (Appointed 07/12/2022, Resigned 18/07/2023)

Rosina Hislop (Appointed 01/01/2024)

e) Compensation

	2024	2023
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	207	221
Total	207	221

Compensation costs are included in administration expenses.

The number of members whose remuneration received or receivable falls within the following bands:

	2024	2023
\$0 - \$19 999	3	1
\$20 000 - \$39 999	1	3
\$40 000 - \$59 999	3	2
Total number of members	7	6

The total remuneration received or receivable by members was \$207,000 (2023: \$221,000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

11. Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash and deposits in the Board's Deposit Account held with DTF. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	2024	2023
	\$'000	\$'000
Cash and cash equivalents	4 406	3 657
Reconciliation of total comprehensive result to net cash provided by operating activities:		
Total Comprehensive Result	(50)	(1 253)
Movement in operational assets and liabilities		
(Increase)/decrease in receivables	4 275	(5 241)
Increase/(decrease) in payables	(3 476)	(545)
Net cash provided by operating activities	749	(7 039)

South Australian Superannuation Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

12. Financial instruments

The Board holds all cash in a Deposit Account with DTF which receives interest at the applicable SA Government rate. The Board's current receivables and payables are non-interest bearing, while its Loan Receivable is interest bearing. There are no fair value differences as carrying values approximate fair value and there is minimal exposure to interest rate or market risk due to the nature of the financial assets and liabilities held.

Interest Rate Risk

Cash and cash equivalents, which represents cash and deposits held in a Deposit Account with DTF, earn a floating interest rate, based on the applicable SA Government rate. The carrying amount of cash and cash equivalents represents fair value.

The Board does not have any assets that are past, due or impaired and credit risk is limited to the Southern Select Corporation Loan Arrangement (Refer Note 14).

The Board's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

13. Events after the reporting period

There were no significant events after the reporting period.

14. Southern Select Corporation Loan Agreement

At the 8 June 2012 Board meeting, the Board agreed to provide funding of \$500 000 from its then Capital and Development Reserve account for the purpose of establishing a new fund; Super SA Select (the Fund).

The terms of the loan are set out in Schedule 2 of the Public Corporations (Southern Select Super Corporation) Regulations 2012 (the Regulations) and the tri-partite Funding Deed between the Board, the then Minister for Finance and the Southern Select Super Corporation (the Trustee). The Funding Deed was executed on 28 June 2013 with a drawdown date of 5 July 2013.

The repayment of the loan by the Trustee from the Fund, together with interest, will be in accordance with Schedule 2 of the Regulations. If at the end of the financial year the Fund has a net surplus, defined as Net Assets exceeding Liability for Accrued Benefits Allocated to Members' Accounts, the interest receivable in that year must be received on or before 31 July of the following financial year. If the Fund does not have a net surplus at the end of the financial year, the interest receivable for that year will be capitalised into the principal amount receivable. At the end of 2023-24 the Fund did not have a net surplus, therefore the amount of interest capitalised into the principal amount was \$24,100 (2023: \$16 400).

Principal repayments are required when administration fees charged to members of the Fund for the financial year exceed the cost of the administration of the Fund (other than investment management charges). For 2023-24 there was no principal repayment required (refer to the Fund's Financial Report) (2023: \$Nil).

15. Strategic Projects

Super SA sets an annual strategic projects expenditure budget, which funds the Transformation program each year. Included in this program are infrequent and substantial projects, including system upgrades, replacements, product, structural and governance changes.

The annual budget for the Transformation program is set by the Board's strategic direction and is governed by the Super SA Project Board.


The Board's Strategic Project expense (Note 3) reflects the reimbursement of Project costs incurred by DTF.

South Australian Superannuation Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Certification of the financial statement

We certify that the:

- financial statements of the Board:
 - are in accordance with the accounts and records of the Board,
 - comply with relevant Treasurer's instructions,
 - comply with relevant accounting standards, and
 - present a true and fair view of the financial position of the Board at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



Patrick McAvaney
Acting Chief Executive
Super SA



Mark Hordacre
Director Finance
Super SA



June Roache
Presiding Member
SA Superannuation Board

Date 16 September 2024

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Audit Office of South Australia

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@audit.sa.gov.au
www.audit.sa.gov.au

**To the Presiding Member
South Australian Superannuation Board
South Australian Superannuation Scheme**

Opinion

I have audited the financial report of the South Australian Superannuation Scheme for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Superannuation Scheme as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- an Income Statement for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Member Benefits for the year ended 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member of the South Australian Superannuation Board, the Acting Chief Executive, Super SA and the Director Finance, Super SA.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Superannuation Scheme. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General.

In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Acting Chief Executive, Super SA and members of the South Australian Superannuation Board for the financial report

The Acting Chief Executive, Super SA is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Acting Chief Executive, Super SA is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Acting Chief Executive, Super SA is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the South Australian Superannuation Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 20AB(2) of the *Superannuation Act 1998*, I have audited the financial report of the South Australian Superannuation Scheme for the financial year ended 30 June 2024.

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australian Superannuation Scheme's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive, Super SA
- conclude on the appropriateness of the Acting Chief Executive, Super SA's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Acting Chief Executive, Super SA and members of the South Australian Superannuation Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

22 September 2024

South Australian Superannuation Scheme
Income Statement
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Changes in fair value of investments		314 652	387 468
Interest revenue		933	406
Total revenue		315 585	387 874
Expenses			
Investment expenses	10	(16 544)	(17 445)
Higher education expenses	13	(9 120)	(9 139)
Administration expenses	11	(8 566)	(8 186)
Total expenses		(34 230)	(34 770)
Result from superannuation activities		281 355	353 104
Net change in defined benefit member liabilities		(128 708)	(498 091)
Net benefits allocated to defined contribution member accounts		(38 966)	(35 321)
Net operating result		113 681	(180 308)

The Income Statement should be read in conjunction with the accompanying notes.

South Australian Superannuation Scheme
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	16	32 870	14 565
Contributions receivable	5	1 049	923
Receivables	6	14 370	9 203
Investments	7	4 471 788	4 594 672
Total assets		4 520 077	4 619 363
Liabilities			
Benefits payable		2 765	9 629
Payables	9	3 298	4 027
Total liabilities excluding member benefits		6 063	13 656
Net assets available for member benefits		4 514 014	4 605 707
Member benefits			
Defined benefit member liabilities	4	8 230 295	8 407 140
Defined contribution member liabilities	4	430 976	459 505
Total member liabilities		8 661 271	8 866 645
Total net assets		(4 147 257)	(4 260 938)
Equity			
Defined benefits deficit		(4 147 257)	(4 260 938)
Total equity		(4 147 257)	(4 260 938)

The Statement of Financial Position should be read in conjunction with the accompanying notes.

South Australian Superannuation Scheme
Statement of Changes in Member Benefits
for the year ended 30 June 2024

2024	Note	Defined Benefit Members \$'000	Defined Contribution Members \$'000	Totals \$'000
Opening balance as at 1 July		8 407 140	459 505	8 866 645
Contributions for Past Service Liability	14	461 988	-	461 988
Employer contributions	15	16 904	-	16 904
Public Authority employer contributions		30 885	-	30 885
Member contributions		132	6 764	6 896
Transfers from other super entities		-	143	143
Net contributions		509 909	6 907	516 816
Benefits to members		(815 462)	(74 402)	(889 864)
Net benefits to members comprising:				
Net investment income			39 200	39 200
Administration fees			(234)	(234)
Net change in member benefits		128 708	-	128 708
Balance at 30 June		8 230 295	430 976	8 661 271
2023	Note	Defined Benefit Members \$'000	Defined Contribution Members \$'000	Totals \$'000
Opening balance as at 1 July		8 306 884	495 039	8 801 923
Contributions for Past Service Liability	14	359 969	-	359 969
Employer contributions	15	19 390	-	19 390
Public Authority employer contributions		28 951	-	28 951
Member contributions		219	7 837	8 056
Transfers from other super entities		51	457	508
Net contributions		408 580	8 294	416 874
Benefits to members		(806 415)	(79 149)	(885 564)
Net benefits to members comprising:				
Net investment income		-	35 561	35 561
Administration fees		-	(240)	(240)
Net change in member benefits		498 091	-	498 091
Balance at 30 June		8 407 140	459 505	8 866 645

The Statement of Changes in Member Benefits should be read in conjunction with the accompanying notes.

South Australian Superannuation Scheme
Statement of Changes in Equity
for the year ended 30 June 2024

	2024	2023
	\$'000	\$'000
(Under) funded benefits opening balance at 1 July	(4 260 938)	(4 080 630)
Net operating results	113 681	(180 308)
(Under) funded benefits closing balance 1 July	(4 147 257)	(4 260 938)

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

South Australian Superannuation Scheme
Statement of Cash Flows
for the year ended 30 June 2024

	2024	2023
	Inflows (Outflows)	Inflows (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
GST recovered from the ATO	-	1 327
Other income	901	350
Cash generated from operating activities	901	1 677
Cash outflows		
GST paid to the ATO	(5)	-
Higher education expenses	(9 120)	(9 139)
Administration expenses paid	(9 267)	(7 935)
Cash used in operating activities	(18 392)	(17 074)
Net cash provided by operating activities	16 (17 491)	(15 397)
Cash flows from investing activities		
Cash inflows		
Receipts from the sale of investments from Funds SA	431 286	884 308
Cash generated from investing activities	431 286	884 308
Cash outflows		
Payments to Funds SA for the purchase of investments	(16 544)	(400 052)
Cash used in investing activities	(16 544)	(400 052)
Net cash provided by investing activities	414 742	484 256
Cash flows from financing activities		
Cash inflows		
Employer contributions	18 098	19 261
Past service liability contributions	462 103	359 969
Commonwealth and Public Authorities contributions	30 885	27 980
Member contributions	6 869	8 002
Transfers from other superannuation entities	143	508
Cash generated from financing activities	518 098	415 720
Cash outflows		
Pension benefits to members	(865 325)	(666 462)
Benefit payments to members	(31 719)	(214 916)
Cash used in financing activities	(897 044)	(881 378)
Net cash provided by financing activities	(378 946)	(465 658)
Net change in cash	18 305	3 199
Cash at the beginning of the reporting period	14 565	11 366
Cash at the end of the reporting period	16 32 870	14 565

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

South Australian Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2024

1. Objectives and funding

a) South Australian Superannuation Scheme

The South Australian Superannuation Scheme (the Scheme) is a voluntary superannuation scheme which exists pursuant to the *Superannuation Act 1988* (the Act). It previously existed in different forms under various other legislation. The Act provides for superannuation benefits for persons employed by the South Australian Government and other prescribed persons and makes provisions for the families of such persons. It is not available to Members of Parliament, the judiciary or to police officers who are each provided for under separate legislation.

Contributors to the Scheme may be either old scheme contributors, who are entitled to a pension based benefit, or new scheme contributors who are entitled to a lump sum based benefit. The old scheme contributors segment of the Scheme was closed to new members in May 1986. The new scheme contributors segment of the scheme was closed to new members in May 1994.

Contributors make contributions from after tax salary based on a percentage of their salary, with the standard contribution rate being between 5 and 6 per cent. Contributors may elect to vary their contribution rate in accordance with section 23 of the Act. A contribution account is maintained for each contributor. If a member ceases to contribute they will be automatically covered by the Southern State Superannuation Scheme (Triple S), to meet the minimum requirements of the Commonwealth legislation. At this point the member will be recognised as a Triple S member and their Scheme account will be maintained to reflect the contribution points previously accrued.

Since October 1989, the Act has required that contributions be paid to the Treasurer, who in turn deposits those contributions into the South Australian Superannuation Fund (the Fund), which is managed and invested by the Superannuation Funds Management Corporation of South Australia (Funds SA).

The Act requires the Fund to be treated as being made up of two divisions, being the Old Scheme Division and the New Scheme Division. Each division consists of the contributions and the accretions arising from the investment of those contributions in respect of relevant old or new scheme contributors. Consistent with the accounts of the Fund, the accounts of the Scheme are also maintained in respect of each division.

The Scheme is an exempt public sector superannuation scheme and operates on a not-for-profit basis.

b) South Australian Superannuation Board

The Act charges the South Australian Superannuation Board (the Board), a body corporate, with responsibility for all aspects of the administration of the Act except for the management and investment of the Fund. The Act also provides the Board with the necessary powers to administer the Scheme. The Board has contracted the Department of Treasury and Finance (DTF) to provide administrative services in accordance with the Act. A portion of the administrative costs are recovered from the Scheme. The Board's financial report provides the total administration cost paid to DTF.

Under the Act, the Board is required to determine rates of return to be credited to each division of the Fund, with those rates being credited to each contribution account at the end of the financial year. In determining the rate to be applied, the Act requires that the Board have regard to the net rate of return achieved by Funds SA for each division of the Fund.

c) Superannuation Funds Management Corporation of South Australia

Funds SA is a South Australian Government Entity established under the *Superannuation Funds Management Corporation of South Australia Act 1995* (the Funds SA Act). Funds SA is responsible for the investment and management of the Scheme's funds pursuant to strategies formulated by Funds SA.

For further information on the investment of the Scheme's funds, reference should be made to the Fund and the South Australian Superannuation Scheme Contribution Account (the Account) in the annual report of Funds SA.

The investment assets, liabilities, income and expense contained in this financial report are related to the investment activities of Funds SA.

South Australian Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

d) Funding arrangements

Under section 20B of the Act, any payment made to a contributor must be made out of the Consolidated Account or a Special Deposit Account held with DTF established for that purpose. The Treasurer may subsequently reimburse the Consolidated Account or the Special Deposit Account from the Fund the proportion of any such payment charged against the contributor's contribution account. The prescribed proportion of that payment or benefit payments to be charged to the old scheme contributor's accounts is determined by the Board in accordance with section 47C and 47D of the Act. During the year ended 30 June 2024 all payments were made from the Special Deposit Account. Employer contributions for the year have been made at the rate determined by the Scheme actuary.

The Treasurer may also seek reimbursement of the employer portion of any such payments from certain employer bodies under agreements made between the Treasurer and/or the Board and those employer bodies. The employer portion of benefits is met from the Account established by the Treasurer to record employer superannuation contributions. The employer portion of payments may be in relation to State Government Departments, Statutory Authorities and former State Government employees now employed by the Commonwealth Government. Employer contributions for these agencies were 26 per cent (2023: 26 per cent) for old scheme contributors and 14.75 per cent (2023: 14.75 per cent) for new scheme contributors.

Funding for the employer portion of payments met from the Special Deposit Account is from monies deposited under arrangements with respective employers. Monies deposited in the Account are invested and managed by Funds SA but do not form part of the Fund. The Treasurer seeks reimbursement from the Account balances as benefits are paid. The arrangements with employers are:

(i) State government departments

State government departments pay fortnightly employer contributions to the Treasurer for their emerging superannuation liabilities that are deposited by the Treasurer into the Account. Details on employer contributions from State Government Departments are detailed in Note 15.

Since 30 June 1994 the Government has commenced a process of funding its accrued past service superannuation liabilities. The amounts the Government transferred into the Account are at Note 14. Current Government policy is that it will continue to pay contributions to the Account to meet the accrued past service liability so the liability will be fully funded by 30 June 2034.

(ii) Statutory authorities

Where the employer proportion of a payment relates to Statutory Authorities, three different funding arrangements exist. These arrangements are made by the Board, which has entered into agreements with individual authorities pursuant to section 5 of the Act. The terms agreed in any such arrangements must be approved by the Treasurer. The three arrangements are:

State government liability for statutory authorities

These authorities have made arrangements with the Board to fund their emerging superannuation liabilities by making regular payments to the Treasurer based on an actuarial assessment. These monies are deposited in the Account. In addition, the Government has commenced a process of funding the past service superannuation liability for these authorities as outlined in Note 1(d)(i).

Employer contribution accounts

Certain public sector employers have made arrangements with the Board to fund their superannuation liabilities by making regular payments to the Treasurer based on an actuarial assessment performed every three years. The Treasurer deposits these monies in the Account into what are referred to as the Employer Contribution Accounts. The Treasurer seeks reimbursement from the Employer Contribution Account balances as benefits are paid.

Details on the contributions for past service liabilities are provided at Note 14.

Public authorities accounts (universities)

Some public authorities make provisions in their own accounts for their future superannuation liabilities and no balances are maintained in the Account. The Treasurer seeks reimbursement from the Account in the first instance and simultaneously seeks reimbursement directly from these authorities as benefits are paid.

South Australian Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2024

The liability for future benefits is funded to the extent of benefits to be reimbursed from the Fund, the Account, and the Public Authorities Accounts referred to in Note 1(d)(ii) above. The liability for future benefits is only partially funded in respect of benefits to be reimbursed from State Government Departments and the State Government liability for Statutory Authorities. The net assets figure shown in this report represents the amount available to meet these future benefits.

2. Material accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with relevant Australian Accounting Standards, including AASB 1056 Superannuation Entities and other authoritative pronouncements of the Australian Accounting Standards Board, Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the Public Finance and Audit Act 1987 (PFAA), except as provided below.

These financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

These financial statements are prepared on a 12-month reporting period, presented in Australian currency and all amounts have been rounded to the nearest thousand dollars (\$000).

The scheme is a not-for-profit entity for the purpose of preparing financial statements.

b) New and amended accounting standards

The scheme has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective.

No Australian Accounting Standards have been early adopted.

Financial assets and liabilities

a) Classification

The Scheme classifies its financial assets and financial liabilities into the categories below in accordance with AASB 9.

Financial assets and liabilities held for trading

These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. All derivatives are classified as held for trading. Derivative financial instruments entered into by the Scheme, if any, do not meet the hedge accounting criteria as defined by AASB 9. Consequently, hedge accounting is not applied by the Scheme.

Financial instruments designated at fair value through profit or loss upon initial recognition

These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through profit or loss. Other financial liabilities are measured at their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal amount approximates fair value.

b) Recognition

The Scheme recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Scheme commits to purchase or sell the asset.

South Australian Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

c) Initial recognition

Financial assets and financial liabilities at fair value through profit and loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in the Income Statement.

Receivables and financial liabilities (other than those classified at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Scheme recognises the difference in the Income Statement, unless otherwise specified.

d) Subsequent measurement

After initial measurement, the Scheme measures investments at fair value through profit or loss. Subsequent changes in the fair value of those investments are recorded as 'changes in assets measured at fair value' through the Income Statement. Interest earned is recorded in 'Interest revenue'.

e) Fair value measurement

Fair value is the price 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Scheme.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Scheme uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. Refer to financial statement Notes 4 and 7.

f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash and deposits in the Scheme's Special Deposit Account held with DTF, which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposits as defined above.

g) Receivables and payables

Receivables are carried at nominal amounts due that approximate fair value. Receivables are normally settled within 30 days. Payables are carried at nominal amounts that approximate fair value. They represent liabilities for goods and services provided to the Scheme prior to the end of the financial year that are unpaid when the Scheme becomes obliged to make future payments in respect of the purchase of these goods or services.

h) Benefits payable

Benefits payable are valued at fair value and relate to members who have ceased employment and provided the Scheme with appropriate notification on or prior to 30 June 2024 but paid after 30 June 2024. These also include income protection payments payable on or prior to 30 June 2024 but paid after 30 June 2024.

South Australian Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

i) Revenue recognition

The specific recognition criteria described below must be met before revenue is recognised:

Changes in fair values

Changes in the fair value of investments invested with Funds SA are calculated as the difference between the fair value at sale, or at balance date, and the fair value at the previous valuation point. All changes are recognised in the Income Statement.

Interest

Interest revenue on cash and other financial assets carried at fair value is recorded according to the terms of the contract and recognised in the Income Statement.

j) Taxation

The Scheme is a constitutionally protected superannuation fund in terms of Section 295-15 of the *Income Tax Assessment Act 1997*, Regulation 995-1.04 (Schedule 4) and is exempt from income tax. Therefore, no income tax has been brought to account in these financial statements.

k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable, or
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the ATO are classified as operating cash flows.

l) Foreign currency

The functional and presentation currency of the Scheme is Australian Dollars, the currency of the primary economic environment in which the Scheme operates. The Scheme's performance is evaluated, and its liquidity managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

m) Investments

Funds SA provides investments measured at fair value. Below is the basis for valuation of these investments.

i) Inflation Linked Securities Tax-Exempt

The Inflation Linked Securities Tax-Exempt portfolio invests in discretely managed portfolios and internal inflation linked securities. Discretely managed portfolios are invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

Internally managed inflation linked securities, the returns of which are linked to movements in either the Consumer Price Index or Average Weekly Earnings, have been valued using the discounted cash flow method. The valuation as at balance date was performed by an independent valuer.

South Australian Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

ii) Property Tax-Exempt

The Property Tax-Exempt portfolio comprises two sub sectors:

Listed Property Trusts

These investments comprise arrangements whereby professional fund managers are appointed under an investment management agreement to manage and invest in listed property securities and real estate investment trusts. Investments in this sub-sector are in pooled funds and have been valued in accordance with the valuations supplied by the managers.

Unlisted property vehicles

The unlisted property vehicles portfolio is invested and managed by external managers. Investments in this sub-sector have been valued in accordance with the valuations supplied by the managers.

iii) Australian Equities Tax-Exempt

The Australian Equities Tax-Exempt portfolio comprises investments in listed Australian equities and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

iv) International Equities Tax-Exempt

The International Equities Tax-Exempt portfolio comprises investments in equities listed on international share markets and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled international vehicles have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid rates applicable at balance date where applicable.

v) Fixed Interest

Fixed Interest portfolios have exposure to domestic and global debt instruments and are managed by external managers. The custodian appointed to hold the assets has valued the portfolio using market prices applicable at balance date.

vi) Diversified Strategies Growth Tax-Exempt

The Diversified Strategies Growth Tax-Exempt asset class incorporates two sub sectors:

Private Markets Tax-Exempt

The Private Markets Tax-Exempt portfolio comprises investments in Australian and international private equity funds, which are invested and managed by external managers. The valuation of private equity investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Both Australian and international private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Investments and the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid-rates applicable at balance date where applicable.

