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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**

## **Financial Statements**

For the year ended 30 June 2024

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

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

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
<b>Current assets</b>			
Cash and cash equivalents	12	56 136	23 483
Receivables	4	1 385	117
Investments	5	7 237 573	6 810 916
<b>Total current assets</b>		<b>7 295 094</b>	<b>6 834 516</b>
<b>Total assets</b>		<b>7 295 094</b>	<b>6 834 516</b>
<b>Liabilities</b>			
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
<b>Total liabilities excluding member benefits</b>		<b>74 694</b>	<b>52 595</b>
<b>Net assets available for member benefits</b>		<b>7 220 400</b>	<b>6 781 921</b>
<b>Member benefits</b>			
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
<b>Member benefit liabilities</b>		<b>7 210 048</b>	<b>6 768 580</b>
<b>Total net assets</b>		<b>10 352</b>	<b>13 341</b>
<b>Equity</b>			
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)
<b>Total equity</b>		<b>10 352</b>	<b>13 341</b>

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
<b>Opening balance as at 1 July</b>	3	<b>1 938 927</b>	<b>4 829 653</b>	<b>6 768 580</b>
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)
<b>Net contributions</b>		<b>519 845</b>	<b>806 430</b>	<b>1 326 275</b>
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
<b>Net benefits to members comprising:</b>				
Net investment income		136 597	369 817	506 414
Administration fees		(2 371)	(4 547)	(6 918)
<b>Net contributions</b>		<b>(428 633)</b>	<b>(456 174)</b>	<b>(884 807)</b>
<b>Closing Balance at 30 June 2024</b>	3	<b>2 030 139</b>	<b>5 179 909</b>	<b>7 210 048</b>
<b>Opening balance as at 1 July</b>	3	<b>1 754 479</b>	<b>4 383 506</b>	<b>6 137 985</b>
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)
<b>Net contributions</b>		<b>543 195</b>	<b>794 181</b>	<b>1 337 376</b>
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
<b>Net benefits to members comprising:</b>				
Net investment income		143 642	401 551	545 193
Administration fees		(2 253)	(4 304)	(6 557)
<b>Net contributions</b>		<b>(358 747)</b>	<b>(348 034)</b>	<b>(706 781)</b>
<b>Closing Balance at 30 June 2023</b>	3	<b>1 938 927</b>	<b>4 829 653</b>	<b>6 768 580</b>

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		
<b>Opening Balance</b>	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)
<b>Closing Balance</b>	<b>17 470</b>	<b>(446)</b>	<b>13 977</b>	<b>(20 649)</b>	<b>10 352</b>
2023	Administration fee reserve	Insurance reserve	Operational risk reserve	(Under)/ over allocated benefits	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening Balance</b>	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)
<b>Closing Balance</b>	<b>16 104</b>	<b>1 670</b>	<b>11 383</b>	<b>(15 816)</b>	<b>13 341</b>

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
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
GST recovered from the ATO	-	582
Income tax	9 554	19 897
Other income	1 669	834
<b>Cash generated from operating activities</b>	<b>11 223</b>	<b>21 313</b>
<b>Cash outflows</b>		
GST paid to the ATO	(69)	-
Administration expenses paid	(5 650)	(4 010)
<b>Cash used in operating activities</b>	<b>(5 719)</b>	<b>(4 010)</b>
<b>Net cash provided by operating activities</b>	<b>5 504</b>	<b>17 303</b>
12		
<b>Cash flows from investing activities</b>		
<b>Cash inflows</b>		
Receipts from the sale of investments from Funds SA	522 865	1 659 808
<b>Cash generated from investing activities</b>	<b>522 865</b>	<b>1 659 808</b>
<b>Cash outflows</b>		
Payments to Funds SA for the purchase of investments	(445 172)	(1 765 841)
<b>Cash used in investing activities</b>	<b>(445 172)</b>	<b>(1 765 841)</b>
<b>Net cash provided by investing activities</b>	<b>77 693</b>	<b>(106 033)</b>
<b>Cash flows from financing activities</b>		
<b>Cash inflows</b>		
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
<b>Cash generated from financing activities</b>	<b>1 440 180</b>	<b>1 448 777</b>
<b>Cash outflows</b>		
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)
<b>Cash used in financing activities</b>	<b>(1 490 723)</b>	<b>(1 360 667)</b>
<b>Net cash provided by financing activities</b>	<b>(50 543)</b>	<b>88 110</b>
<b>Net change in cash</b>		
	<b>32 654</b>	<b>(620)</b>
Cash at the beginning of the reporting period	23 482	24 103
<b>Cash at the end of the reporting period</b>	<b>56 136</b>	<b>23 483</b>
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*

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#### **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*

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**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*

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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

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#### *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*

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***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

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#### *