Core Infrastructure Tax-Exempt

The Core Infrastructure Tax-Exempt portfolio comprises investments in Australian and international infrastructure pooled funds, which are invested and managed by external managers. The valuation of these investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid-rates applicable at balance date where applicable.

South Australian Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

vii) Diversified Strategies Income

The Diversified Strategies Income asset class incorporates three sub sectors:

Defensive Alternatives

The Defensive Alternatives portfolio comprises investments in Australian and international pooled funds and is invested and managed by external managers. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid-rates applicable at balance date where applicable.

Credit

The Credit portfolio comprises investments in discretely managed investments and Australian and international pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid-rates applicable at balance date where applicable.

Growth Alternatives

The Growth Alternatives portfolio comprises investments in discretely managed investments and Australian and international pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid-rates applicable at balance date where applicable.

viii) Cash

The Cash portfolio comprises investments in a discretely managed investment which is managed by an external manager and is valued by the custodian appointed to hold the assets using market prices applicable at balance date. Deposits at call have been valued on the basis of principal plus accrued interest.

ix) Socially Responsible

The Socially Responsible portfolio actively incorporates the consideration of environmental, social and governance factors in their investment decisions and avoids investing in companies operating in areas of high negative social impact. The portfolio comprises investments in equities listed on Australian and international share markets and is invested and managed by external managers along with a number of international and domestic pooled fund investments and international private equity investments.

Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled vehicles have been valued in accordance with the valuations supplied by the managers. The valuation of private equity investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. International private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines Investments.

Where currency conversions have been made at the spot market mid rates applicable at balance date.

South Australian Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

n) Operation of investment portfolio

Funds SA is responsible for the investment and management of the Fund pursuant to strategies formulated by Funds SA (refer Note 1 (c)). Funds SA operates a multi layered notional unitisation structure to facilitate the administration of different investment strategies applying to the various public sector superannuation funds. For the year ending 30 June 2024, Funds SA managed seven (2023: seven) distinct investment options for the Scheme which were available to investors, each differing by strategic asset allocation:

- High Growth
- Balanced
- Moderate
- Stable
- Capital Defensive
- Cash
- Socially Responsible

During the financial year all of the above investment options were available to members for assets invested in the South Australian Superannuation Fund Account (New Scheme Division). The assets of the South Australian Superannuation Fund Account (Old Scheme Division) and the South Australian Superannuation Scheme Contribution Account are invested in the Defined Benefit (DB) High Growth Strategy.

Reference should be made to Funds SA's Annual Report for the strategic asset allocations applying to each of the investment options discussed in the preceding paragraphs.

o) Member liabilities

Member liabilities are measured at the amount of accrued benefits.

Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed, as at the reporting date, to yield future net cash inflows that would be sufficient to meet accrued benefits as at that date when they are expected to fall due.

Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.

p) Significant accounting judgements, estimates and assumptions

The preparation of the Scheme's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been presented to be consistent with current period disclosures.

Fair value of investments

When the fair values of the investments recorded in the Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including a discounted cash flow model. The inputs in these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required to establish fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of these investments.

It is also important to note that fair values are provided by Funds SA.

South Australian Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2024

Valuation of defined benefits member liabilities

The amount of member liabilities in relation to defined benefits has been determined using actuarial valuation techniques and assumptions. An actuarial valuation involves making various assumptions about the future. Actual developments in the future may differ from these assumptions. The assumptions include member turnover, future investment returns, pension indexation rates, mortality rates and future salary increases. Due to the complexities involved in the valuation and its long-term nature, defined benefit member liabilities are highly sensitive to changes in these assumptions. Assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, the actuary considers an investment portfolio that reflects the opportunities reasonably available to the Scheme in the investment markets, and also reflects the Scheme's actual investments and investment strategy in respect of defined benefit member liabilities.

The mortality assumption is based on publicly available mortality tables. Future salary increases are based on the Wage Price Index produced by the Australian Bureau of Statistics and in consultation with the employer-sponsors.

q) Climate change financial risks

In November 2021, Australian Prudential Regulation Authority (APRA) released Prudential Practice Guide CPG 229 Climate Change Financial Risks. CPG 229 does not impose new requirements in relation to climate risks, rather, it supports compliance with APRA's existing risk management and governance requirements and guidance. The Board and Super SA consider financial risks of climate change, including physical climate risks, transition climate risks, and liability risks as part of the overall Super SA Risk Management Strategy.

Additionally, as identified in Note 1 (c) above, the investments of the Scheme are managed by Funds SA. Funds SA, in turn, is committed to risk management and maintains a rigorous and proactive approach to identifying and managing investment risk, including the risks associated with climate change. Funds SA has developed a Climate Change Position Statement, Climate Risk Response Plan and Climate Report to support its approach in this area. Please refer to the Funds SA website for further detail.

3. Defined contribution member liabilities

The employee funded, defined contribution component for new scheme contributors has an accrued liability that is the balance of the employees' contribution accounts as at the end of the financial year. These accounts are valued using unit prices that are determined by the underlying investment movements.

Defined contribution members bear the investment risk relating to the underlying assets and unit prices used to measure the member liabilities. Unit prices are updated twice weekly.

Refer to Note 17 for the Scheme's management of the investment risks.

4. Defined benefit member liabilities

The Scheme uses the services of an actuary to calculate the present value of accrued defined benefit liabilities and the employer funded defined benefit component liabilities based on various future assumptions. A shorthand method was used to estimate these liabilities as at 30 June 2024, expected to yield similar results to a full valuation. The latest full actuarial valuation was performed as at 30 June 2023 by Ms E Conway, FIAA of Mercer Consulting (Australia) Pty Ltd. A full actuarial valuation will be conducted as at 30 June 2024, with results reported in August 2024.

The actuarial valuation of member liabilities reflects the actuarial assessment of the benefits accrued up to the reporting date and payable to members on retirement, resignation, death and disability. For the old scheme contributors and the employer funded defined benefit component in respect of new scheme contributors, the accrued liabilities are the present values of expected future benefit payments arising from membership of the Scheme up to 30 June 2024.

South Australian Superannuation Scheme
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The expected future benefit payments have been determined using the 2022 triennial review assumptions relating to mortality, disability, withdrawal, preservation and retirement. The actuarial valuation of member liabilities of the South Australian Superannuation Scheme is undertaken annually, as at the end of each financial year. The key assumptions used to determine the values of accrued benefits were:

- The future rate of investment earnings (net of investment taxes and fees): 7.0 per cent per annum (2023: 7.0 per cent),
- The future rate of salary growth:
 - non teachers: first year: 2.0 per cent per annum (2023: 2.0 per cent); long term salary increase 4.0 per cent per annum (2023: 4.0 per cent)
 - teachers: 4.0 per cent per annum (2023: 4.0 percent), and
- Inflation (CPI):
 - long term: 2.5 per cent per annum (2023: long term: 2.5 per cent per annum).

The defined benefit members' liabilities have changed in the current financial year as a result of salary increases and additional year service accrual. Note, the defined contribution values are included in the tables below for comparison.

	2024			2023		
	Defined	Defined	Total	Defined	Defined	Total
	Benefit Contribution	Benefit Contribution		Benefit Contribution	Benefit Contribution	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Member liabilities	8 230 295	430 976	8 661 271	8 407 140	459 505	8 866 645

	2024			2023		
	Old	New	Total	Old	New	Total
	Scheme	Scheme		Scheme	Scheme	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
SA Superannuation Fund	1 146 871	430 976	1 577 847	1 164 805	459 505	1 624 310
SA Superannuation Scheme contribution accounts:						
Employer contribution accounts	1 132 094	199 628	1 331 722	1 144 172	222 742	1 366 914
SA Government employer account	5 112 036	386 202	5 498 238	5 193 806	421 114	5 614 920
Public authorities	250 180	3 284	253 464	256 968	3 533	260 501
	7 641 181	1 020 090	8 661 271	7 759 751	1 106 894	8 866 645

The Board has a number of steps in place to manage the risks associated with the defined benefits. The Board has appointed external consulting actuaries to advise on the risks, including establishing suitable funding objectives.

The Board also uses sensitivity analysis to monitor the potential impact of changes to key variables about which assumptions need to be made. The Scheme has identified four assumptions (being the discount rate, the rate of salary adjustment, pension indexation rates and mortality rates) for which changes are reasonably possible that would have a material impact on the amount of the defined benefit member liabilities.

The assumed discount rate has been determined by reference to the investment returns expected on an investment portfolio that reflects the opportunities reasonably available to the Scheme in the investment markets, and also reflects the Scheme's actual investments and investment strategy in respect of defined benefit member liabilities.

The other variable about which assumptions have been made in measuring defined benefit member liabilities and for which changes are not considered reasonably possible, or for which reasonably possible changes would not be expected to have a material effect, are resignations. The following table outlines the defined benefit liability sensitivity estimates provided by the scheme actuary on the discount rate, salary increase rate, pension indexation rate and mortality rate.

South Australian Superannuation Scheme
Notes to and forming part of the financial statements
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2023-24

<i>Scenario</i>	Member	Change in	Change in
	liability result	member	member
	\$M	benefit liability	benefit liability
		\$M	%
Base Case	8 661	-	0.0
Discount rate plus 0.5%	8 369	(292)	(3.4)
Discount rate less 0.5%	8 973	312	3.6
Salary increase rate plus 0.5%	8 670	9	0.1
Salary increase less plus 0.5%	8 653	(8)	(0.1)
Pension increase rate plus 0.5%	8 979	318	3.7
Pension increase rate less 0.5%	8 363	(299)	(3.4)
Mortality rates plus 10%	8 460	(201)	(2.3)
Mortality rates less 10%	8 883	221	2.6

a) Excludes Lump Sum Scheme accumulation liabilities

The SA Government is responsible for funding the SA Government Employer Account and part of the Employer Contribution Accounts. The remaining liability includes the members fund, commercial entities and the Commonwealth Government share of the Universities.

Vested benefits

Vested benefits are only available by the Old Scheme/New Scheme disaggregation. Vested benefits are benefits that are not conditional upon continued membership of the Scheme, or any factor other than resignation from the Scheme. Vested Benefits include benefits which members are entitled to receive had they terminated their membership as at the reporting date.

	2024			2023		
	Old	New	Total	Old	New	Total
	Scheme	Scheme	Total	Scheme	Scheme	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SA Superannuation Fund	1 147 592	430 976	1 578 568	1 165 826	459 505	1 625 331
SA Superannuation Scheme contribution accounts:						
Employer contribution accounts	1 132 579	218 485	1 351 064	1 145 370	246 190	1 391 560
SA Government employer account	5 115 499	426 086	5 541 585	5 200 204	468 010	5 668 214
Public authorities	250 180	3 626	253 806	256 968	3 956	260 924
	7 645 850	1 079 173	8 725 023	7 768 368	1 177 661	8 946 029

South Australian Superannuation Scheme
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5. Contributions Receivable

	2024	2023
	\$'000	\$'000
Member contributions	242	215
Employer contributions	807	708
Total contributions receivable	1 049	923

6. Receivables

	2024	2023
	\$'000	\$'000
Interest receivable	88	56
Benefit repayments	633	562
GST recoup from ATO	103	98
Other receivables	3	4
Prepaid benefits	260	42
Past service receivable	130	194
Public authorities	2 870	4 163
Temporary disability	63	114
Funds SA receivable	10 220	3 970
Total receivables	14 370	9 203

7. Fair value of financial instruments

Classification of financial instruments under the fair value hierarchy

AASB 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined based on the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuation technique

The Scheme's investments are not quoted in an active market. To ensure fair value can be determined, the Scheme's investment manager, Funds SA, applies due diligence and considers valuation techniques and inputs used in valuing the funds, prior to investing. In measuring fair value, consideration is given to the amounts for which financial assets can be sold, excluding transaction costs. The Scheme classifies these funds as Level 2.

	2024	2023
	\$'000	\$'000
Financial assets at fair value through profit or loss - Level 2		
Level 1 and level 3 are not relevant to the Scheme		
Unlisted managed investment schemes	4 471 788	4 594 672
Funds SA	4 471 788	4 594 672

South Australian Superannuation Scheme
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8. Value and movement of investments by investment option

	2024	Movement	2023
	\$'000	\$'000	\$'000
High Growth Tax-Exempt	99	(2 064)	2 163
Balanced Tax-Exempt	395 164	(16 251)	411 415
Moderate Tax-Exempt	21 992	3 409	18 583
Stable Tax-Exempt	18 133	139	17 994
Capital Defensive Tax-Exempt	9 939	556	9 383
Cash Tax-Exempt	8 098	(1 376)	9 474
Socially Responsible	2 364	765	1 599
DB High Growth Strategy	4 015 999	(108 062)	4 124 061
Investments at 30 June	4 471 788	(122 884)	4 594 672

9. Payables

	2024	2023
	\$'000	\$'000
Audit fees	72	85
Administration expenses	707	1 395
PAYG tax withheld	2 519	2 547
Total payables	3 298	4 027

10. Investment expenses

	2024	2023
	\$'000	\$'000
Investment expenses	16 544	17 445

Direct Investment expenses comprise fees paid to Funds SA. Funds SA advises the amount applicable to the Scheme based on the Scheme's funds under management.

11. Administration expenses

	2024	2023
	\$'000	\$'000
Administration expenses ⁽ⁱ⁾	8 487	8 071
Other expenses ⁽ⁱⁱ⁾	79	115
Total administration expenses	8 566	8 186

(i) Administration expenses comprises the costs incurred by the DTF in administering the Scheme, which are met in the first instance from the DTF Operating Account. The Board recovers a share of the administration cost from the Scheme.
(ii) Other expenses include Auditors' remuneration. Refer Note 12.

South Australian Superannuation Scheme
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12. Auditors' remuneration

	2024	2023
	\$'000	\$'000
Audit fees paid or payable	<u>69</u>	<u>82</u>

Audit fees paid (or payable), \$68,500 GST exclusive (2023: \$81 800), relate to the Audit Office of South Australia work performed under the PFAA. The Audit Office of South Australia uses the services of Ernst and Young for the audit. No other services were provided by the Audit Office of South Australia.

13. Higher education superannuation costs

	2024	2023
	\$'000	\$'000
Higher education superannuation costs	<u>9 120</u>	<u>9 139</u>

These amounts are paid to the Commonwealth Government that related to the South Australian share of the 2024 higher education superannuation costs under the Commonwealth – State agreement. This agreement provides that the employer component of the superannuation benefits payable to former employees of South Australian Universities who were members of one of the main State Schemes, be shared.

14. Contributions for past service liability

	2024	2023
	\$'000	\$'000
SA Government	461 988	359 968
SA Water	-	1
Total contributions for past service liability	<u>461 988</u>	<u>359 969</u>

15. Employer contributions

	2024	2023
	\$'000	\$'000
State government departments	11 737	13 405
Statutory authorities – state government entities	4 715	5 441
Statutory authorities – non-state government entities	452	544
Total employer contributions	<u>16 904</u>	<u>19 390</u>

South Australian Superannuation Scheme
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16. Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash and deposits in the Scheme's Special Deposit Account held with DTF. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	2024 \$'000	2023 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents	32 870	14 565
Total cash and cash equivalents	32 870	14 565
Reconciliation of net cash from operating activities		
Net operating result	113 681	(180 308)
Adjustments for:		
Change in investments measured at fair value	(314 652)	(387 468)
Investment expenses	16 544	17 445
(Increase)/decrease in receivables	(37)	161
Increase/(decrease) in payables	(701)	1 361
Allocation to members' accounts	167 674	533 412
Net cash outflows from operating activities	(17 491)	(15 397)

17. Financial risk management objectives and policies

The Scheme's investments are managed by Funds SA predominantly by the appointment of investment managers as determined by the Funds SA Board. Each investment manager is required to invest the assets in accordance with the terms of a written mandate. The Funds SA Board has determined that the appointment of these managers is appropriate for the Scheme and is in accordance with the Scheme's investment strategy. The Funds SA Board obtains regular reports from each manager on the nature of the investments made on its behalf and the associated risks.

The allocation of assets between the various types of financial instruments is determined by the Funds SA Board. Divergence from target asset allocations and the composition of the portfolio is monitored by the Funds SA Board on a regular basis.

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

- market risk
- credit risk
- liquidity risk

The nature and extent of the financial instruments employed by the Scheme are discussed below. This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risk.

The Funds SA Board has overall responsibility for the establishment and oversight of the Scheme's investment risk management framework.

The Scheme's investment risk management policies are established to identify and analyse the risks faced by the Scheme, including those risks managed by the Scheme's investment managers, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Scheme's activities.

The Scheme receives regular reports from Funds SA concerning compliance with investment objectives.

South Australian Superannuation Scheme
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a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Scheme's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub-markets, and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

i) Currency risk

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

The Scheme's currency risk is managed by Funds SA as investments include assets denominated in foreign currencies.

Funds SA strategic policy for the management of its foreign currency exposure is as follows:

- foreign currency exposures in the Private Markets Tax-Exempt, Private Markets Taxable, Core Infrastructure Tax- Exempt, Core Infrastructure Taxable, Credit, Long Term Fixed Interest and Inflation Linked Securities Taxable asset classes are economically hedged to Australian dollars, and
- foreign currency exposures over the developed markets component of the International Equities Tax-Exempt, International Equities Taxable, International Equities Passive Tax-Exempt and International Equities Passive Taxable asset classes are economically hedged to Australian dollars.

For the purpose of managing foreign currency risk, within defined constraints, the exposure to foreign currency can be varied from the strategic policy stated above, by Funds SA.

ii) Interest rate risk

Interest rate risk is the risk that a movement in interest rates will cause the value of fixed interest securities to deviate from expectations.

The Scheme's interest rate risk is managed by Funds SA, as investments include fixed interest securities.

Funds SA manages interest rate risk through:

- ensuring asset allocations of different investment products are consistent with the time horizon of each, and
- the use of specialist external investment managers to manage Funds SA's cash and fixed income portfolios.

iii) Other market price risk

Other market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in the market.

As the Scheme's financial instruments are valued at fair value with changes in fair value recognised in the Income Statement, all changes in market conditions will directly affect investment revenue.

The Scheme's other market price risk is managed by Funds SA, as investments include financial instruments exposed to market prices.

Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub markets, and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

iv) Investments sensitivity analysis

The Funds SA Board has determined that its forecast risk/return profile provides a reasonable measure of the sensitivity of the expected returns in the investment for the year ahead. The following tables show the standard deviation around expected nominal returns for DB High Growth Strategy.

South Australian Superannuation Scheme
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The statistics shown below are averages calculated over 10 years, net of investment management fees and gross of tax. These investment statistics have zero per cent tax rate applied and exclude franking credits.

	Expected Average Return	Market Risk	Average Funds Under (+/-) on Management	Potential Impact of Market Risk Statement
2023-24				
<i>Investment option:</i>	%	%	\$'000	\$'000
High Growth Tax-Exempt	8.0	11.2	1 131	127
Balanced Tax-Exempt	7.5	9.4	403 290	37 909
Moderate Tax-Exempt	6.8	7.1	20 288	1 440
Stable Tax-Exempt	6.4	4.9	18 064	885
Capital Defensive Tax-Exempt	5.7	3.1	9 661	299
Cash Tax Exempt	3.6	0.5	8 786	44
Socially Responsible	6.7	9.3	1 982	184
DB High Growth Strategy	8.0	9.9	4 070 030	402 933
2022-23				
<i>Investment option:</i>				
High Growth Tax-Exempt	8.2	10.7	1 424	152
Balanced Tax-Exempt	7.6	9.0	420 473	37 843
Moderate Tax-Exempt	6.9	6.8	18 651	1 268
Stable Tax-Exempt	6.4	4.8	18 061	867
Capital Defensive Tax-Exempt	5.8	3.2	9 837	315
Cash Tax Exempt	3.2	0.5	9 920	50
Socially Responsible	6.5	8.9	1 597	142
DB High Growth Strategy	8.2	9.6	4 173 812	400 686

Market risk is a useful historical measure of the variability of returns earned by an investment portfolio. The market risk shown above represents the range at which actual future returns are expected to occur either side of the nominal return approximately two thirds of the time.

The dollar value of the potential impact on the Income Statement arising from the market risk is indicative only. The impacts are not additive across investment asset classes, as each asset class operates in different markets and is subject to different conditions.

Actual movements in returns may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the underlying trusts invest. As a result, historic variations in rates of return are not a definitive indicator of future variations in rates of return.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme.

The value of financial assets, included in the Statement of Financial Position represents the Scheme's maximum exposure to credit risk in relation to those assets. The Scheme does not have any significant exposure to any individual counterparty or industry. The credit risk is monitored by Funds SA through ongoing reviews of the investment managers.

The Scheme does not have any assets which are past due or impaired and there is no concentration of credit risk.

South Australian Superannuation Scheme
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(c) Liquidity risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Scheme's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its payment of benefits to members and liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

For the Scheme's investments, Funds SA manages liquidity risk as follows:

- by giving careful consideration to the expected net cash redemption requirements of Funds SA's clients. The allocation to cash in the strategic asset allocation of each investment product is set at a level sufficient to manage expected cash redemptions
- a large proportion of each investment product is invested in highly liquid investments such as actively traded equities, unit trusts or securities with short-term maturities
- reporting and monitoring the liquidity of the fund on a daily basis to ensure prospective client cash outflows and switches can be met
- by undertaking portfolio management and rebalancing activities, and
- by undertaking regular stress testing on liquidity positions to identify sources of liquidity strain before they are realised.

For the Scheme itself, the liquidity position is monitored on a daily basis. The Scheme's cash and liquidity policy is to have sufficient cash balances to meet anticipated weekly benefit payments, expenses and investing activities.

The following tables summarise the contractual maturity profile of the Scheme's financial liabilities based on the earliest date on which the Scheme can be required to pay. The amounts in the table are the contractual undiscounted cash flows.

2024	Less than 3	Total contractual	Carrying amount
	months	cash flows	liabilities
	\$'000	\$'000	\$'000
Benefits payable	2 765	2 765	2 765
Payables ⁽ⁱ⁾	2 519	2 519	2 519
Vested benefits ⁽ⁱⁱ⁾	8 725 023	8 725 023	8 725 023
Total	8 730 307	8 730 307	8 730 307

2023	Less than 3	Total contractual	Carrying amount
	months	cash flows	liabilities
	\$'000	\$'000	\$'000
Benefits payable	9 629	9 629	9 629
Payables ⁽ⁱ⁾	2 547	2 547	2 547
Vested benefits ⁽ⁱⁱ⁾	8 946 029	8 946 029	8 946 029
Total	8 958 205	8 958 205	8 958 205

i) Payable amounts disclosed here exclude amounts relating to constructive obligations and statutory payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees).

ii) Vested benefits have been included in the "Less than 3 Months" column, as this is the amount that members could call upon as at balance date. This is the earliest date on which the Scheme can be required to pay members vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

South Australian Superannuation Scheme
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d) Derivative financial instruments

Derivatives can be defined as financial contracts whose value depends on, or is derived from, assets, liabilities, reference rates or indices. Funds SA uses derivatives to manage portfolio risk and to facilitate the implementation of investment strategies efficiently and cost effectively. Funds SA uses a variety of derivative instruments, such as over the counter swap agreements, forward rate agreements, futures and options.

Derivatives are an authorised investment within certain mandates managed by Funds SA's external investment managers for the purposes described above.

18. Net assets available for member benefits

AASB 1056 recommends segregation to distinguish between different member accounts based on risk profile. The defined benefit/defined contribution split is a natural disaggregation arising from the different market risk exposures of these member categories. An alternative disaggregation is the segregation into Old Scheme (Pension Scheme) and New Scheme (Lump Sum). The following net assets table shows the splits across these latter accounts and demonstrates net assets available to pay benefits consisting of the combined balances of the Fund and the Account. Movements in the balances of these accounts are detailed below:

	2024			2023		
	Old Scheme \$'000	New Scheme \$'000	Total \$'000	Old Scheme \$'000	New Scheme \$'000	Total \$'000
SA Superannuation Fund Account (employee component)						
Funds held at 1 July	1 630 648	442 344	2 072 992	1 609 519	471 153	2 080 672
Contributions	132	6 764	6 896	219	7 837	8 056
Transfers from other super entities	-	143	143	51	457	508
Changes in investments measured at fair value	105 282	39 885	145 167	131 978	43 633	175 611
	<u>105 414</u>	<u>46 792</u>	<u>152 206</u>	<u>132 248</u>	<u>51 927</u>	<u>184 175</u>
Benefits paid and payable	105 471	74 402	179 873	102 721	79 149	181 870
Investment expenses	5 807	1 269	7 076	6 181	1 347	7 528
Administration expenses	2 338	234	2 572	2 217	240	2 457
	<u>113 616</u>	<u>75 905</u>	<u>189 521</u>	<u>111 119</u>	<u>80 736</u>	<u>191 855</u>
Funds held at 30 June	1 622 446	413 231	2 035 677	1 630 648	442 344	2 072 992

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	2024	2023
	\$'000	\$'000
Funds held at 1 July	2 532 715	2 640 621
Employer contributions:		
State Government departments	11 737	13 405
Statutory authorities	5 167	5 985
Contributions for past service liability	461 988	359 969
	478 892	379 359
Change in investments measured at fair value	169 485	211 857
Bank interest and other revenue:		
Public authorities	30 885	28 951
Interest	933	406
	680 195	620 573
Benefits paid and payable:		
Old scheme contributors	595 531	578 795
New scheme contributors	114 461	124 898
	709 992	703 693
Investment expenses	9 468	9 917
Higher education superannuation costs	9 120	9 139
Administration expenses	5 994	5 730
	734 574	728 479
Funds held at 30 June	2 478 336	2 532 715
Net assets available for member benefits	4 514 013	4 605 707

19. Segment information

The Scheme operates in one reportable segment, being the provision of benefits to members. The Scheme also operates from one reportable geographic segment, being Australia, from where its activities are managed. While the Scheme operates from Australia only, the Scheme, through its investment manager Funds SA, has investment exposures in different countries and across different industries. Revenue derived from interest and the realised and unrealised changes from the different segments is reflected in the value of investments.

20. Related parties

a) Key management personnel

The key management personnel of the Scheme includes the Treasurer, Board members, the Chief Executive and the six members of the Executive Leadership Team, Super SA who have responsibility for the strategic direction and management of the Scheme.

b) Compensation

All key management personnel are compensated by the Department of Treasury and Finance or the Board, therefore their compensation is disclosed in the respective financial reports.

c) Transactions with key management personnel and other related parties

There were no transactions with key management personnel or related parties.

d) Transactions with other government entities

There were no significant transactions with government entities other than those disclosed elsewhere in the financial statements.

21. Events after the reporting period

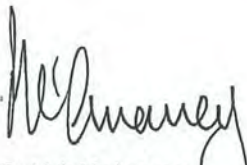
There were no significant events after the reporting period.

South Australian Superannuation Scheme
Certification of the financial statement
for the year ended 30 June 2024


Certification of the financial statement

We certify that the:

- financial statements of the South Australian Superannuation Scheme:
 - are in accordance with the accounts and records of the Scheme,
 - comply with relevant Treasurer's instructions,
 - comply with relevant accounting standards, and
 - present a true and fair view of the financial position of the Scheme at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by South Australian Superannuation Scheme for the financial year over its financial reporting and its preparation of financial statements have been effective.



Patrick McAvaney
Acting Chief Executive
Super SA



Mark Hordacre
Director Finance
Super SA



June Roache
Presiding Member
SA Superannuation Board

Date *16 September 2024*

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
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**To the Presiding Member
South Australian Superannuation Board
Southern State Superannuation Scheme**

Opinion

I have audited the financial report of the Southern State Superannuation Scheme for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Southern State Superannuation Scheme as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- an Income Statement for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Member Benefits for the year ended 30 June 2024
- a Statement of Changes in Equity/Reserves for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member of the South Australian Superannuation Board, the Acting Chief Executive, Super SA and the Director Finance, Super SA.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Southern State Superannuation Scheme. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General.

In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Acting Chief Executive, Super SA and members of the South Australian Superannuation Board for the financial report

The Acting Chief Executive, Super SA is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Acting Chief Executive, Super SA is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Acting Chief Executive, Super SA is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the South Australian Superannuation Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 15(3) of the *Southern State Superannuation Act 2009* I have audited the financial report of the Southern State Superannuation Scheme for the financial year ended 30 June 2024.

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Southern State Superannuation Scheme's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive, Super SA
- conclude on the appropriateness of the Acting Chief Executive, Super SA's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Acting Chief Executive, Super SA and members of the South Australian Superannuation Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

22 September 2024

Southern State Superannuation Scheme
Income Statement
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Changes in fair value of investments		2 007 603	2 153 910
Interest revenue		1 545	962
Total income		2 009 148	2 154 872
Expenses			
Investment expenses	14	(70 071)	(66 490)
Administration Expenses	15	(23 205)	(19 306)
Total expenses		(93 276)	(85 796)
Results from superannuation activities		1 915 872	2 069 076
Net insurance activities		(25 661)	(14 687)
Results from operating activities		1 890 211	2 054 389
Net benefits allocated to member accounts	12	(1 877 204)	(2 149 526)
Net operating result		13 007	(95 137)

The Income Statement should be read in conjunction with the accompanying notes.

Southern State Superannuation Scheme
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Cash and cash equivalents	17	47 577	41 237
Receivables	6	9 574	6 245
Contributions receivable	7	50 910	48 704
Investments	5	25 569 286	23 926 822
Total assets		25 677 347	24 023 008
Liabilities			
Benefits payable		57 345	29 412
Payables	8	4 755	7 939
Provision for PAYG withholding tax		667	674
Insurance liabilities		45 622	31 394
Total liabilities excluding member benefits		108 389	69 419
Net assets available for member benefits		25 568 958	23 953 589
Member benefit liabilities	3	25 449 498	23 842 590
Total net assets		119 460	110 999
Equity			
Insurance reserve	9	161 189	160 451
Administration fee reserve	10	20 899	20 837
Operational risk reserve	11	45 728	30 810
Investment allocation (under)/over	13	(108 356)	(101 099)
Total equity		119 460	110 999

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Southern State Superannuation Scheme
Statement of Changes in Member Benefits
for the year ended 30 June 2024

	2024 \$'000	2023 \$'000
Opening balance as at 1 July	23 842 590	21 764 387
Employer contributions	1 503 686	1 412 235
Member contributions	78 846	76 297
Transfers from other super entities	492 308	516 276
Transfers from other schemes	39	54
Government co-contributions	707	921
Net contributions	2 075 586	2 005 783
Benefits to members	(2 346 590)	(2 070 335)
Insurance premiums charged to members	(57 959)	(57 246)
Insurance benefits credited to members	58 226	50 295
Amounts allocated to members from reserves	441	180
Net benefits allocated to members, comprising:		
Net investment income	1 899 110	2 171 496
Administration fees	(21 906)	(21 970)
Closing balance at 30 June	25 449 498	23 842 590

The Statement of Changes in Member Benefits should be read in conjunction with the accompanying notes.

Southern State Superannuation Scheme
Statement of Changes in Equity/Reserves
for the year ended 30 June 2024

				(Under)/ over	
	Admin fee reserve	Insurance reserve	Operational risk reserve	allocated benefits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
2024	Note 10	9	11		
Opening balance	20 837	160 451	30 810	(101 099)	110 999
Net operating result	62	738	14 918	(2 711)	13 007
Net transfer to reserves/equity	-	-	-	(4 546)	(4 546)
Closing Balance	20 899	161 189	45 728	(108 356)	119 460
				(Under)/ over	
	Admin fee reserve	Insurance reserve	Operational risk reserve	allocated benefits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Opening balance	16 238	149 294	20 870	23 198	209 600
Net operating result	4 599	11 157	9 940	(120 833)	(95 137)
Net transfer to reserves/equity	-	-	-	(3 464)	(3 464)
Closing Balance	20 837	160 451	30 810	(101 099)	110 999

The Statement of Changes in Equity/Reserves should be read in conjunction with the accompanying notes.

Southern State Superannuation Scheme
Statement of Cash Flows
for the year ended 30 June 2024

	2024	2023
	Inflows (Outflows)	Inflows (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
GST recovered from the ATO	-	5 635
Other income	1 590	859
Cash generated from operating activities	1 590	6 494
Cash outflows		
GST paid to the ATO	(133)	-
Insurance administration expenses paid	(11 166)	(9 792)
Administration expenses paid	(26 389)	(22 922)
Cash used in operating activities	(37 688)	(32 714)
Net cash provided by operating activities	17 (36 098)	(26 220)
Cash flows from investing activities		
Cash inflows		
Receipts from the sale of investments from Funds SA	2 004 663	1 786 504
Cash generated from investing activities	2 004 663	1 786 504
Cash outflows		
Payments to Funds SA for the purchase of investments	(1 712 535)	(1 629 456)
Cash used in investing activities	(1 712 535)	(1 629 456)
Net cash provided by investing activities	292 128	157 048
Cash flows from financing activities		
Cash inflows		
Employer contributions	1 501 509	1 388 408
Member contributions	78 846	75 947
Government co-contributions	707	921
Transfers from other superannuation entities	492 308	516 135
Cash generated from financing activities	2 073 370	1 981 411
Cash outflows		
Benefit payments to members	(2 323 337)	(2 108 711)
Transfer from Insurance Reserve	306	54
Payments from Operational Risk Reserve	(29)	(18)
Cash used in financing activities	(2 323 060)	(2 108 675)
Net cash provided by financing activities	(249 690)	(127 264)
Net change in cash	6 340	3 564
Cash at the beginning of the reporting period	41 237	37 673
Cash at the end of the reporting period	17 47 577	41 237

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1. Objectives and funding

a) Southern State Superannuation Scheme

The Southern State Superannuation Scheme (the Scheme/the Triple S Scheme) is both a contributory and non contributory superannuation scheme established pursuant to the *Southern State Superannuation Act 2009* (the Act). The Scheme commenced on 1 July 1995 pursuant to the *Southern State Superannuation Act 1994* and is continued under the Act and the *Southern State Superannuation Regulations 2009*.

Members can elect to make contributions to the Scheme based on a percentage of their salary commencing from 1 per cent, under Regulation 17. A member of the police force, an operations employee of the South Australian Ambulance Service who commenced employment after 1 July 2008 or a former standard contributory member of the SA Ambulance Service Superannuation Scheme who elected to transfer to the Triple S Scheme must contribute at a rate of at least 4.5 per cent of salary. A separate contribution account is maintained for each member. Member and employer contributions and any rollover amounts and co-contribution amounts are deposited by the Treasurer into the Southern State Superannuation Fund (the Fund) that is managed and invested by the Superannuation Funds Management Corporation of South Australia (Funds SA).

An employer is required to pay contributions to the Treasurer under section 21 of the Act. The employer contributed 11 per cent of salary from 1 July 2023 and contributes 11.5 per cent of salary from 1 July 2024.

Benefits are represented by the balances of all member accounts that are available for employees who meet certain conditions. These conditions may include the following:

- Retirement
- Resign and meet a condition of release
- Retrenchment
- Election of Transition to Retirement or Early Access to Super while still an employee of the SA Public Sector
- Death or becoming terminally ill
- Termination of their employment due to invalidity.

The balance of individual member entitlements is provided in annual statements provided to each member.

The Scheme is an exempt public sector superannuation scheme and operates on a not-for-profit basis.

b) South Australian Superannuation Board

The purpose of this financial statement is to discharge the responsibilities of the South Australian Superannuation Board (the Board) under section 15 of the Act to maintain accounts of receipts and payments.

The Act charges the Board with responsibility for all aspects of the administration of the Act except for the management and investment of the Fund. The Act also provides the Board with the necessary powers to administer the Scheme.

The Board is required under section 13 of the Act to adjust a member's contribution account, rollover account and co-contribution account to reflect movements in the value of units allocated to each account.

Pursuant to section 14 of the Act, where a member or members have nominated a class of investments, or a combination of classes of investments, the Board shall adjust a member's contribution account, rollover account and co-contribution account to reflect the movement in the value of units held in the class of investments nominated by the member.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

c) Superannuation Funds Management Corporation of South Australia

Funds SA is a South Australian Government Entity established under the *Superannuation Funds Management Corporation of South Australia Act 1995*. Funds SA is responsible for the investment and management of the Scheme's funds pursuant to strategies formulated by Funds SA.

For further information on the investment of the Scheme's funds, reference should be made to the annual report of Funds SA. The investment assets, liabilities, income and expenses contained in this financial statement are related to the investment activities of Funds SA.

d) Funding arrangements

The Act requires that member contributions, employer contributions, rollovers from other schemes and co-contributions paid by the Commonwealth be paid to the Treasurer, who, in turn, deposits these amounts into the Fund, the Consolidated Account (which is appropriated to the necessary extent) or to a Special Deposit Account held with the Department of Treasury and Finance (DTF) established for that purpose. During the current reporting period, contributions were made to the Special Deposit Account. All employer contributions are received from South Australian Government Entities.

Under section 10 of the Act, any payment to a member must be made out of the Consolidated Account (which is appropriated to the necessary extent) or from the Special Deposit Account established for that purpose. During the current reporting period payments were made from the Special Deposit Account.

2. Material accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with relevant Australian Accounting Standards, including AASB 1056 Superannuation Entities and other authoritative pronouncements of the Australian Accounting Standards Board, Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the Public Finance and Audit Act 1987 (PFAA), except as provided below.

These financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

These financial statements are prepared on a 12-month reporting period, presented in Australian currency and all amounts have been rounded to the nearest thousand dollars (\$000).

The scheme is a not-for-profit entity for the purpose of preparing financial statements.

b) New and amended accounting standards

The Scheme has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective..

No Australian Accounting Standards have been early adopted.

c) Financial assets and liabilities

a) Classification

The Scheme classifies its financial assets and financial liabilities into the categories below in accordance with AASB 9.

Financial assets and liabilities held for trading:

These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. All derivatives are classified as held for trading. Derivative financial instruments entered into by the Scheme do not meet the hedge accounting criteria as defined by AASB 9. Consequently hedge accounting is not applied by the Scheme.

Financial instruments designated at fair value through profit or loss upon initial recognition:

These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through profit or loss. Other financial liabilities are measured at their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal amount approximates fair value.

b) Recognition

The Scheme recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Scheme commits to purchase or sell the asset.

c) Initial recognition

Financial assets and financial liabilities at fair value through profit and loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in the Income Statement.

Receivables and financial liabilities (other than those classified at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Scheme recognises the difference in the Income Statement, unless specified otherwise.

d) Subsequent measurement

After initial measurement, the Scheme measures investments at fair value through profit or loss. Subsequent changes in the fair value of those investments are recorded as 'changes in assets measured at fair value' through the Income Statement. Interest earned is recorded in 'Interest revenue'.

e) Fair value measurement

Fair value is the price 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Scheme.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Scheme uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. Refer to financial statement Note 4.

f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash and deposits in the Scheme's Special Deposit Account held with DTF, which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposits as defined above.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

The Scheme's deposit account is under a sweeping arrangement where the full balance of all non-invested unutilised cash of the Southern State Superannuation Scheme will be transferred each weekday to the corresponding account at Funds SA. It is at this stage that the cash becomes part of the Southern State Superannuation Scheme under the Triple S Act.

This separate "unutilised account" within the special deposit account has been established to facilitate member contributions and payments to be paid to or from the Triple S Fund. The funds available also are included in the value of units in the Triple S Fund in accordance with the Triple S Act.

g) Receivables and payables

Receivables are carried at nominal amounts due that approximate fair value. Receivables are normally settled within 30 days. Payables are carried at nominal amounts that approximate fair value. They represent liabilities for goods and services provided to the Scheme prior to the end of the financial year that are unpaid when the Scheme becomes obliged to make future payments in respect of the purchase of these goods or services.

h) Benefits payable

Benefits payable are valued at fair value and relate to members who have ceased employment and provided the Scheme with appropriate notification on or prior to 30 June 2024 but paid after 30 June 2024. These also include income protection payments payable on or prior to 30 June 2024 but paid after 30 June 2024.

i) Insurance liabilities

The Scheme provides death and disability benefits to its defined contribution members. Premiums are deducted from insured members' accounts and are paid into a dedicated insurance reserve in order to meet claims as they arise. The Scheme ultimately self-insures this risk as it is appropriate given the Scheme's present membership and reserve levels. The table below outlines the net results of the Scheme's insurance activities during the year:

	2024	2023
	\$'000	\$'000
Insurance contract revenue	57 959	57 246
Insurance contract claims expense	(58 226)	(50 295)
Decrease/(Increase) in insurance liabilities	(14 228)	(10 588)
Total insurance activities	(14 495)	(3 637)

Significant estimates made in measuring insurance contract asset and liabilities

The Scheme uses the services of an actuary to determine its insurance contract assets and liabilities. An actuarial valuation involves making various assumptions about the future. Actual events in the future may differ from these assumptions. The most recent actuarial valuation was performed for the triennium ending 30 June 2023. A shorthand approach has been adopted to determine the value of insurance liabilities between actuarial valuation dates. It is expected that the liability amount determined using the shorthand method will not be materially different had the liabilities been determined in full.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

The key assumptions used in measuring the insurance contract liabilities are:

- mortality and disability rates reflecting the Scheme's own claim experience,
- the number and amount of insurance claims yet to be reported to the Scheme, relating to the period prior to the reporting year end, and
- the level of additional payments expected for income protection claims in the course of payment.

The key factors or uncertainties that impact the key assumptions above are:

- if mortality and/or disability rates increase, it will result in an increase in insurance liabilities as a result of higher claims and will lead to a decline in the net assets of the Scheme,
- higher than expected claims reported to the Scheme will result in an increase in insurance liabilities and will lead to a decline in the net assets of the Scheme, and
- a better than expected claims experience will result in lower liabilities and an increase in net assets of the Scheme.

The impact of uncertainties around the key assumptions is largely met from the insurance reserves in the Scheme. The adequacy of the insurance reserves are considered as part of the actuarial valuation.

j) Revenue recognition

The specific recognition criteria described below must be met before revenue is recognised:

Changes in fair values

Changes in the fair value of investments invested with Funds SA are calculated as the difference between the fair value at sale, or at balance date, and the fair value at the previous valuation point. All changes are recognised in the Income Statement.

Interest

Interest revenue on cash and other financial assets carried at fair value is recorded according to the terms of the contract and recognised in the Income Statement.

k) Taxation

The Scheme is a constitutionally protected superannuation fund in terms of Section 295-15 of the *Income Tax Assessment Act 1997*, Regulation 995-1.04 (Schedule 4) and is exempt from income tax. Therefore, no income tax has been brought to account in these financial statements.

l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable, or
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the ATO are classified as operating cash flows.

m) Foreign currency

The functional and presentation currency of the Scheme is Australian Dollars, the currency of the primary economic environment in which the Scheme operates. The Scheme's performance is evaluated and its liquidity managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

n) Investments

Funds SA provides investments measured at fair value. Below is the basis for valuation of these investments.

i) Inflation Linked Securities Tax-Exempt

The Inflation Linked Securities Tax-Exempt portfolio invests in discretely managed portfolios and internal inflation linked securities. Discretely managed portfolios are invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

Internally managed inflation linked securities, the returns of which are linked to movements in either the Consumer Price Index or Average Weekly Earnings, have been valued using the discounted cash flow method. The valuation as at balance date was performed by an independent valuer.

ii) Property Tax-Exempt

The Property Tax-Exempt portfolio comprises two sub sectors:

Listed Property Trusts

These investments comprise arrangements whereby professional fund managers are appointed under an investment management agreement to manage and invest in listed property securities and real estate investment trusts. Investments in this sub-sector are in pooled funds and have been valued in accordance with the valuations supplied by the managers.

Unlisted property vehicles

The unlisted property vehicles portfolio is invested and managed by external managers. Investments in this sub-sector have been valued in accordance with the valuations supplied by the managers.

iii) Australian Equities Tax-Exempt

The Australian Equities Tax-Exempt portfolio comprises investments in listed Australian equities, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

iv) International Equities Tax-Exempt

The International Equities Tax-Exempt portfolio comprises investments in equities listed on international share markets, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled international vehicles have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

v) Fixed Interest

Fixed Interest portfolios have exposure to domestic and global debt instruments and are managed by external managers. The custodian appointed to hold the assets has valued the portfolio using market prices applicable at balance date.

vi) Diversified Strategies Growth Tax-Exempt

The Diversified Strategies Growth Tax-Exempt asset class incorporates two sub sectors:

Private Markets Tax-Exempt

The Private Markets Tax-Exempt portfolio comprises investments in Australian and international private equity funds, which are invested and managed by external managers. The valuation of private equity investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Both Australian and international private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Investments and the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Core Infrastructure Tax-Exempt

The Core Infrastructure Tax-Exempt portfolio comprises investments in Australian and international infrastructure pooled funds, which are invested and managed by external managers. The valuation of these investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

vii) Diversified Strategies Income

The Diversified Strategies Income asset class incorporates four sub sectors:

Defensive Alternatives

The Defensive Alternatives portfolio comprises investments in Australian and international pooled funds and is invested and managed by external managers. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Credit

The Credit portfolio comprises investments in discretely managed investments and Australian and international pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Investment Grade Credit

The Investment Grade Credit portfolio comprises investments in discretely managed investments and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Growth Alternatives

The Growth Alternatives portfolio comprises investments in discretely managed investments and Australian and international pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

viii) Cash

The Cash portfolio comprises investments in a discretely managed investment, which is managed by an external manager and is valued by the custodian appointed to hold the assets using market prices applicable at balance date. Deposits at call have been valued on the basis of principal plus accrued interest.

ix) Socially Responsible

The Socially Responsible portfolio actively incorporates the consideration of environmental, social and governance factors in their investment decisions and avoids investing in companies operating in areas of high negative social impact. The portfolio comprises investments in equities listed on Australian and international share markets and is invested and managed by external managers along with a number of international and domestic pooled fund investments and international private equity investments.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
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Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled vehicles have been valued in accordance with the valuations supplied by the managers. The valuation of private equity investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. International private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines Investments.

Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

o) Operation of investment portfolio

Funds SA is responsible for the investment and management of the Fund pursuant to strategies formulated by Funds SA (refer Note 1 (c)). Funds SA operates a multi-layered notional unitisation structure to facilitate the administration of different investment strategies applying to the various public sector superannuation funds.

For the year ending 30 June 2024, Funds SA managed seven (2023: seven) distinct investment options for the Scheme available to investors, each differing by strategic asset allocation:

- High Growth
- Balanced
- Moderate
- Stable
- Capital Defensive
- Cash
- Socially Responsible

p) Significant accounting judgements, estimates and assumptions

The preparation of the Scheme's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been presented to be consistent with current period disclosures.

Fair value of investments

When the fair values of the investments recorded in the Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including a discounted cash flow model. The inputs in these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required to establish fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of these investments.

It is also important to note that fair values are provided by Funds SA.

q) Climate change financial risks

In November 2021, Australian Prudential Regulation Authority (APRA) released Prudential Practice Guide CPG 229 Climate Change Financial Risks. CPG 229 does not impose new requirements in relation to climate risks, rather, it supports compliance with APRA's existing risk management and governance requirements and guidance. The Board and Super SA consider financial risks of climate change, including physical climate risks, transition climate risks, and liability risks as part of the overall Super SA Risk Management Strategy.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Additionally, as identified in Note 1 (c) above, the investments of the scheme are managed by Funds SA. Funds SA, in turn, is committed to risk management and maintains a rigorous and proactive approach to identifying and managing investment risk, including the risks associated with climate change. Funds SA has developed a Climate Change Position Statement, Climate Risk Response Plan and Climate Report to support its approach in this area. Please refer to the Funds SA website for further detail.

3. Member benefit liabilities

Triple S members are defined contribution members and bear the investment risk relating to the underlying assets and unit prices used to measure the member liabilities. Member account balances are determined by unit prices that are determined based on the underlying investment movements. Unit prices are updated daily. Refer to Note 18 for the Scheme's management of the investment risks.

	2024	2023
	\$'000	\$'000
Member benefit liabilities	25 449 498	23 842 590
As compared to net assets available for member benefits	<u>25 568 958</u>	<u>23 953 589</u>

4. Fair value of financial instruments

Classification of financial instruments under the fair value hierarchy

AASB 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuations are the responsibility of the Board. The valuation of investments is performed daily and are subject to quality assurance procedures.

After the checks above have been performed the Board considers the valuation results, including assumptions used in the valuations.

The Board also considers the appropriateness of the valuation methods and inputs and may request that alternative valuation methods are applied to support the valuation arising from the method chosen.

Valuation technique

The Scheme's investments are not quoted in an active market. To ensure fair value can be determined, the Scheme's investment manager, Funds SA, applies due diligence and considers valuation techniques and inputs used in valuing the funds, prior to investing. In measuring fair value, consideration is given to the amounts for which financial assets can be sold, excluding transaction costs. The Scheme classifies these funds as Level 2.

There were no changes in valuation techniques during the year.

Financial assets at fair value through profit or loss - Level 2	2024	2023
Level 1 & 3 are not relevant to the scheme	\$'000	\$'000
Unlisted managed investment schemes	25 569 286	23 926 822
Funds SA	<u>25 569 286</u>	<u>23 926 822</u>

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5. Value and movement of investments by investment option

	2024	Movement	2023
	\$'000	\$'000	\$'000
High Growth Tax-Exempt	3 540 773	492 873	3 047 900
Balanced Tax-Exempt	20 086 106	1 196 851	18 889 255
Moderate Tax-Exempt	617 345	24 582	592 763
Stable Tax-Exempt	426 637	(10 988)	437 625
Capital Defensive Tax-Exempt	185 394	(14 811)	200 205
Cash Tax-Exempt	468 418	(84 622)	553 040
Socially Responsible	244 613	38 579	206 034
Investments at 30 June	25 569 286	1 642 464	23 926 822

6. Receivables

	2024	2023
	\$'000	\$'000
Refund from ATO for GST	329	196
Interest	58	103
Funds SA receivables	7 800	4 860
Benefit repayments	1 385	1 084
Other receivables	2	2
Total receivables	9 574	6 245

7. Contributions Receivable

	2024	2023
	\$'000	\$'000
Member contributions	741	945
Employer contributions	50 169	47 759
Total contributions receivable	50 910	48 704

8. Payables

	2024	2023
	\$'000	\$'000
Audit fees	80	86
Administration expenses	4 675	7 853
Total payables	4 755	7 939

9. Insurance reserve

The Scheme self-insures and provides an insurance benefit based on units of cover, subject to certain limitations, in the event of death or permanent invalidity before age 70. An Income Protection Insurance benefit, subject to eligibility criteria, is also available in the event of a member becoming temporarily disabled before age 65.

Most members of the Scheme are provided with three Standard Death and Total and Permanent Disablement (TPD) units of cover as a default costing \$3.00 per week and can reduce or cancel this at any time. Police Officers and operations employees of the SA Ambulance Service, who commenced employment after 1 July 2008 or are former standard contributory members of the SA Ambulance Service Superannuation Scheme who elected to transfer to the Triple S Scheme before age 60, are required to have at least 6 units of Standard Insurance cover and are only able to reduce below this level or cancel on reaching age 65. The value of a unit of Standard Insurance for members up to age 34 years is \$75 000. The value of a unit declines from age 35. Additional units can be purchased (subject to medical evidence) to provide permanent employees with cover up to \$1.5 million and casual employees up to \$750 000. Members can switch their cover to Fixed Benefit Insurance and purchase additional units (subject to medical evidence).

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Each Fixed Benefit Insurance unit has a value of \$10 000, with premium increases from age 35 to age 70 when cover ceases. The previously offered Fixed Insurance closed to new applications in November 2014.

As required by Section 17 of the Act, a report is obtained from an actuary appointed by the Treasurer on the costs and liabilities of the insurance arrangements of the Scheme (refer Note 2(i)).

To be eligible for the Income Protection Insurance benefit, a member must be an active member, working full-time or part-time and receiving an employer contribution. Casual employees not automatically provided with Income Protection Insurance but can apply for cover subject to medical evidence. Income Protection payments can continue for up to 24 months for members employed full or part time. Casual employees can be paid for up to 12 months.

	2024	2023
	\$'000	\$'000
Opening balance	160 451	149 294
Investment earnings on Insurance Reserve ⁽ⁱ⁾	12 171	15 256
Premiums and charges	57 959	57 246
Benefit payments	(58 226)	(50 295)
Administration expenses ⁽ⁱⁱ⁾	(11 166)	(11 050)
Operating results	738	11 157
Closing balance of Reserve	161 189	160 451

(i) The Insurance Reserve is invested in the Balanced option. The rate of return on earnings in 2024 was 8.1 per cent (2023: 9.6 per cent).

(ii) The amount relates to the annual administration fee paid for administering the insurance arrangements.

10. Administration fee reserve

This reserve has been set aside for future Scheme requirements. The movement in the reserve reflects the difference between administration fees collected from members and the cost of administering the Scheme during the year.

	2024	2023
	\$'000	\$'000
Opening balance	20 837	16 238
Investment earnings on Administration Fee Reserve ⁽ⁱ⁾	1 270	1 845
Administration fees	21 906	21 970
Administration expenses ⁽ⁱⁱ⁾	(23 114)	(19 216)
Operating results	62	4 599
Closing balance of Reserve	20 899	20 837

(i) The Administration Fee Reserve is invested in the Balanced option. The rate of return on earnings in 2024 was 8.1 per cent (2023: 9.6 per cent).

(ii) The amount relates to the annual service level agreement paid for administering the Scheme (refer Note 15).

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

11. Operational risk reserve

The Operational Risk Reserve is to be accumulated to 0.25 per cent of funds under management in line with Prudential Standard SPS114. From 1 November 2022, the fee charged to members via a reduction in unit prices is 0.05 per cent.

	2024	2023
	\$'000	\$'000
Opening balance	30 810	20 870
Investment earnings on Operational Risk Reserve ⁽ⁱ⁾	3 090	2 420
Operational Risk Reserve charge ⁽ⁱⁱ⁾	12 269	7 700
Payments from Reserve	(441)	(180)
Operating results	14 918	9 940
Closing balance of Reserve	45 728	30 810

- (i) The Operational Risk Reserve is invested in the Balanced Option. The rate of return on earnings in 2024 was 8.1 per cent (2023: 9.6 per cent).
(ii) The Operational Risk Reserve charge was introduced in the 2022-23 financial year by deducting 5 basis points across all members' accounts to fund the Operational Risk Reserve.

12. Allocated to members accounts

The value of funds which have been formally allocated to investor accounts equals the member benefits. The formal allocation of earnings to investors' accounts has been determined for the 2023-24 financial year.

13. Unallocated to members accounts

Defined contribution schemes carry a proportion of amounts yet to be allocated. This unallocated amount arises because the financial statement of the Scheme is prepared on an accrual basis while monies are allocated to members on a cash basis.

The Scheme also values the investments reported in the financial statements at fair value (refer Notes 2(c)(e) and 4), while the unit prices used to determine the member benefit liabilities are based on soft close unit prices. This difference in valuation is reflected in the investment allocation amount in the Statement of Financial Position.

14. Investment expenses

	2024	2023
	\$'000	\$'000
Investment expenses	70 071	66 490

Direct Investment expenses comprise fees paid to Funds SA. Funds SA advises the amount applicable to the Scheme based on the Scheme's funds under management.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

15. Administration expenses

	2024	2023
	\$'000	\$'000
Administration expenses ⁽ⁱ⁾	23 114	19 216
Other administration expenses ⁽ⁱⁱ⁾	91	90
Total administration expenses	23 205	19 306

- (i) Regulation 16 provides for an administrative charge to be debited each year to members' employer contribution accounts and section 10 of the Act provides that administration costs will be paid from the Fund. The purpose of the administration charge is to provide for existing and future costs of administering the Scheme. The amount of the charge is determined by the Board. For the year ended 30 June 2024 the amount charged to members' employer contribution accounts was \$23.1 million (2023: \$19.3 million).
- (ii) Other expenses include Auditors' remuneration. Refer Note 16.

16. Auditors' remuneration

	2024	2023
	\$'000	\$'000
Auditor fees paid or payable	78	82

Audit fees paid or payable to the Audit Office of South Australia relating to work performed under the PFAA were \$77,000, GST exclusive (2023: \$81,900). The Audit Office of South Australia uses the services of Ernst and Young for the audit. No other services were provided by the Audit Office of South Australia.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

17. Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash and deposits in the Scheme's Special Deposit Account held with DTF. The Scheme's deposit account is under a sweeping arrangement where the full balance of all non-invested unitised cash of the Southern State Superannuation Scheme will be transferred each weekday to the corresponding account at Funds SA. The purpose of this account is to hold member cash that has been unitised in Super SA's member administration system but not yet invested into Funds SA's unitised investment options. Interest charged to this account is in accordance with the agreed interest rate arrangements with relevant banking authorities. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	2024 \$'000	2023 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents	47 577	41 237
Total cash and cash equivalents	47 577	41 237
Reconciliation of net cash from operating activities		
Net operating result	13 007	(95 137)
<i>Adjustments for:</i>		
Change in investments measured at fair value	(2 007 603)	(2 153 910)
Investment expenses	70 071	66 490
Insurance recognition	14 495	3 637
Transfers from other schemes	39	54
Transfer from Insurance Reserve	(29)	-
(Increase) in receivables	(98)	9
(Decrease)/increase in payables	(3 184)	3 111
Allocation to member accounts	1 877 204	2 149 526
Net cash flows from operating activities	(36 098)	(26 220)

18. Financial risk management objectives and policies

The Scheme's investments are managed by Funds SA predominantly by the appointment of investment managers as determined by the Funds SA Board. Each investment manager is required to invest the assets in accordance with the terms of a written mandate. The Funds SA Board has determined that the appointment of these managers is appropriate for the Scheme and is in accordance with the Scheme's investment strategy. The Funds SA Board obtains regular reports from each manager on the nature of the investments made on its behalf and the associated risks.

The allocation of assets between the various types of financial instruments is determined by the Funds SA Board. Divergence from target asset allocations and the composition of the portfolio is monitored by the Funds SA Board on a regular basis.

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

- market risk
- credit risk
- liquidity risk

The nature and extent of the financial instruments employed by the Scheme are discussed below. This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risk.

The Funds SA Board has overall responsibility for the establishment and oversight of the Scheme's investment risk management framework.

Southern State Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2024

The Scheme's investment risk management policies are established to identify and analyse the risks faced by the Scheme, including those risks managed by the Scheme's investment managers, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Scheme's activities.

The Scheme receives regular reports from Funds SA concerning compliance with investment objectives.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Scheme's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub-markets, and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

i) Currency risk

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

The Scheme's currency risk is managed by Funds SA as investments include assets denominated in foreign currencies. Funds SA strategic policy for the management of its foreign currency exposure is as follows:

- foreign currency exposures in the Private Markets Tax-Exempt, Private Markets Taxable, Core Infrastructure Tax- Exempt, Core Infrastructure Taxable, Credit, Long Term Fixed Interest and Inflation Linked Securities Taxable asset classes are economically hedged to Australian dollars, and
- foreign currency exposures over the developed markets component of the International Equities Tax-Exempt, International Equities Taxable, International Equities Passive Tax-Exempt and International Equities Passive Taxable asset classes are economically hedged to Australian dollars.

For the purpose of managing foreign currency risk, within defined constraints, the exposure to foreign currency can be varied from the strategic policy stated above, by Funds SA.

ii) Interest rate risk

Interest rate risk is the risk that a movement in interest rates will cause the value of fixed interest securities to deviate from expectations.

The Scheme's interest rate risk is managed by Funds SA, as investments include fixed interest securities.

Funds SA manages interest rate risk through:

- ensuring asset allocations of different investment products are consistent with the time horizon of each, and
- the use of specialist external investment managers to manage Funds SA's cash and fixed income portfolios.

iii) Other market price risk

Other market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in the market.

As the Scheme's financial instruments are valued at fair value with changes in fair value recognised in the Income Statement, all changes in market conditions will directly affect investment revenue.

The Scheme's other market price risk is managed by Funds SA, as investments include financial instruments exposed to market prices.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub markets, and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

iv) Investments sensitivity analysis

The Funds SA Board has determined that its forecast risk/return profile provides a reasonable measure of the sensitivity of the expected returns in the investment for the year ahead. The following tables show the standard deviation around expected nominal returns for the Scheme's investment options.

The statistics shown below are averages calculated over 10 years, net of investment management fees and gross of tax. These investment statistics have zero per cent tax rate applied and exclude franking credits.

	Expected Average Return %	Market Risk	Average Funds Under Management %	Potential Impact of Market Risk (+/-) on Income Statement \$'000
Investment Options 2023-24				
High Growth Tax-Exempt	8.0	11.2	3 294 337	368 966
Balanced Tax-Exempt	7.5	9.4	19 487 681	1 831 842
Moderate Tax-Exempt	6.8	7.1	605 054	42 959
Stable Tax-Exempt	6.4	4.9	432 131	21 174
Capital Defensive Tax-Exempt	5.7	3.1	192 800	5 977
Cash Tax-Exempt	3.6	0.5	510 729	2 554
Socially Responsible	6.7	9.3	225 323	20 955
Investment Options 2022-23				
High Growth Tax-Exempt	8.2	10.7	2 866 254	306 689
Balanced Tax-Exempt	7.6	9.0	18 119 814	1 630 783
Moderate Tax-Exempt	6.9	6.8	585 991	39 847
Stable Tax-Exempt	6.4	4.8	443 745	21 300
Capital Defensive Tax-Exempt	5.8	3.2	210 672	6 742
Cash Tax-Exempt	3.2	0.5	552 867	2 764
Socially Responsible	6.5	8.9	179 847	16 006

Market risk is a useful historical measure of the variability of returns earned by an investment portfolio. The market risk shown above represents the range at which actual future returns are expected to occur either side of the nominal return approximately two thirds of the time.

The dollar value of the potential impact on the Income Statement arising from the market risk is indicative only. The impacts are not additive across investment asset classes, as each asset class operates in different markets and is subject to different conditions.

Actual movements in returns may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the underlying trusts invest. As a result, historic variations in rates of return are not a definitive indicator of future variations in rates of return.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme.

The value of financial assets, included in the Statement of Financial Position represents the Scheme's maximum exposure to credit risk in relation to those assets. The Scheme does not have any significant exposure to any individual counterparty or industry. The credit risk is monitored by Funds SA through ongoing reviews of the investment managers.

The Scheme does not have any assets which are past due or impaired and there is no concentration of credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Scheme's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its payment of benefits to members and liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

For the Scheme's investments, Funds SA manages liquidity risk as follows:

- by giving careful consideration to the expected net cash redemption requirements of Funds SA's clients. The allocation to cash in the strategic asset allocation of each investment product is set at a level sufficient to manage expected cash redemptions
- a large proportion of each investment product is invested in highly liquid investments such as actively traded equities, unit trusts or securities with short-term maturities
- reporting and monitoring the liquidity of the fund on a daily basis to ensure prospective client cash outflows and switches can be met
- by undertaking portfolio management and rebalancing activities, and
- by undertaking regular stress testing on liquidity positions to identify sources of liquidity strain before they are realised.

For the Scheme itself, the liquidity position is monitored on a daily basis. The Scheme's cash and liquidity policy is to have sufficient cash balances to meet anticipated benefit payments, expenses and investing activities.

The following tables summarise the contractual maturity profile of the Scheme's financial liabilities based on the earliest date on which the Scheme can be required to pay. The amounts in the table are the contractual undiscounted cash flows.

	Less than 3 Months \$'000	Total Contractual Cash Flows \$'000	Carrying Amount Liabilities \$'000
Liquidity risk 2023-24			
Benefits payable	57 345	57 345	57 345
Vested benefits ⁽ⁱ⁾	25 449 498	25 449 498	25 449 498
Total comprehensive result for 2023-24	25 506 843	25 506 843	25 506 843
Liquidity risk 2022-23			
Benefits payable	29 412	29 412	29 412
Vested benefits ⁽ⁱ⁾	23 842 590	23 842 590	23 842 590
Total comprehensive result for 2022-23	23 872 002	23 872 002	23 872 002

- i) Vested benefits have been included in the "Less than 3 Months" column, as this is the amount that members could call upon as at balance date. This is the earliest date on which the Scheme can be required to pay members vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

Southern State Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

c) Derivative financial instruments

Derivatives can be defined as financial contracts whose value depends on, or is derived from, assets, liabilities, reference rates or indices. Funds SA uses derivatives to manage portfolio risk and to facilitate the implementation of investment strategies efficiently and cost effectively. Funds SA uses a variety of derivative instruments, such as over the counter swap agreements, forward rate agreements, futures and options.

Derivatives are an authorised investment within certain mandates managed by Funds SA's external investment managers for the purposes described above.

19. Segment information

The Scheme operates in one reportable segment, being the provision of benefits to members. The Scheme also operates from one reportable geographic segment, being Australia, from where its activities are managed. While the Scheme operates from Australia only, the Scheme, through its investment manager Funds SA, has investment exposures in different countries and across different industries.

20. Related parties

a) Key management personnel

The key management personnel of the Scheme includes the Treasurer, Board members, the Chief Executive and six members of the Executive Group, Super SA, who have responsibility for the strategic direction and management of the Scheme.

b) Compensation

All key management personnel are compensated by the Department of Treasury and Finance therefore their compensation is disclosed in the respective financial reports.

c) Transactions with key management personnel and other related parties

There were no transactions with key management personnel or related parties.

d) Transactions with other government entities

There were no significant transactions with government entities other than those disclosed elsewhere in the financial statements.

21. Events after the reporting period

There were no significant events after the reporting period.

Southern State Superannuation Scheme
Certification of the financial statement
for the year ended 30 June 2024

Certification of the financial statement

We certify that the:

- financial statements of the Southern State Superannuation Scheme:
 - are in accordance with the accounts and records of the Scheme,
 - comply with relevant Treasurer's instructions,
 - comply with relevant accounting standards, and
 - present a true and fair view of the financial position of the Scheme at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Scheme for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Patrick McAvaney
Acting Chief Executive
Super SA



Mark Hordacre
Director Finance
Super SA



June Roache
Presiding Member
SA Superannuation Board

Date 16 September 2024

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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**To the Presiding Member
South Australian Superannuation Board
Super SA Retirement Investment Fund**

Opinion

I have audited the financial report of the Super SA Retirement Investment Fund for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Super SA Retirement Investment Fund as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- an Income Statement for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Member Benefits for the year ended 30 June 2024
- a Statement of Changes in Equity/Reserves for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member of the South Australian Superannuation Board, the Acting Chief Executive, Super SA and the Director Finance, Super SA.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Super SA Retirement Investment Fund. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General.

In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Acting Chief Executive, Super SA and members of the South Australian Superannuation Board for the financial report

The Acting Chief Executive, Super SA is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Acting Chief Executive, Super SA is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Acting Chief Executive, Super SA is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the South Australian Superannuation Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 15(3) of the *Southern State Superannuation Act 2009* I have audited the financial report of the Super SA Retirement Investment Fund for the financial year ended 30 June 2024.

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Super SA Retirement Investment Fund's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive, Super SA
- conclude on the appropriateness of the Acting Chief Executive, Super SA's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Acting Chief Executive, Super SA and members of the South Australian Superannuation Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

22 September 2024

Super SA Retirement Investment Fund
Income Statement
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Changes in fair value of investments		523 970	526 215
Interest revenue		1 313	938
Total income		525 283	527 153
Expenses			
Investment expenses	8	(18 514)	(17 823)
Administration expenses	9	(5 298)	(4 193)
Total expenses		(23 812)	(22 016)
Result from superannuation activities		501 471	505 137
Net insurance activities		(2 544)	539
Result from operating activities		498 927	505 676
Net benefits allocated to Income Stream members accounts		(365 270)	(397 247)
Net benefits allocated to Flexible Rollover Product members accounts		(134 226)	(141 389)
Operating result before income tax		(569)	(32 960)
Income tax (expense)/benefit	11.1	(1 691)	(2 029)
Net operating result		(2 260)	(34 989)

The Income Statement should be read in conjunction with the accompanying notes.

Super SA Retirement Investment Fund
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	12	56 136	23 483
Receivables	4	1 385	117
Investments	5	7 237 573	6 810 916
Total current assets		7 295 094	6 834 516
Total assets		7 295 094	6 834 516
Liabilities			
Benefits payable		23 718	14 585
Payables	7	933	1 536
Insurance liabilities		540	176
Provision for PAYG withholding tax		64	106
Income tax payable	11.2	24 451	14 512
Deferred tax liabilities	11.3	24 988	21 680
Total liabilities excluding member benefits		74 694	52 595
Net assets available for member benefits		7 220 400	6 781 921
Member benefits			
Income Stream member benefit liabilities	3	5 179 909	4 829 653
Flexible Rollover Product member benefit liabilities	3	2 030 139	1 938 927
Member benefit liabilities		7 210 048	6 768 580
Total net assets		10 352	13 341
Equity			
Administration fee reserve	13	17 469	16 104
Insurance reserve	14	(446)	1 670
Operational risk reserve	15	13 975	11 383
Investment allocation over/(under)	17	(20 646)	(15 816)
Total equity		10 352	13 341

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Super SA Retirement Investment Fund
Statement of Changes in Member Benefits
for the year ended at 30 June 2024

	Note	Flexible rollover product \$'000	Income stream \$'000	Total \$'000
Opening balance as at 1 July	3	1 938 927	4 829 653	6 768 580
Member contributions		106 136	-	106 136
Government co-contributions		67	-	67
Spouse contributions		330	-	330
Rollovers from other schemes		458 309	876 025	1 334 334
Income tax on rollovers		(44 997)	(69 595)	(114 592)
Net contributions		519 845	806 430	1 326 275
Benefits to members		(564 938)	(821 445)	(1 386 383)
Insurance premiums charged to members		(550)	-	(550)
Insurance benefits credited to members		2 611	-	2 611
Amounts to be allocated to members from reserve		18	1	19
Net benefits to members comprising:				
Net investment income		136 597	369 817	506 414
Administration fees		(2 371)	(4 547)	(6 918)
Net contributions		(428 633)	(456 174)	(884 807)
Closing Balance at 30 June 2024	3	2 030 139	5 179 909	7 210 048
Opening balance as at 1 July	3	1 754 479	4 383 506	6 137 985
Member contributions		96 721	-	96 721
Government co-contributions		71	-	71
Spouse contributions		773	-	773
Rollovers from other schemes		493 508	858 646	1 352 154
Income tax on rollovers		(47 878)	(64 465)	(112 343)
Net contributions		543 195	794 181	1 337 376
Benefits to members		(499 903)	(746 050)	(1 245 953)
Insurance premiums charged to members		(700)	-	(700)
Insurance benefits credited to members		405	-	405
Amounts to be allocated to members from reserve		62	769	831
Net benefits to members comprising:				
Net investment income		143 642	401 551	545 193
Administration fees		(2 253)	(4 304)	(6 557)
Net contributions		(358 747)	(348 034)	(706 781)
Closing Balance at 30 June 2023	3	1 938 927	4 829 653	6 768 580

The Statement of Changes in Member Benefits should be read in conjunction with the accompanying notes.

Super SA Retirement Investment Fund
Statement of Changes in Equity/Reserves
for the year ended 30 June 2024

2024	Administration fee reserve	Insurance reserve	Operational risk reserve	(Under)/ over allocated benefits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
	Note	13	14	15	
Opening Balance	16 104	1 670	11 383	(15 816)	13 341
Net operating result	1 366	(2 116)	2 594	(4 104)	(2 260)
Net transfer to reserves/equity	-	-	-	(729)	(729)
Closing Balance	17 470	(446)	13 977	(20 649)	10 352
2023	Administration fee reserve	Insurance reserve	Operational risk reserve	(Under)/ over allocated benefits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	13 720	1 244	9 796	25 023	49 783
Net operating result	2 384	426	1 587	(39 385)	(34 988)
Net transfer to reserves/equity	-	-	-	(1 454)	(1 454)
Closing Balance	16 104	1 670	11 383	(15 816)	13 341

The Statement of Changes in Equity/Reserves should be read in conjunction with the accompanying notes.

Super SA Retirement Investment Fund
Statement of Cash Flows
for the year ended 30 June 2024

	2024	2023
	Inflows (Outflows)	Inflows (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
GST recovered from the ATO	-	582
Income tax	9 554	19 897
Other income	1 669	834
Cash generated from operating activities	11 223	21 313
Cash outflows		
GST paid to the ATO	(69)	-
Administration expenses paid	(5 650)	(4 010)
Cash used in operating activities	(5 719)	(4 010)
Net cash provided by operating activities	5 504	17 303
12		
Cash flows from investing activities		
Cash inflows		
Receipts from the sale of investments from Funds SA	522 865	1 659 808
Cash generated from investing activities	522 865	1 659 808
Cash outflows		
Payments to Funds SA for the purchase of investments	(445 172)	(1 765 841)
Cash used in investing activities	(445 172)	(1 765 841)
Net cash provided by investing activities	77 693	(106 033)
Cash flows from financing activities		
Cash inflows		
Member contributions	106 122	96 721
Spouse contributions	330	773
Government co-contributions	67	71
Net transfers from other superannuation entities	1 333 661	1 351 212
Cash generated from financing activities	1 440 180	1 448 777
Cash outflows		
Payments from the Operational Risk Reserve	(3)	(643)
Income Stream payments	(763 948)	(746 581)
Flexible Rollover Product payments	(612 180)	(501 100)
Contributions tax paid	(114 592)	(112 343)
Cash used in financing activities	(1 490 723)	(1 360 667)
Net cash provided by financing activities	(50 543)	88 110
Net change in cash		
	32 654	(620)
Cash at the beginning of the reporting period	23 482	24 103
Cash at the end of the reporting period	56 136	23 483
12		

The Statement of Cash Flows should be read in conjunction with the accompanying notes

Super SA Retirement Investment Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2024

1. Objectives and funding

a) Super SA Retirement Investment Fund (the Fund)

The Flexible Rollover Product and the Super SA Income Stream Product were introduced from April 2005 under the now repealed *Southern State Superannuation Act 1994* (the Act). The Fund was established under Section 47(B) of the repealed Act. The Fund is now continued under Part 3 Division 4 of the *Southern State Superannuation Regulations 2009* (the Regulations).

Part 3 Division 4 provides that the South Australian Superannuation Board (the Board) may provide investment services and the provision of other products and services for the benefit of persons who have retired or otherwise ceased to be employed.

Regulation 45 provides that the Board may accept money from public sector superannuation beneficiaries or the spouses of public sector beneficiaries.

The Fund is comprised of two different products: the Flexible Rollover Product, and the Income Stream which also comprises two products: Income Stream and Transition to Retirement Income Stream (TRIS). Refer to Note 2(c)(k) for more information.

The Flexible Rollover Product may receive after tax investor contributions and rollovers from investors. The Income Stream may only receive rollovers from investors.

The Fund offers investors the opportunity to reinvest funds, providing them with tax advantages, low fees and choice of investment options.

The Fund is only available to investors who have retired, are reaching retirement age, or have terminated employment with the SA public sector. The Fund allows investors in the Flexible Rollover Product with insurance and provides access to non-preserved benefit amounts.

Benefits, represented by the balances of investors' accounts, are available to investors. The balance of individual investor entitlements is provided on annual statements forwarded to each investor.

Investor contributions are deposited by the Treasurer into the Fund which are managed and invested by the Superannuation Funds Management Corporation of South Australia (Funds SA).

The Fund is an exempt public sector superannuation entity and operates on a not-for-profit basis.

b) South Australian Superannuation Board

The purpose of this financial report is to discharge the responsibilities of the Board under section 15 of the Act and Section 45 of the Regulations, to maintain proper accounts of receipts and payments.

The Act charges the Board with responsibility for all aspects of the administration of the Act except for the management and investment of the assets relating to the Flexible Rollover Product and Income Stream.

c) Superannuation Funds Management Corporation of South Australia

Funds SA is established under the *Superannuation Funds Management Corporation of South Australia Act 1995* (the Funds SA Act). Funds SA is responsible for the investment and management of funds pursuant to strategies formulated by Funds SA. The Fund is not Crown property and therefore operates in a taxed environment.

For further information on investment activities, reference should be made to the annual report of Funds SA. The financial report of Funds SA discloses the investment assets, liabilities, income and expenses relating to the investment activities of Funds SA.

d) Funding arrangements

Investments by investors in one or more of the products available in the Fund are paid to the Board, and invested by Funds SA. All investments are the personal property of the investor who makes the investment and, as such, are subject to tax on investment earnings where applicable.

Super SA Retirement Investment Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2. Material accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with relevant Australian Accounting Standards, including AASB 1056 Superannuation Entities and other authoritative pronouncements of the Australian Accounting Standards Board, Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the Public Finance and Audit Act 1987 (PFAA), except as provided below.

These financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

These financial statements are presented in Australian currency and all amounts have been rounded to the nearest thousand dollars (\$000).

The Fund is a not-for-profit entity for the purpose of preparing financial statements.

b) New and amended accounting standards

The Scheme has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective.

No Australian Accounting Standards have been early adopted.

c) Financial assets and liabilities

a) Classification

The Fund classifies its financial assets and financial liabilities into the categories below in accordance with AASB 9.

Financial assets and liabilities held for trading

These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. All derivatives are classified as held for trading. Derivative financial instruments entered into by the Fund, if any, do not meet the hedge accounting criteria as defined by AASB 9. Consequently hedge accounting is not applied by the Fund.

Financial instruments designated at fair value through profit or loss upon initial recognition

These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through profit or loss. Other financial liabilities are measured at their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal amount approximates fair value.

b) Recognition

The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Fund commits to purchase or sell the asset.

c) Initial recognition

Financial assets and financial liabilities at fair value through profit and loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in the Income Statement.

Receivables and liabilities (other than those classified at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Super SA Retirement Investment Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2024

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Fund recognises the difference in the Income Statement, unless otherwise specified.

d) Subsequent measurement

After initial measurement, the Fund measures investments at fair value through profit or loss. Subsequent changes in the fair value of those investments are recorded as 'changes in investments measured at fair value' through the Income Statement. Interest earned is recorded in 'Interest revenue'.

e) Fair value measurement

Fair value is the price 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. Refer to financial statement note 5.

f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash and deposits in Deposit Accounts held with the Department of Treasury and Finance (DTF), which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and deposits as defined above.

g) Receivables and payables

Receivables are carried at nominal amounts due that approximate fair value. Receivables are normally settled within 30 days. Payables are carried at nominal amounts that approximate fair value. They represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid, and for which the Fund is obliged to make future payments in respect of the purchase of these goods or services.

h) Benefits payable

Benefits payable are valued at fair value and relate to members who are eligible to receive payment and provided the Fund with appropriate notification on or prior to 30 June 2024 but were paid after 30 June 2024.

i) Insurance liabilities

Insurance liabilities have been recognised and measured using the approach to measuring defined benefit member liabilities as required by AASB 1056. The Fund has adopted the equivalent AASB 1056 approved shortcut method that provides a valuation to meet the accrued insurance liabilities as at that date when they are expected to fall due.

j) Revenue recognition

The specific recognition criteria described below must be met before revenue is recognised:

Changes in fair values

Changes in the fair value of investments invested with Funds SA are calculated as the difference between the fair value at sale, or at balance date, and the fair value at the previous valuation point. All changes are recognised in the Income Statement.

Super SA Retirement Investment Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Interest

Interest revenue on cash and other financial assets carried at fair value is recorded according to the terms of the contract and recognised in the Income Statement.

k) Taxation

The Fund is a complying superannuation fund within the provisions of the *Income Tax Assessment Act 1997* and accordingly income tax has been brought to account in this financial report. The Flexible Rollover Product is subject to the concessional tax rate of 15 per cent. Income Stream is subject to an income tax rate of 0 per cent under federal tax law, but is able to take advantage of franking credits. The 2016-17 Federal Budget required that from 1 July 2017 the tax exemption on earnings of assets supporting transition to retirement income streams would be removed. As a result Transition to Income Stream is subject to the concessional tax rate of 15 per cent.

Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable benefits accrued for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial report and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affect neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are estimated to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Fund expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Fund intends to settle its current tax assets and liabilities on a net basis.

l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable, or
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the ATO are classified as operating cash flows.

m) Foreign currency

The functional and presentation currency of the Scheme is Australian Dollars, the currency of the primary economic environment in which the Scheme operates. The Scheme's performance is evaluated and its liquidity managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Super SA Retirement Investment Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2024

n) Investments

Funds SA provides investments measured at fair value. Below is the basis for valuation of these investments.

(i) Inflation Linked Securities Taxable

The Inflation Linked Securities Taxable portfolio invests in discretely managed portfolios and internal inflation linked securities. Discretely managed portfolios are invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

Internally managed inflation linked securities, the returns of which are linked to movements in either the Consumer Price Index or Average Weekly Earnings, have been valued using the discounted cash flow method. The valuation as at balance date was performed by an independent valuer.

(ii) Property Taxable

The Property Taxable portfolio comprises two sub sectors:

Listed Property Trusts

These investments comprise arrangements whereby professional fund managers are appointed under an investment management agreement to manage and invest in listed property securities and real estate investment trusts. Investments in this sub sector are in pooled funds and have been valued in accordance with the valuations supplied by the managers.

Unlisted property vehicles

The unlisted property vehicles portfolio is invested and managed by external managers. Investments in this sub sector have been valued in accordance with the valuations supplied by the managers.

(iii) Australian Equities Taxable

The Australian Equities Taxable portfolio comprises investments in listed Australian equities, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

(iv) International Equities Taxable

The International Equities Taxable portfolio comprises investments in equities listed on international share markets, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled international vehicles have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid rates applicable at balance date where applicable.

(v) Fixed Interest

Fixed Interest portfolios have exposure to domestic and global debt instruments and are managed by external managers. The custodian appointed to hold the assets has valued the portfolio using market prices applicable at balance date.

(vi) Diversified Strategies Growth Taxable

The Diversified Strategies Growth Taxable asset class incorporates two sub sectors:

Private Markets Taxable

The Private Markets Taxable portfolio comprises investments in Australian and international private equity funds, which are invested and managed by external managers. The valuation of private equity investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Both Australian and international private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid rates applicable at balance date where applicable.

Super SA Retirement Investment Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Core Infrastructure Taxable

The Core Infrastructure Taxable portfolio comprises investments in Australian and international infrastructure pooled funds, which are invested and managed by external managers. The valuation of these investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid rates applicable at balance date where applicable.

(vii) Diversified Strategies Income

The Diversified Strategies Income asset class incorporates four sub sectors:

Defensive Alternatives

The Defensive Alternatives portfolio comprises investments in Australian and international pooled funds and is invested and managed by external managers. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid rates applicable at balance date where applicable.

Credit

The Credit portfolio comprises investments in discretely managed investments and Australian and international pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid rates applicable at balance date where applicable.

Investment Grade Credit

The Investment Grade Credit portfolio comprises investments in discretely managed investments and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Currency conversions have been made at the spot market mid rates applicable at balance date where applicable.

Growth Alternatives

The Growth Alternatives portfolio comprises investments in discretely managed investments and Australian and international pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid rates applicable at balance date where applicable.

(viii) Cash

The Cash portfolio comprises investments in a discretely managed investment which is managed by an external manager and is valued by the custodian appointed to hold the assets using market prices applicable at balance date. Deposits at call have been valued on the basis of principal plus accrued interest.

(ix) Socially Responsible

The Socially Responsible portfolio actively incorporates the consideration of environmental, social and governance factors in their investment decisions and avoids investing in companies operating in areas of high negative social impact. The portfolio comprises investments in equities listed on Australian and international share markets and is invested and managed by external managers along with a number of international and domestic pooled fund investments.

Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled vehicles have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid rates applicable at balance date where applicable.

Super SA Retirement Investment Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2024

o) Operation of Investment portfolio

Funds SA is responsible for the investment and management of the Fund's funds pursuant to strategies formulated by Funds SA (refer Note 1 (c)). Funds SA operates a multi layered notional unitisation structure to facilitate the administration of different investment strategies applying to the various public sector superannuation funds. For the year ending 30 June 2024, Funds SA managed seven (2023: seven) distinct investment options for the Fund which were available to investors, each differing by strategic asset allocation:

- High Growth
- Balanced
- Moderate
- Stable
- Capital Defensive
- Cash
- Socially Responsible

Reference should be made to Funds SA's Annual Report for the strategic asset allocations applying to each of the investment options discussed in the preceding paragraphs.

p) Significant accounting judgements, estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been presented to be consistent with current period disclosures.

Fair value of investments

When the fair values of the investments recorded in the Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including a discounted cash flow model. The inputs in these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required to establish fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of these investments.

It is also important to note that fair values are provided by Funds SA.

q) Climate change financial risks

In November 2021, Australian Prudential Regulation Authority (APRA) released Prudential Practice Guide CPG 229 Climate Change Financial Risks. CPG 229 does not impose new requirements in relation to climate risks, rather, it supports compliance with APRA's existing risk management and governance requirements and guidance. The Board and Super SA consider financial risks of climate change, including physical climate risks, transition climate risks, and liability risks as part of the overall Super SA Risk Management Strategy.

Additionally, as identified in Note 1 above, the investments of the fund are managed by Funds SA. Funds SA, in turn, is committed to risk management and maintains a rigorous and proactive approach to identifying and managing investment risk, including the risks associated with climate change. Funds SA has developed a Climate Change Position Statement, Climate Risk Response Plan and Climate Report to support its approach in this area. Please refer to the Funds SA website for further detail.

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3. Member benefit liabilities

Members are defined contribution members and bear the investment risk relating to the underlying assets and unit prices used to measure the member liabilities. Member account balances are determined by unit prices that are determined based on the underlying investment movements. Unit prices are updated daily. Refer to Note 16 for the Fund's management of the investment risks.

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Member benefits	2 030 139	1 938 927	5 179 909	4 829 653	7 210 048	6 768 580
As compared to net assets available for member benefits	2 036 515	1 948 055	5 183 885	4 833 866	7 220 400	6 781 921

4. Receivables

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Refund from ATO for GST	22	4	59	8	81	12
Funds SA receivable	476	-	629	-	1 105	-
Interest	90	42	109	62	199	104
Other receivables	-	-	-	1	-	1
Total receivables	588	46	797	71	1 385	117

Super SA Retirement Investment Fund
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5. Fair value of financial instruments

Classification of financial instruments under the fair value hierarchy

AASB 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuations are the responsibility of the Board. The valuation of investments is performed daily and are subject to quality assurance procedures.

After the checks above have been performed the Board considers the valuation results, including assumptions used in the valuations.

The Board also considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen.

Valuation technique

The Fund's investments are not quoted in an active market. To ensure fair value can be determined, the Fund's investment manager, Funds SA, applies due diligence and considers valuation techniques and inputs used in valuing the funds, prior to investing. In measuring fair value, consideration is given to the amounts for which financial assets can be sold, excluding transaction costs. The Fund classifies these funds as Level 2.

There were no changes in valuation techniques during the year.

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
Financial assets at fair value through profit or loss - Level 2						
<i>Level 1 and level 3 are not relevant to the fund</i>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unlisted managed investment schemes	2 061 699	1 971 610	5 175 874	4 839 306	7 237 573	6 810 916
Funds SA	2 061 699	1 971 610	5 175 874	4 839 306	7 237 573	6 810 916

Super SA Retirement Investment Fund
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6. Value and movement of investments by investment option

	2024	Movement	2023
	\$'000	\$'000	\$'000
Income Stream			
High Growth Taxable	426 567	49 571	376 996
Balanced Taxable	2 277 988	196 893	2 081 095
Moderate Taxable	974 793	96 801	877 992
Stable Taxable (previously known as Conservative Taxable)	583 746	6 222	577 524
Capital Defensive Taxable	169 995	(3 942)	173 937
Cash Taxable	187 691	(27 116)	214 807
Socially Responsible Investment Taxable	117 086	25 403	91 683
Investments at 30 June	4 737 866	343 832	4 394 034
	2024	Movement	2023
	\$'000	\$'000	\$'000
Income Stream Transition to Retirement			
High Growth Taxable	45 565	762	44 803
Balanced Taxable	203 133	(7 554)	210 687
Moderate Taxable	94 208	(920)	95 128
Stable Taxable (previously known as Conservative Taxable)	49 868	(1 839)	51 707
Capital Defensive Taxable	7 502	(686)	8 188
Cash Taxable	26 205	(502)	26 707
Socially Responsible Investment Taxable	11 527	3 475	8 052
Investments at 30 June	438 008	(7 264)	445 272
	2024	Movement	2023
	\$'000	\$'000	\$'000
Flexible Rollover Product			
High Growth Taxable	272 196	21 171	251 025
Balanced Taxable	1 116 248	78 775	1 037 473
Moderate Taxable	225 950	4 624	221 326
Stable Taxable (previously known as Conservative Taxable)	180 402	(3 344)	183 746
Capital Defensive Taxable	79 219	(28)	79 247
Cash Taxable	132 667	(23 757)	156 424
Socially Responsible Investment Taxable	55 017	12 648	42 369
Investments at 30 June	2 061 699	90 089	1 971 610
	2024	Movement	2023
	\$'000	\$'000	\$'000
Total			
High Growth Taxable	744 328	71 504	672 824
Balanced Taxable	3 597 369	268 114	3 329 255
Moderate Taxable	1 294 951	100 505	1 194 446
Stable Taxable (previously known as Conservative Taxable)	814 016	1 039	812 977
Capital Defensive Taxable	256 716	(4 656)	261 372
Cash Taxable	346 563	(51 375)	397 938
Socially Responsible Investment Taxable	183 630	41 526	142 104
Investments at 30 June	7 237 573	426 657	6 810 916

Super SA Retirement Investment Fund
Notes to and forming part of the financial statements
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7. Payables

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Audit fees payable	20	14	49	34	69	48
Administration fees	230	411	634	1 077	864	1 488
Total payables	250	425	683	1 111	933	1 536

8. Investment expenses

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment expenses	5 279	5 126	13 235	12 697	18 514	17 823
Total investment expenses	5 279	5 126	13 235	12 697	18 514	17 823

Direct Investment expenses comprise fees paid to Funds SA. Funds SA advises the amount applicable to the Scheme based on the Scheme's funds under management.

9. Administration expenses

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administration expense	1 342	1 083	3 878	3 058	5 220	4 141
Other expenses ⁽ⁱ⁾	22	12	56	40	78	52
Total administration expenses	1 364	1 095	3 934	3 098	5 298	4 193

(i) Other expenses include Auditors' remuneration. Refer Note 10.

10. Auditors' remuneration

	2024	2023
	\$'000	\$'000
Audit fees paid or payable	66	47

Audit fees paid (or payable), \$65,800 GST exclusive (2023: \$46 900), relate to the Audit Office of South Australia work performed under the PFAA. The Audit Office of South Australia uses the services of Ernst and Young for the audit. No other services were provided by the Audit Office of South Australia.

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11. Income tax

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
<i>Major components of tax (expense)/benefit</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
11.1) Current income tax (expense)/benefit						
Current tax charge	(12 778)	520	7 597	12 111	(5 181)	12 631
Adjustment to current tax charge for prior periods Relating to the originating and reversal of temporary differences	198	(28)	(16)	84	182	56
	2 755	(11 910)	553	(2 805)	3 308	(14 715)
Income tax (expense)/benefit	(9 825)	(11 418)	8 134	9 390	(1 691)	(2 028)

**Reconciliation between income tax expenses and
the accounting profit before income tax**

Net operating result before tax	7 122	6 019	(7 691)	(38 978)	(569)	(32 959)
Tax applicable at the rate of 15% (2023:15%)	(1 068)	(903)	1 154	5 847	85	4 944

**Tax effect of expenses that are not assessable/or
deductible in determining taxable income:**

Non deductible expenses			(353)	(247)	(353)	(247)
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**Tax effect of income/(losses) that are not
assessable/or deductible in determining taxable
income:**

Investment revenue	6 352	5 780	14 027	28 986	20 378	34 766
Exempt pension income			37 053	23 519	37 053	23 519

Tax effect of other adjustments:

Imputation and foreign tax credits	5 043	4 756	11 061	11 071	16 104	15 827
(Over)/under provision prior period	198	29	(16)	(84)	182	(55)
Self insurance deduction	96	92			96	92
Net benefit allocated to members	(20 446)	(21 173)	(54 791)	(59 702)	(75 237)	(80 875)
Deductible financial planning fees	-	1			-	1

Total income tax (expense)/benefit

	(9 825)	(11 418)	8 134	9 390	(1 691)	(2 028)
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	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
11.2) Current tax liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	8 404	8 115	6 108	(813)	14 512	7 302
Income tax paid - current period	(39 151)	(38 954)	(49 300)	(46 229)	(88 451)	(85 183)
Income tax paid - prior periods	(8 609)	(8 143)	(5 988)	880	(14 598)	(7 263)
Current years income tax provision	51 869	47 358	60 936	52 354	112 805	99 712
(Over)/under provision prior period	198	28	(16)	(84)	182	(56)
Total current tax liabilities	12 712	8 404	11 739	6 108	24 451	14 512

Super SA Retirement Investment Fund
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	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
11.3) Deferred tax liabilities/(assets)						
Accrued expenses and realised capital losses (discounted)	(3)	(1 438)	(1)	(243)	(4)	(1 681)
Unrealised capital gains /(losses) carried forward (discounted)	22 701	21 381	2 291	1 980	24 992	23 361
Total deferred tax liabilities/(assets)	22 698	19 943	2 290	1 737	24 988	21 680

12. Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash and deposits in the Flexible Rollover Product and Income Stream Deposit Accounts held with DTF. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period						
Cash and cash equivalents	22 424	12 341	33 712	11 142	56 136	23 483
Total cash and cash equivalents	22 424	12 341	33 712	11 142	56 136	23 483

Reconciliation of net operating result to net cash flows from operating activities

Net operating result

(2 703) (5 400) 443 (29 588) (2 260) (34 988)

Adjustments for:

Change in investments measured at fair value

(149 979) (152 737) (373 991) (373 478) (523 970) (526 215)

Investment expenses

5 279 5 126 13 235 12 697 18 514 17 823

Administration fee received

- - - - - -

Insurance recognition

2 425 (612) - - 2 425 (612)

(Increase) / decrease in receivables

(542) 460 (726) 3 119 (1 268) 3 579

Increase / (decrease) in payables

175 11 991 428 7 089 603 19 080

Allocation to members accounts

140 178 141 388 371 282 397 247 511 460 538 636

(Increase)/decrease in provisions

- - - - - -

(Increase)/decrease in other liabilities

- - - - - -

Net cash outflows from operating activities

(5 167) 216 10 671 17 086 5 504 17 303

Super SA Retirement Investment Fund
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13. Administration fee reserve

The surplus attributable to administration fees for both Income Stream and Flexible Rollover Product included in funds under management were initially recognised in March 2014 as Administration Reserves. The reserves are credited with administration fees deducted from member accounts and debited with the costs incurred in administering the funds.

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	5 124	4 448	10 980	9 272	16 104	13 720
Investment earnings ⁽ⁱ⁾	387	437	901	1 040	1 288	1 477
Administration fees	1 375	1 321	3 923	3 726	5 298	5 047
Administration expenses	(1 342)	(1 082)	(3 879)	(3 058)	(5 221)	(4 140)
Operating result - administration fee reserve	420	676	945	1 708	1 365	2 384
Transfer to/(from) reserve	-	-	-	-	-	-
Closing balance administration fee reserve	5 544	5 124	11 925	10 980	17 469	16 104

(i) The Administration Reserves are notionally invested in the Balanced Option. The rate of return on earnings were: FRP: 7.9 per cent (2023: 8.9 per cent), IS: 8.5 per cent (2023: 10.1 per cent) and TRIS: 7.2 per cent (2023: 10.2 per cent).

14. Insurance reserve

The Insurance Reserve for the Flexible Rollover Product (FRP) was initially recognised in March 2014 and operates on a self-insurance basis. This reserve is credited with insurance premiums and charges from member accounts and debited with the value of benefits paid to members.

The FRP Insurance reserve was depleted to negative \$445,782 as at 30 June 2024, a result of a number of significant claims, particularly in relation to insurance transferred to FRP from Triple S under Regulation 46(8) of the Southern State Superannuation regulations 2009 (Regulations). The Regulation permits Triple S members, within 60 days of terminating SA Government employment, to make an application to transfer their Triple S Death and TPD (Total and Permanent Disability) insurance cover to FRP. However, Regulation 48(6) does not provide for the transfer of premiums or reserve from Triple S to FRP to fund, or even partly fund, any future entitlement in FRP. Rather, premiums are payable in respect of transferred Triple S Members, only from the date the FRP account commences. As a result of this situation, the FRP Insurance Reserve has not been able to establish an Insurance Reserve balance suitable to meet future insurance claims.

Insurance is not offered through Income Stream.

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	1 670	1 244	-	-	1 670	1 244
Investment earnings ⁽ⁱ⁾	(55)	131	-	-	(55)	131
Premiums and charges	550	700	-	-	550	700
Benefit payments	(2 611)	(405)	-	-	(2 611)	(405)
Operating result - insurance reserve	(2 116)	426	-	-	(2 116)	426
Transfer to/(from) reserve	-	-	-	-	-	-
Closing balance insurance reserve	(446)	1 670	-	-	(446)	1 670

(i) The Insurance Reserve is notionally invested in the Balanced option. The rate of return on earnings was: 7.9 per cent (2023: 8.9 per cent) however the investment earnings is negative due to the deficit closing balance of the reserve.

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15. Operational risk reserve

The Operational Risk Reserves (ORR) for Income Stream and Flexible Rollover Product is to be accumulated to 0.25 per cent of funds under management in line with Prudential Standard SPS114. From 1 November 2022, the fee charged to members via a reduction in unit prices for Income Stream is 0.0125 per cent and FRP is 0.05 per cent.

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	7 125	5 678	4 258	4 118	11 383	9 796
Investment earnings ⁽ⁱ⁾	608	577	383	331	991	908
Premiums and charges	996	932	624	578	1 620	1 510
Payments from reserve	(18)	(62)	(1)	(769)	(19)	(831)
Operating result - operational risk reserve	1 586	1 447	1 006	140	2 592	1 587
Transfer to/(from) reserve	-	-	-	-	-	-
Closing balance operational risk reserve	8 711	7 125	5 264	4 258	13 975	11 383

(i) The ORRs are notionally invested in the Balanced Option. The rate of return on earnings were: FRP:7.9 per cent (2023: 8.9 per cent), IS: 8.5 per cent (2023: 10.1 per cent) and TRIS: 7.2 per cent (2023: 10.2 per cent).

16. Financial risk management objectives and policies

The Fund's investments are managed by Funds SA predominantly by the appointment of investment managers as determined by the Funds SA Board. Each investment manager is required to invest the assets in accordance with the terms of a written mandate. The Funds SA Board has determined that the appointment of these managers is appropriate for the Fund and is in accordance with the Fund's investment strategy. The Funds SA Board obtains regular reports from each manager on the nature of the investments made on its behalf and the associated risks.

The allocation of assets between the various types of financial instruments is determined by the Funds SA Board. Divergence from target asset allocations and the composition of the portfolio is monitored by the Funds SA Board on a regular basis.

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

- market risk
- credit risk
- liquidity risk.

The nature and extent of the financial instruments employed by the Fund are discussed below. This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The Funds SA Board has overall responsibility for the establishment and oversight of the Fund's investment risk management framework.

The Fund's investment risk management policies are established to identify and analyse the risks faced by the Fund, including those risks managed by the Fund's investment managers, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Board receives regular reports from Funds SA concerning compliance with the Fund's investment objectives.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub markets, and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

(i) Currency risk

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

The Fund's currency risk is managed by Funds SA as investments include assets denominated in foreign currencies.

Funds SA strategic policy for the management of its foreign currency exposure is as follows:

- foreign currency exposures in the Private Markets Tax-Exempt, Private Markets Taxable, Core Infrastructure Tax- Exempt, Core Infrastructure Taxable, Credit, Long Term Fixed Interest and Inflation Linked Securities Taxable asset classes are economically hedged to Australian dollars, and
- foreign currency exposures over the developed markets component of the International Equities Tax-Exempt, International Equities Taxable, International Equities Passive Tax-Exempt and International Equities Passive Taxable asset classes are economically hedged to Australian dollars.

For the purpose of managing foreign currency risk, within defined constraints, the exposure to foreign currency can be varied from the strategic policy stated above.

(ii) Interest rate risk

Interest rate risk is the risk that a movement in interest rates will cause the value of fixed interest securities to deviate from expectations.

The Fund's interest rate risk is managed by Funds SA, as investments include fixed interest securities.

Funds SA manages interest rate risk through:

- ensuring asset allocations of different investment products are consistent with the time horizon of each, and
- the use of specialist external investment managers to manage Funds SA's cash and fixed income portfolios.

(iii) Other market price risk

Other market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the Fund's financial instruments are valued at fair value with changes in fair value recognised in the Income Statement, all changes in market conditions will directly affect investment revenue.

The Fund's other market price risk is managed by Funds SA, as investments include financial instruments exposed to market prices.

Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub markets, and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

(iv) Investments sensitivity analysis

The Funds SA Board has determined that its forecast risk/return profile provides a reasonable measure of the sensitivity of the expected returns in each investment option. The following tables show the standard deviation around expected nominal returns for each investment option.

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2023-24

	Expected Average Return	Market Risk	Average Funds Under Management	Potential Impact of Market Risk (+/-) on Income Statement
	%	%	\$'000	\$'000
Income Stream				
<i>Investment option</i>				
High growth taxable	7.4	11.2	401 782	45 000
Balanced taxable	6.9	9.4	2 179 542	204 877
Moderate taxable	6.3	7.0	926 393	64 847
Stable tax exempt	6.0	4.9	580 635	28 451
Capital defensive taxable	5.4	3.1	171 966	5 331
Cash taxable	3.6	0.5	201 249	1 006
Socially responsible investment taxable	6.5	9.3	104 385	9 708

2023-24

	Expected Average Return	Market Risk	Average Funds Under Management	Potential Impact of Market Risk (+/-) on Income Statement
	%	%	\$'000	\$'000
Income stream transition to retirement				
<i>Investment option</i>				
High growth taxable	7.3	10.3	45 184	4 654
Balanced taxable	6.8	8.7	206 910	18 001
Moderate taxable	6.1	6.5	94 668	6 153
Stable tax exempt	5.6	4.4	50 788	2 235
Capital defensive taxable	5.0	2.7	7 845	212
Cash taxable	3.0	0.4	26 456	106
Socially responsible investment taxable	6.1	8.6	9 790	842

2023-24

	Expected Average Return	Market Risk	Average Funds Under Management	Potential Impact of Market Risk (+/-) on Income Statement
	%	%	\$'000	\$'000
Flexible rollover product				
<i>Investment option</i>				
High growth taxable	7.3	10.3	261 611	26 946
Balanced taxable	6.8	8.7	1 076 861	93 687
Moderate taxable	6.1	6.5	223 638	14 536
Stable tax exempt	5.6	4.4	182 074	8 011
Capital defensive taxable	5.0	2.7	79 233	2 139
Cash taxable	3.0	0.4	144 546	578
Socially responsible investment taxable	6.1	8.6	48 693	4 188

Market risk is a useful historical measure of the variability of returns earned by an investment portfolio. The market risk shown above represents the range at which actual future returns are expected to occur either side of the nominal return approximately two thirds of the time.

The dollar value of the potential impact on the Income Statement arising from the market risk is indicative only. The impacts are not additive across investment asset classes, as each asset class operates in different markets and is subject to different conditions.

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Actual movements in returns may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the underlying trusts invest. As a result, historic variations in rates of return are not a definitive indicator of future variations in rates of return.

b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

The fair value of financial assets, included in the Statement of Financial Position represents the Fund's maximum exposure to credit risk in relation to those assets. Funds SA is the Fund's only significant exposure to any individual counterparty or industry. The credit risk is monitored by Funds SA through ongoing reviews of the investment managers.

The Fund does not have any assets which are past due or impaired and there is no concentration of credit risk other than Funds SA.

c) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its payment of benefits to members and liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

For the Fund's investments, Funds SA manages liquidity risk as follows:

- by giving careful consideration to the expected net cash redemption requirements of Funds SA's clients. The allocation to cash in the strategic asset allocation of each investment product is set at a level sufficient to manage expected cash redemptions,
- a large proportion of each investment product is invested in highly liquid investments such as actively traded equities, unit trusts or securities with short-term maturities,
- reporting and monitoring the liquidity of the fund on a daily basis to ensure prospective client cash outflows and switches can be met,
- by undertaking portfolio management and rebalancing activities, and
- by undertaking regular stress testing on liquidity positions to identify sources of liquidity strain before they are realised.

For the Fund itself, the liquidity position is monitored on a daily basis. The Fund's cash and liquidity policy is to have sufficient cash balances to meet anticipated weekly benefit payments, expenses and investing activities.

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The following tables summarise the contractual maturity profile of the Fund's financial liabilities based on the earliest date on which the Fund can be required to pay. The amounts in the table are the contractual undiscounted cash flows.

	Less than 3 months \$'000	Total contractual cash flows \$'000	Carrying amount liabilities \$'000
2023-24			
Benefits payable ⁽ⁱ⁾	23 718	23 718	23 718
Payables	-	-	-
Vested benefits ⁽ⁱⁱ⁾	7 210 048	7 210 048	7 210 048
Total	7 233 766	7 233 766	7 233 766

	Less than 3 months \$'000	Total contractual cash flows \$'000	Carrying amount liabilities \$'000
2022-23			
Benefits payable ⁽ⁱ⁾	14 585	14 585	14 585
Payables	6	6	6
Vested benefits ⁽ⁱⁱ⁾	6 768 580	6 768 580	6 768 580
Total	6 783 171	6 783 171	6 783 171

(i) Payable amounts disclosed here exclude amounts relating to constructive obligations and statutory payables (e.g. Commonwealth, State and Local Government taxes, fees and charges, Auditor-General's Department audit fees).

(ii) Vested benefits have been included in the "Less than 3 Months" column, as this is the amount that members could call upon as at balance date. This is the earliest date on which the Scheme can be required to pay members vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

d) Derivative financial instruments

Derivatives can be defined as financial contracts whose value depends on, or is derived from, assets, liabilities, reference rates or indices. Funds SA uses derivatives to manage portfolio risk and to facilitate the implementation of investment strategies efficiently and cost effectively. Funds SA uses a variety of derivative instruments, such as over the counter swap agreements, forward rate agreements, futures and options.

Derivatives are an authorised investment within certain mandates managed by Funds SA's external investment managers for the purposes described above.

17. Unallocated to members' accounts

Defined contribution funds carry a proportion of amounts yet to be allocated. This unallocated amount arises because the financial report of the Fund is prepared on an accrual basis while monies are allocated to members on a cash basis.

The Fund also values the investments reported in the financial statements at fair value (refer Notes 2(c)(e) and 5) while the unit prices used to determine the member benefit liabilities are based on soft close unit prices. This difference in valuation is reflected in the investment allocation amount in the Statement of Financial Position.

18. Segment information

The Fund operates in one reportable segment, being the provision of benefits to members. The Fund also operates from one reportable geographic segment, being Australia, from where its activities are managed. While the Fund operates from Australia only, the Fund, through its investment manager Funds SA, has investment exposures in different countries and across different industries. Revenue derived from interest and the realised and unrealised changes from the different segments is reflected in the value of investments.

Super SA Retirement Investment Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2024

19. Related parties

a) Key management personnel

The key management personnel of the Fund includes the Treasurer, Board members, the Chief Executive and the six members of the Executive Leadership Team, Super SA who have responsibility for the strategic direction and management of the Fund.

b) Compensation

All key management personnel are compensated by the Department of Treasury and Finance or the Board, therefore their compensation is disclosed in the respective financial reports.

c) Transactions with key management personnel and other related parties

There were no transactions with key management personnel or related parties.

d) Transactions with other government entities

There were no significant transactions with government entities other than those disclosed elsewhere in the financial statements.

20. Events after the reporting period

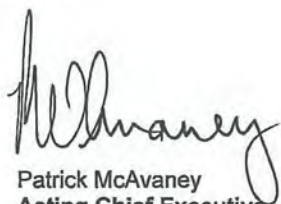
There were no significant events after the reporting period.

Super SA Retirement Investment Fund
Certification of the financial statement
for the year ended 30 June 2024

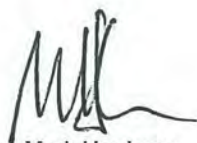
Certification of the financial statement

We certify that the:

- financial statements of the Super SA Retirement Investment Fund:
 - are in accordance with the accounts and records of the Fund,
 - comply with relevant Treasurer's instructions,
 - comply with relevant accounting standards, and
 - present a true and fair view of the financial position of the Fund at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Fund for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Patrick McAvaney
Acting Chief Executive
Super SA



Mark Hordacre
Director Finance
Super SA



June Roache
Presiding Member
SA Superannuation Board

Date *16 September 2024*

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@audit.sa.gov.au
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To the Presiding Member South Australian Superannuation Board South Australian Ambulance Service Superannuation Scheme

Opinion

I have audited the financial report of the South Australian Ambulance Service Superannuation Scheme for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Ambulance Service Superannuation Scheme as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- an Income Statement for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Member Benefits for the year ended 30 June 2024
- a Statement of Changes in Equity/Reserves for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member of the South Australian Superannuation Board, the Acting Chief Executive, Super SA and the Director, Finance, Super SA.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Ambulance Service Superannuation Scheme. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General.

In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Acting Chief Executive, Super SA and members of the South Australian Superannuation Board for the financial report

The Acting Chief Executive, Super SA is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Acting Chief Executive, Super SA is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Acting Chief Executive, Super SA is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the South Australian Superannuation Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 9 of schedule 3 of the *Superannuation Act 1988*, I have audited the financial report of the South Australian Ambulance Service Superannuation Scheme for the financial year ended 30 June 2024.

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australian Ambulance Service Superannuation Scheme's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive, Super SA
- conclude on the appropriateness of the Acting Chief Executive, Super SA's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Acting Chief Executive, Super SA and members of the South Australian Superannuation Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

22 September 2024

South Australian Ambulance Service Superannuation Scheme
Income Statement
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Changes in fair value of investments		24 052	27 858
Interest revenue		37	32
Total revenue		24 089	27 890
Expenses			
Investment expenses	9	(867)	(929)
Administration Expenses	10	(412)	(417)
Total expenses		(1 279)	(1 346)
Result from superannuation activities			
Net insurance activities		(177)	(653)
Net operating result		22 633	25 891
Net change in defined benefit member liabilities		(7 506)	(10 527)
Net benefits allocated to defined contribution member accounts		(10 679)	(2 914)
Results from operating activities before tax		4 448	12 450
Income tax (expense)/benefit	14.1	(1 746)	(1 980)
Net operating result		2 702	10 470

The Income Statement should be read in conjunction with the accompanying notes.

South Australian Ambulance Service Superannuation Scheme
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Cash and cash equivalents	13	782	2 681
Receivables	7	36	6
Contributions receivable		4	9
Investments	6	301 980	293 313
Total assets		302 802	296 009
Liabilities			
Benefits payable		531	380
Payables	8	87	284
Insurance liabilities		430	498
Income tax liabilities	14.2	2 166	326
Deferred tax liabilities	14.3	7 009	6 910
Total liabilities excluding member benefits		10 223	8 398
Net assets available for member benefits		292 579	287 611
Member benefits			
Defined member benefit liabilities	3	180 520	185 889
Defined contribution member liabilities	4	76 153	68 491
Total member benefits		256 673	254 380
Total net assets		35 906	33 231
Equity			
Insurance Reserve	15	1 991	1 661
Operational Risk Reserve	16	928	865
Defined benefit surplus		32 987	30 705
Total equity		35 906	33 231

The Statement of Financial Position should be read in conjunction with the accompanying notes.

South Australian Ambulance Service Superannuation Scheme
Statement of Changes in Member Benefits
for the year ended 30 June 2024

	Note	Defined benefit members 2024 \$'000	Defined contribution members 2024 \$'000	Total 2024 \$'000
Opening balance as at 1 July 2023		185 889	68 491	254 380
Employer contributions	12	5 533	1 874	7 407
Member contributions		-	1 071	1 071
Transfers from other super entities		-	270	270
Government co-contributions		-	2	2
Contributions tax		(781)	(264)	(1 045)
Net contributions		4 752	2 953	7 705
Benefits to members		(17 810)	(6 032)	(23 842)
Insurance benefits credited to members		183	62	245
Net benefits comprising:				
Net investment income		-	10 679	10 679
Net change in member liabilities		7 506	-	7 506
Closing balance as at 30 June 2024		180 520	76 153	256 673

	Note	Defined benefit members 2023 \$'000	Defined contribution members 2023 \$'000	Total 2023 \$'000
Opening balance as at 1 July 2022		192 810	70 673	263 483
Employer contributions	12	6 030	2 222	8 252
Member contributions		-	1 260	1 260
Transfers from other super entities		-	71	71
Government co-contributions		-	1	1
Contributions tax		(851)	(313)	(1 164)
Net contributions		5 179	3 241	8 420
Benefits to members		(23 122)	(8 520)	(31 642)
Insurance benefits credited to members		495	183	678
Net benefits comprising:				
Net investment income		-	2 914	2 914
Net change in member liabilities		10 527	-	10 527
Closing balance as at 30 June 2023		185 889	68 491	254 380

The Statement of Changes in Member Benefits should be read in conjunction with the accompanying notes.

South Australian Ambulance Service Superannuation Scheme
Statement of Changes in Equity/Reserves
for the year ended 30 June 2024

	Insurance Reserve \$'000	Operational Risk Reserve \$'000	Over/(under) allocated benefits \$'000	Total equity \$'000
2024				
	Note 15	Note 16		
Opening balance	1 661	865	30 705	33 231
Net operating result	330	63	2 309	2 702
Net transfers to equity	-	-	(27)	(27)
Closing balance	1 991	928	32 987	35 906
2023				
	Note 15	Note 16		
Opening balance	1 707	795	20 232	22 734
Net operating result	(46)	70	10 446	10 470
Net transfers to equity	-	-	27	27
Closing balance	1 661	865	30 705	33 231

The Statement of Changes in Equity/Reserves should be read in conjunction with the accompanying notes.

South Australian Ambulance Service Superannuation Scheme
Statement of Cash Flows
for the year ended 30 June 2024

		2024	2023
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
GST recovered from the ATO		-	56
Income tax		193	-
Bank interest		38	28
Cash generated from operating activities		231	84
Cash outflows			
GST paid to the ATO		(1)	-
Administration expenses paid		(467)	(378)
Income tax		-	(671)
Cash used in operating activities		(468)	(1 049)
Net cash flows from operating activities	13	(237)	(965)
Cash flows from investing activities			
Cash inflows			
Receipts from the sale of investments from Funds SA		15 355	34 453
Cash generated from investing activities		15 355	34 453
Cash outflows			
Payments to Funds SA for the purchase of investments		(865)	(8 090)
Cash used in investing activities		(865)	(8 090)
Net cash flows from investing activities		14 490	26 363
Cash flows from financing activities			
Cash inflows			
Employer contributions		7 246	8 233
Member contributions		1 240	1 256
Government co-contributions		2	1
Transfers from other superannuation entities		270	71
Cash generated from financing activities		8 758	9 561
Cash outflows			
Benefit payments to members		(23 675)	(31 779)
Contributions tax paid		(1 044)	(1 164)
Transfer from Insurance Reserve		(191)	-
Cash used in financing activities		(24 910)	(32 943)
Net cash provided by financing activities		(16 152)	(23 382)
Net change in cash		(1 899)	2 016
Cash at the beginning of the reporting period		2 681	665
Cash at the end of the reporting period	13	782	2 681

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

South Australian Ambulance Service Superannuation Scheme Notes to and forming part of the financial statements for the year ended 30 June 2024

1. Objectives and funding

a) South Australian Ambulance Service Superannuation Scheme

On 29 June 2006, the Treasurer declared the South Australian Ambulance Service Superannuation Scheme (the Scheme) a Scheme and Fund established pursuant to Clause 2 of Schedule 3 of the *Superannuation Act 1988* (the Act). The net assets of the SA Ambulance Service Superannuation Fund (the former scheme) as at 30 June 2006 were transferred to the Scheme. The Scheme is an exempt public sector superannuation scheme in terms of schedule 1AA of the *Superannuation Industry (Supervision) Regulations 1994 (Cwlth)*. The Scheme is a taxed scheme by virtue of schedule 4 of the *Income Tax Assessment Regulations 1997 (Cwlth)*.

The Scheme is governed by a Trust Deed and Rules pursuant to the Act and became effective from 1 July 2006. The Scheme's membership includes contributory, non contributory, spouse, and preserved members. The main benefit for contributory members is a defined benefit. Non contributory, spouse and preserved members are entitled to accumulation benefits.

Benefits are represented by the balances of all member accounts that are available for employees who meet certain conditions. These conditions may include the following:

- Retirement
- Resignation and meet a condition of release
- Retrenchment
- Election of Transition to Retirement or Early Access to Super while still an employee of the SA Public Sector
- Death or becoming terminally ill
- Termination of their employment due to invalidity.

The balance of individual member entitlements is provided in annual statements provided to each member.

Member and employer contributions are deposited by the Treasurer into the fund established for the Scheme (the Fund), which is managed and invested by the Superannuation Funds Management Corporation of South Australia (Funds SA). The Scheme was closed to further new members with effect from 1 July 2008.

The Scheme is an exempt public sector superannuation scheme and operates on a not-for-profit basis.

b) South Australian Superannuation Board

Pursuant to Clause 2(1)(d) of Schedule 3 of the Act, the Treasurer declared the South Australian Superannuation Board (the Board) the Trustee of the Scheme from 1 July 2006. As Trustee of the Scheme, the Board is responsible for administering the Trust Deed and Rules.

c) Superannuation Funds Management Corporation of South Australia

Funds SA is a South Australian Government Entity established under the *Superannuation Funds Management Corporation of South Australia Act 1995* (the Funds SA Act). Funds SA is responsible for the investment and management of the Fund pursuant to strategies formulated by Funds SA.

Pursuant to Clause 2(1)(c) of Schedule 3 of the Act, the Treasurer declared the Fund to be invested and managed by Funds SA from 1 July 2006.

For further information on the investment of the Scheme's funds, reference should be made to the Fund in the annual report of Funds SA. The financial report of Funds SA discloses the investment assets, liabilities, income and expenses relating to the investment activities of Funds SA.

South Australian Ambulance Service Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

d) Funding arrangements

For the year ended 30 June 2024, contributory members contributed 5 per cent of post tax salary or 5.9 per cent of pre tax salary. Members could also make additional voluntary contributions on either a pre tax or post tax basis. The employer contributed at the rate of 12 per cent of member salaries. For members who were entitled to the SA Ambulance Service Award superannuation benefit under the Scheme, the employer contributed an additional 3 per cent of salaries (3 per cent for Elective Services employees and Emergency Services staff).

Non contributory members are employees employed on a casual basis or those employees who elected prior to 30 June 2006 to not be a defined benefit member. Non contributory members may make voluntary post tax or pre tax contributions. The employer contribution for non contributory members is 9.5 per cent (2023: 9.5 per cent) of salary.

The employer contributions above are in line with the 30 June 2020 triennial actuarial review recommendations and were effective on 1 July 2021. The triennial actuarial review as at 30 June 2023 was completed and recommendations contained therein are effective on 1 July 2025. The next actuarial review will be performed as at 30 June 2026.

Provision of insurance cover for Death, Total and Permanent Disablement, Serious Ill-Health and Income Protection under a self-insurance arrangement within the Scheme commenced from 1 July 2006. The weekly voluntary insurance contribution rate amounts to \$1.35 per unit and the recommended self insurance reserve is to be maintained at 200 per cent of expected annual claims subject to a minimum of \$1 million.

The asset coverage of vested benefits as at 30 June 2024 met the target of 105 per cent.

2. Material accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with relevant Australian Accounting Standards, including AASB 1056 Superannuation Entities and other authoritative pronouncements of the Australian Accounting Standards Board, Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the Public Finance and Audit Act 1987 (PFAA), except as provided below.

These financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where stated otherwise.

These financial statements are prepared on a 12-month reporting period, presented in Australian currency and all amounts have been rounded to the nearest thousand dollars (\$000).

The Scheme is a not-for-profit entity for the purpose of preparing financial statements.

b) New and amended accounting standards

The department has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective.

No Australian Accounting Standards have been early adopted.

c) Financial assets and liabilities

a) Classification

The Scheme classifies its financial assets and financial liabilities into the categories below in accordance with AASB 9.

Financial assets and liabilities held for trading

These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. All derivatives are classified as held for trading. Derivative financial instruments entered into by the Scheme, if any, do not meet the hedge accounting criteria as defined by AASB 9. Consequently hedge accounting is not applied by the Scheme.

South Australian Ambulance Service Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2024

Financial instruments designated at fair value through profit or loss upon initial recognition

These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through profit or loss. Other financial liabilities are measured at their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal amount approximates fair value.

b) Recognition

The Scheme recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Scheme commits to purchase or sell the asset.

c) Initial recognition

Financial assets and financial liabilities at fair value through profit and loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in the Income Statement.

Receivables and financial liabilities (other than those classified at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Scheme recognises the difference in the Income Statement, unless specified otherwise.

d) Subsequent measurement

After initial measurement, the Scheme measures investments at fair value through profit or loss. Subsequent changes in the fair value of those investments are recorded as 'changes in assets measured at fair value' through the Income Statement. Interest earned is recorded in 'Interest revenue'.

e) Fair value measurement

Fair value is the price 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Scheme.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Scheme uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. Refer to financial statement note 5.

South Australian Ambulance Service Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2024

f) Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposits as defined above.

g) Receivables and payables

Receivables are carried at nominal amounts due that approximate fair value. Receivables are normally settled within 30 days. Payables are carried at nominal amounts that approximate fair value. They represent liabilities for goods and services provided to the Scheme prior to the end of the financial year that are unpaid when the Scheme becomes obliged to make future payments in respect of the purchase of these goods or services.

h) Benefits payable

Benefits payable are valued at fair value and relate to members who have ceased employment and provided the Scheme with appropriate notification on or prior to 30 June 2024 but paid after 30 June 2024. These also include income protection payments payable on or prior to 30 June 2024 but paid after 30 June 2024.

i) Insurance liabilities

The Scheme provides death and disability benefits to contributory members in service, members may also purchase voluntary insurance. Premiums for voluntary insurance are deducted from insured members' accounts and are paid into a dedicated insurance reserve in order to meet claims as they arise. An actuarially determined percentage of defined benefit employer contributions are also paid into the reserves. The Scheme ultimately self-insures this risk as the Board believes it is appropriate in light of the Scheme's present membership and reserve levels. The table below outlines the net results of the Scheme's insurance activities during the year:

	2024	2023
	\$'000	\$'000
Insurance contract revenue	436	487
Insurance contract claims expenses	(245)	(678)
(Increase)/decrease in insurance liabilities	68	25
Net result from insurance activities	259	(166)

j) Significant estimates made in measuring insurance contract asset and liabilities

The Scheme uses the services of an actuary to determine its insurance contract assets and liabilities. An actuarial valuation involves making various assumptions about the future. Actual events in the future may differ from these assumptions. The most recent actuarial valuation was performed for the triennium ending 30 June 2023. The value of insurance liabilities between actuarial valuation dates is determined by evaluating the expected claims over the next year based on the assumptions adopted at the most recent actuarial valuation.

The key assumptions used in measuring the insurance contract liabilities are:

- mortality and disability rates determined by Super SA based on the experience of a large number of public sector employees in South Australia, adjusted to estimate the Scheme's claim experience,
- the number and amount of insurance claims yet to be reported to the Scheme, relating to the period prior to the reporting year end.

The key factors or uncertainties that impact the key assumptions above are:

- if mortality and/or disability rates increase, it will result in an increase in insurance liabilities as a result of higher claims and will lead to a decline in the net assets of the Scheme,
- higher than expected claims reported to the Scheme will result in an increase in insurance liabilities and will lead to a decline in the net assets of the Scheme, and
- a better than expected claims experience will result in lower liabilities and an increase in net assets of the Scheme.

South Australian Ambulance Service Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2024

The impact of uncertainties around the key assumptions is largely met from the insurance reserves in the Scheme. The adequacy of the insurance reserves are considered as part of the actuarial valuation.

k) Revenue recognition

The specific recognition criteria described below must be met before revenue is recognised:

Changes in fair values

Changes in the fair value of investments invested with Funds SA are calculated as the difference between the fair value at sale, or at balance date, and the fair value at the previous valuation point. All changes are recognised in the Income Statement.

Interest

Interest revenue on cash and other financial assets carried at fair value is recorded according to the terms of the contract and recognised in the Income Statement.

l) Taxation

The Scheme is a complying superannuation fund within the provisions of the *Income Tax Assessment Act 1997* and accordingly the concessional tax rate of 15 per cent has been applied.

Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable benefits accrued for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial report and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affect neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are estimated to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Scheme expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Scheme intends to settle its current tax assets and liabilities on a net basis.

m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- when the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable, or
- when receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the ATO are classified as operating cash flows.

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n) Foreign currency

The functional and presentation currency of the Scheme is Australian Dollars, the currency of the primary economic environment in which the Scheme operates. The Scheme's performance is evaluated and its liquidity managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

o) Investments

Funds SA provides investments measured at fair value. Below is the basis for valuation of these investments.

(i) Inflation Linked Securities Taxable

The Inflation Linked Securities Taxable portfolio invests in discretely managed portfolios and internal inflation linked securities. Discretely managed portfolios are invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

Internally managed inflation linked securities, the returns of which are linked to movements in either the Consumer Price Index or Average Weekly Earnings, have been valued using the discounted cash flow method. The valuation as at balance date was performed by an independent valuer.

(ii) Property Taxable

The Property Taxable portfolio comprises two sub sectors:

Listed Property Trusts

These investments comprise arrangements whereby professional fund managers are appointed under an investment management agreement to manage and invest in listed property securities and real estate investment trusts. Investments in this sub-sector are in pooled funds and have been valued in accordance with the valuations supplied by the managers.

Unlisted property vehicles

The unlisted property vehicles portfolio is invested and managed by external managers. Investments in this sub-sector have been valued in accordance with the valuations supplied by the managers.

(iii) Australian Equities Taxable

The Australian Equities Taxable portfolio comprises investments in listed Australian equities, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

(iv) International Equities Taxable

The International Equities Taxable portfolio comprises investments in equities listed on international share markets, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled international vehicles have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

(v) Fixed Interest

Fixed Interest portfolios have exposure to domestic and global debt instruments and are managed by external managers. The custodian appointed to hold the assets has valued the portfolio using market prices applicable at balance date.

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(vi) Diversified Strategies Growth Taxable

The Diversified Strategies Growth Taxable asset class incorporates two sub sectors:

Private Markets Taxable

The Private Markets Taxable portfolio comprises investments in Australian and international private equity funds, which are invested and managed by external managers. The valuation of private equity investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Both Australian and international private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Core Infrastructure Taxable

The Core Infrastructure Taxable portfolio comprises investments in Australian and international infrastructure pooled funds, which are invested and managed by external managers. The valuation of these investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

(vii) Diversified Strategies Income

The Diversified Strategies Income asset class incorporates four sub sectors:

Defensive Alternatives

The Defensive Alternatives portfolio comprises investments in Australian and international pooled funds and is invested and managed by external managers. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Credit

The Credit portfolio comprises investments in discretely managed investments and Australian and international pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Investment Grade Credit

The Investment Grade Credit portfolio comprises investments in discretely managed investments and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Growth Alternatives

The Growth Alternatives portfolio comprises investments in discretely managed investments and Australian and international pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

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(viii) Cash

The Cash portfolio comprises investments in a discretely managed investment which is managed by an external manager and is valued by the custodian appointed to hold the assets using market prices applicable at balance date. Deposits at call have been valued on the basis of principal plus accrued interest.

p) Operation of investment portfolio

Funds SA is responsible for the investment and management of the Scheme's funds pursuant to strategies formulated by Funds SA (refer Note 1 (c)). Funds SA operates a multi-layered notional unitisation structure to facilitate the administration of different investment strategies applying to the various public sector superannuation funds. For the year ending 30 June 2024, Funds SA managed the Balanced investment for the fund and reference should be made to Funds SA's Annual Report for the strategic asset allocations applying to the investment discussed in the preceding paragraphs.

q) Member liabilities

Member liabilities are measured at the amount of accrued benefits.

Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed, as at the reporting date, to yield future net cash inflows that would be sufficient to meet accrued benefits as at that date when they are expected to fall due.

Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.

r) Significant accounting judgements, estimates and assumptions

The preparation of the Scheme's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been presented to be consistent with current period disclosures.

Fair value of investments

When the fair values of the investments recorded in the Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including a discounted cash flow model. The inputs in these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required to establish fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of these investments.

It is also important to note that fair values are provided by Funds SA.

Valuation of defined benefits member liabilities

The amount of member liabilities in relation to defined benefits has been determined using actuarial valuation techniques and assumptions. An actuarial valuation involves making various assumptions about the future. Actual developments in the future may differ from these assumptions. The assumptions include member turnover, future investment returns, pension indexation rates, mortality rates and future salary increases. Due to the complexities involved in the valuation and its long term nature, defined benefit member liabilities are highly sensitive to changes in these assumptions. Assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, the actuary considers an investment portfolio that reflects the opportunities reasonably available to the Scheme in the investment markets, and also reflects the Scheme's actual investments and investment strategy in respect of defined benefit member liabilities.

The mortality assumption is based on publicly available mortality tables. Future salary increases are based on the Wage Price Index produced by the Australian Bureau of Statistics and in consultation with the employer-sponsors.

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s) Climate change financial risks

In November 2021, Australian Prudential Regulation Authority (APRA) released Prudential Practice Guide CPG 229 Climate Change Financial Risks. CPG 229 does not impose new requirements in relation to climate risks, rather, it supports compliance with APRA's existing risk management and governance requirements and guidance. The Board and Super SA consider financial risks of climate change, including physical climate risks, transition climate risks, and liability risks as part of the overall Super SA Risk Management Strategy.

Additionally, as identified in note 1 above, the investments of the scheme are managed by Funds SA. Funds SA, in turn, is committed to risk management and maintains a rigorous and proactive approach to identifying and managing investment risk, including the risks associated with climate change. Funds SA has developed a Climate Change Position Statement, Climate Risk Response Plan and Climate Report to support its approach in this area. Please refer to the Funds SA website for further detail.

3. Defined benefit member liabilities

Actuarial valuations to determine the defined benefit members' accrued liabilities are conducted at least every three years. The most recent actuarial valuation was undertaken by Esther Conway, Fellow of the Institute of Actuaries of Australia from Mercer Consulting (Australia) Pty Limited. The actuarial valuation was undertaken as at 30 June 2023 with the next triennial valuation to be undertaken as at 30 June 2026.

The actuarial valuation of member liabilities reflects the actuarial assessment of the benefits accrued up to the reporting date and payable to members on retirement, resignation, death and disability. The accrued liabilities are the present values of expected future benefit payments arising from membership of the Scheme up to 30 June 2024.

The annual update of the defined benefit member liability has been determined by reference to the expected future salary level increases (3.5 per cent; 2023: 3.5 per cent) and by application of the market-based, risk-adjusted discount rate after tax (6.0 per cent; 2023: 6.0 per cent).

	2024	2023
	\$'000	\$'000
Defined benefit member liabilities	180 520	185 889

The Board uses sensitivity analysis to monitor the potential impact of changes to key variables about which assumptions need to be made. The Scheme has identified two assumptions (being the discount rate and the rate of salary adjustment) for which changes are reasonably possible that would have a material impact on the amount of the defined benefit member liabilities.

- (i) The assumed discount has been determined by reference to the investment returns expected on an investment portfolio that reflects the opportunities reasonably available to the Scheme in the investment markets, and also reflects the Scheme's actual investments and investment strategy in respect of defined benefit member liabilities.
- (ii) The assumed annual salary increase assumption is based on long-term economic forecasts for future increases in average weekly earnings (AWOTE) and discussions with the employer.

The other variables about which assumptions have been made in measuring defined benefit member liabilities and for which changes are not considered reasonably possible, or for which reasonably possible changes would not be expected to have a material effect, include: mortality rates and resignations.

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The following table outlines the sensitivity estimates of the total member liabilities (both defined benefit (\$182 million) and defined contribution (\$62 million)), provided by the Scheme actuary, on the net earnings and salary growth.

2023-24

<i>Scenario</i>	Member liability result \$'000	Change in member benefit liability \$'000	Change in member benefit liability %
Base Case	256 673	-	0.0
Discount rate plus 0.5%	255 634	(1 039)	(0.4)
Discount rate less 0.5%	258 065	1 392	0.5
Salary increase rate plus 0.5%	257 707	1 034	0.4
Salary increase less plus 0.5%	255 919	(754)	(0.3)

As advised in Note 1(d), employer contributions for the year have been made at the rate determined by the Scheme actuary.

Vested benefits

Vested benefits are benefits that are not conditional upon continued membership of the Scheme (or any factor other than resignation from the Scheme) and include benefits which members were entitled to receive had they terminated their Scheme membership as at the reporting date.

	2024 \$'000	2023 \$'000
Defined benefit vested benefits	<u>179 416</u>	<u>189 544</u>

4. Defined contribution member liabilities

The employee funded, defined contribution component for the defined contribution accrued liability is the balance of the employees' contribution accounts as at the end of the financial year. These accounts are valued using unit prices that are determined by the underlying investment movements.

	2024 \$'000	2023 \$'000
Defined contribution member liabilities	<u>76 153</u>	<u>68 491</u>
Defined benefit vested benefits	179 416	189 544
Defined contribution member liabilities	<u>76 153</u>	<u>68 491</u>
Total vested benefits	<u>255 569</u>	<u>258 035</u>

Refer to Note 17 for the Scheme's management of the investment risks.

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5. Fair value of financial instruments

Classification of financial Instruments under the fair value hierarchy

AASB 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuations are the responsibility of the Board. The valuation of investments is performed daily and are subject to quality assurance procedures.

After the checks above have been performed the Board considers the valuation results, including assumptions used in the valuations.

The Board also considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen.

Valuation technique

The Scheme's investments are not quoted in an active market. To ensure fair value can be determined, the Scheme's investment manager, Funds SA, applies due diligence and considers valuation techniques and inputs used in valuing the funds, prior to investing. In measuring fair value, consideration is given to the amounts for which financial assets can be sold, excluding transaction costs. The Scheme classifies these funds as Level 2.

There were no changes in valuation techniques during the year.

	2024	2023
	\$'000	\$'000
Financial assets at fair value through profit or loss - Level 2		
Level 1 and level 3 are not relevant to the scheme		
Unlisted managed investment schemes	301 980	293 313
Funds SA	301 980	293 313

6. Value and movement of investments by investment option

	2024	2023
	\$'000	\$'000
Investments at 1 July	293 313	292 747
Change in Balanced Taxable	8 667	566
Investments at 30 June	301 980	293 313

7. Receivables

	2024	2023
	\$'000	\$'000
GST recovered from the ATO	5	4
Other receivables	29	(1)
Interest receivable	2	3
Total receivables	36	6

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8. Payables

	2024	2023
	\$'000	\$'000
Audit fees	27	26
Administration fees	32	88
Unearned revenue	-	161
Provision for PAYG Withholding	28	9
Total payables	87	284

9. Investment expenses

	2024	2023
	\$'000	\$'000
Investment expenses	867	929

Direct investment expenses comprise fees paid to Funds SA. Funds SA advises the amount applicable to the Scheme based on the Scheme's funds under management.

10. Administration expenses

	2024	2023
	\$'000	\$'000
Administration expenses ⁽ⁱ⁾	385	391
Other expenses ⁽ⁱⁱ⁾	27	26
Total administration expenses	412	417

(i) Administration expenses comprises the costs incurred by the Department of Treasury and Finance in administering the Scheme, which are met in the first instance from the Department of Treasury and Finance Operating Account. The Board recovers a share of the administration cost from the Scheme.

(ii) Other expenses include Auditors' remuneration. Refer Note 11.

11. Auditors' remuneration

	2024	2023
	\$'000	\$'000
Audit fees paid or payable	26	25

Audit fees paid (or payable), \$25,600 GST exclusive (2023: \$25 200), relate to the Audit Office of South Australia work performed under the PFAA. The Audit Office of South Australia uses the services of Ernst and Young for the audit. No other services were provided by the Audit Office of South Australia.

12. Employer contributions

	2024	2023
	\$'000	\$'000
Employer contributions	6 535	7 278
Insurance premiums	436	487
Administration Charges	436	487
	7 407	8 252

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13. Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash and deposits held in a Special Deposit Account with DTF. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	2024	2023
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents	782	2 681
Total cash and cash equivalents	782	2 681
Reconciliation of net cash from operating activities		
Net operating result	2 702	10 470
Adjustments for:		
Change in investments measured at fair value	(24 052)	(27 858)
Investment expenses	865	929
Insurance recognition	(259)	166
(Increase)/decrease in receivables	(30)	4
Increase/(decrease) in payables	226	1 883
Allocation to/(from) member accounts	20 311	13 441
Net cash flows from operating activities	(237)	(965)

14. Income tax

	2024	2023
	\$'000	\$'000
14.1 Major components of tax expense		
<i>Current income tax</i>		
Current tax charge	(1 644)	22
Adjustment to current tax for prior periods	(3)	(2)
Deferred income tax	-	-
Relating to the origination and reversal of temporary differences	(99)	(2 000)
Adjustment to deferred tax for prior periods	-	-
Income tax as reported in the Income Statement	(1 746)	(1 980)

Income tax expense

Reconciliation between income tax expenses and the accounting profit before income tax

Net result from operating activities	4 448	12 450
Tax applicable at the rate of 15% (2023: 15%)	(667)	(1 868)
Tax effect of income that are not assessable/or deductible in determining taxable income:		
Investment revenue	749	1 073
Tax effect of other adjustments:		
Imputation and foreign tax credits	862	857
Self-insurance deduction	73	74
Over provision prior period	2	2
Net benefit allocated to member accounts	(2 765)	(2 118)
Movement in insurance liabilities	-	-
Income tax expense	(1 746)	(1 980)

South Australian Ambulance Service Superannuation Scheme
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	2024	2023
	\$'000	\$'000
14.2 Current tax liabilities (asset)		
Current years income tax provision	2 166	326
Current tax liability (asset)	<u>2 166</u>	<u>326</u>

	2024	2023
	\$'000	\$'000
14.3 Deferred tax liability		
The amount of deferred tax liability recognised in the Statement of Financial Position at reporting date comprises:		
Accrued expenses	(4)	(4)
Unrealised capital gains/(losses) carried forward (discounted)	7 013	6 914
Deferred tax liability	<u>7 009</u>	<u>6 910</u>

15. Insurance reserve

The Scheme self insures and provides to Contributory Members in Service a benefit on death or total and permanent disablement (TPD) equal to the normal retirement benefit that would be payable if the member had continued in service to age 60. An income protection equal to 75 per cent of salary is payable for a maximum period of 24 months where a member becomes temporarily disabled before age 60. A member is also entitled to a benefit on Serious Ill Health equal to the greater of the early retirement benefit plus 5 per cent of salary for each year of service, and three times the member's salary. The Serious Ill Health benefit cannot exceed the benefit payable on TPD. The amount of salary is adjusted, if applicable, by the salary adjustment factor.

Members may purchase voluntary death and TPD insurance by applying for up to four units of insurance. The premium for each unit is \$1.35 per week per unit. The amount of cover for each unit is \$75 000 for ages up to 34 last birthday reducing to \$5 000 at age 64 last birthday.

	2024	2023
	\$'000	\$'000
Opening balance	1 661	1 707
Investment earnings on Reserve ⁽ⁱ⁾	139	145
Premiums and charges	436	487
Benefit payments	(245)	(678)
Operating result	<u>330</u>	<u>(46)</u>
Closing balance	<u>1 991</u>	<u>1 661</u>

(i) The Insurance Reserve is notionally invested in the Balanced option. The rate of return on earnings was 7.5 per cent (2023: 8.5 per cent).

South Australian Ambulance Service Superannuation Scheme
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16. Operational risk reserve

The Operational Risk Reserve is to be accumulated to 0.6 per cent of funds under management following a decision of the Board and in line with Prudential Standard SPS114.

Operational Risk Reserve

	2024	2023
	\$'000	\$'000
Opening balance	865	795
Investment earnings on Reserve ⁽ⁱ⁾	65	70
Payments from Reserve	(2)	-
Operating result	63	70
Closing balance	928	865

(i) The Operational Risk Reserve is notionally invested in the Balanced option. The rate of return on earnings 7.5 per cent (2023: 8.5 per cent).

17. Financial risk management objectives and policies

The Scheme's investments are managed by Funds SA predominantly by the appointment of investment managers as determined by the Funds SA Board. Each investment manager is required to invest the assets in accordance with the terms of a written mandate. The Funds SA Board has determined that the appointment of these managers is appropriate for the Scheme and is in accordance with the Scheme's investment strategy. The Funds SA Board obtains regular reports from each manager on the nature of the investments made on its behalf and the associated risks.

The allocation of assets between the various types of financial instruments is determined by the Funds SA Board. Divergence from target asset allocations and the composition of the portfolio is monitored by the Funds SA Board on a regular basis.

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

- market risk
- credit risk
- liquidity risk

The nature and extent of the financial instruments employed by the Scheme are discussed below. This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risk.

The Funds SA Board has overall responsibility for the establishment and oversight of the Scheme's investment risk management framework.

The Scheme's investment risk management policies are established to identify and analyse the risks faced by the Scheme, including those risks managed by the Scheme's investment managers, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Scheme's activities.

The Scheme receives regular reports from Funds SA concerning compliance with investment objectives.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub-markets, and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

(i) Currency risk

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

South Australian Ambulance Service Superannuation Scheme

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The Fund's currency risk is managed by Funds SA as investments include assets denominated in foreign currencies.

Funds SA strategic policy for the management of its foreign currency exposure is as follows:

- foreign currency exposures in the Private Markets Tax-Exempt, Private Markets Taxable, Core Infrastructure Tax- Exempt, Core Infrastructure Taxable, Credit, Long Term Fixed Interest and Inflation Linked Securities Taxable asset classes are economically hedged to Australian dollars, and
- foreign currency exposures over the developed markets component of the International Equities Tax-Exempt, International Equities Taxable, International Equities Passive Tax Exempt and International Equities Passive Taxable asset classes are economically hedged to Australian dollars.

For the purpose of managing foreign currency risk, within defined constraints, the exposure to foreign currency can be varied from the strategic policy stated above, by Funds SA.

(ii) Interest rate risk

Interest rate risk is the risk that a movement in interest rates will cause the value of fixed interest securities to deviate from expectations.

The Fund's interest rate risk is managed by Funds SA, as investments include fixed interest securities.

Funds SA manages interest rate risk through:

- ensuring asset allocations of different investment products are consistent with the time horizon of each, and
- the use of specialist external investment managers to manage Funds SA's cash and fixed income portfolios.

(iii) Other market price risk

Other market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the Fund's financial instruments are valued at fair value with changes in fair value recognised in the Income Statement, all changes in market conditions will directly affect investment revenue.

The Fund's other market price risk is managed by Funds SA, as investments include financial instruments exposed to market prices.

Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub markets, and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

(iv) Investments sensitivity analysis

The Funds SA Board has determined that its forecast risk/return profile provides a reasonable measure of the sensitivity of the expected returns in the investment for the year ahead. The following tables show the standard deviation around expected nominal returns for DB High Growth investment.

The statistics shown below are averages calculated over 10 years, net of investment management fees and gross of tax. These investment statistics have zero per cent tax rate applied and exclude franking credits.

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	Expected Average Return	Market Risk	Average Funds Under Management	Potential impact of market risk (+/-) on Income Statement
	%	%	\$'000	\$'000
2024				
Investment Option				
Balanced taxable	6.8	8.7	301 980	25 970
	Expected Average Return	Market Risk	Average Funds Under Management	Potential impact of market risk (+/-) on Income Statement
	%	%	\$'000	\$'000
2023				
Investment Option				
Balanced taxable	7.0	8.4	293 030	24 615

Market risk is a useful historical measure of the variability of returns earned by an investment portfolio. The market risk shown above represents the range at which actual future returns are expected to occur either side of the nominal return approximately two thirds of the time.

The dollar value of the potential impact on the Income Statement arising from the market risk is indicative only. The impacts are not additive across investment asset classes, as each asset class operates in different markets and is subject to different conditions.

Actual movements in returns may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the underlying trusts invest. As a result, historic variations in rates of return are not a definitive indicator of future variations in rates of return.

b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme.

The value of financial assets, included in the Statement of Financial Position represents the Scheme's maximum exposure to credit risk in relation to those assets. The Scheme does not have any significant exposure to any individual counterparty or industry. The credit risk is monitored by Funds SA through ongoing reviews of the investment managers.

The Scheme does not have any assets which are past due or impaired and there is no concentration of credit risk.

c) Liquidity risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Scheme's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its payment of benefits to members and liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

For the Scheme's investments, Funds SA manages liquidity risk as follows:

- by giving careful consideration to the expected net cash redemption requirements of Funds SA's clients. The allocation to cash in the strategic asset allocation of each investment product is set at a level sufficient to manage expected cash redemptions, and
- a large proportion of each investment product is invested in highly liquid investments such as actively traded equities, unit trusts or securities with short-term maturities.

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For the Scheme itself, the liquidity position is monitored on a daily basis. The Scheme's cash and liquidity policy is to have sufficient cash balances to meet anticipated weekly benefit payments, expenses and investing activities.

The following tables summarise the contractual maturity profile of the Scheme's financial liabilities based on the earliest date on which the Scheme can be required to pay. The amounts in the table are the contractual undiscounted cash flows.

2024	Less than 3	Total	Carrying
	Months	Contractual	Amount
	\$'000	Cash Flows	Liabilities
		\$'000	\$'000
Benefits payable	531	531	531
Vested benefits ⁽ⁱ⁾	255 569	255 569	255 569
Total	256 100	256 100	256 100

2023	Less than 3	Total	Carrying
	Months	Contractual	Amount
	\$'000	Cash Flows	Liabilities
		\$'000	\$'000
Benefits payable	380	380	380
Payables ⁽ⁱ⁾	161	161	161
Vested benefits ⁽ⁱⁱ⁾	258 035	258 035	258 035
Total	258 576	258 576	258 576

⁽ⁱ⁾ Payable amounts disclosed here exclude amounts relating to constructive obligations and statutory payables (e.g. Commonwealth, State and Local Government taxes, fees and charges, Auditor-General's Department audit fees).

⁽ⁱⁱ⁾ Vested benefits have been included in the "Less than 3 Months" column, as this is the amount that members could call upon as at balance date. This is the earliest date on which the Scheme can be required to pay members vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

d) Derivative financial instruments

Derivatives can be defined as financial contracts whose value depends on, or is derived from, assets, liabilities, reference rates or indices. Funds SA uses derivatives to manage portfolio risk and to facilitate the implementation of investment strategies efficiently and cost effectively. Funds SA uses a variety of derivative instruments, such as over the counter swap agreements, forward rate agreements, futures and options.

Derivatives are an authorised investment within certain mandates managed by Funds SA's external investment managers for the purposes described above.

18. Segment information

The Scheme operates in one reportable segment, being the provision of benefits to members. The Scheme also operates from one reportable geographic segment, being Australia, from where its activities are managed. While the Scheme operates from Australia only, the Scheme, through its investment manager Funds SA, has investment exposures in different countries and across different industries. Revenue derived from interest and the realised and unrealised changes from the different segments is reflected in the value of investments.

South Australian Ambulance Service Superannuation Scheme
Notes to and forming part of the financial statements
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19. Related parties

a) Key management personnel

The key management personnel of the Scheme includes the Treasurer, Board members, the Chief Executive and the six members of the Executive Leadership Team, Super SA who have responsibility for the strategic direction and management of the Scheme.

b) Compensation

All key management personnel are compensated by the Department of Treasury and Finance or the Board, therefore their compensation is disclosed in the respective financial reports.

c) Transactions with key management personnel and other related parties

There were no transactions with key management personnel or related parties.

d) Transactions with other government entities

There were no significant transactions with government entities other than those disclosed elsewhere in the financial statements.

20. Events after the reporting period

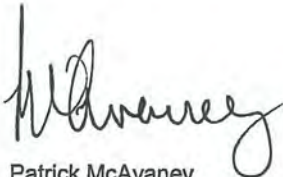
There were no significant events after the reporting period.

South Australian Ambulance Service Superannuation Scheme
Certification of the financial statement
for the year ended 30 June 2024

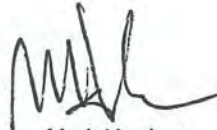
Certification of the financial statement

We certify that the:

- financial statements of the South Australian Ambulance Service Superannuation Scheme:
 - are in accordance with the accounts and records of the Scheme,
 - comply with relevant Treasurer's instructions,
 - comply with relevant accounting standards, and
 - present a true and fair view of the financial position of the Scheme at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Scheme for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Patrick McAvaney
Acting Chief Executive
Super SA



Mark Hordacre
Director Finance
Super SA



June Roache
Presiding Members
SA Superannuation Board

Date 16 September 2024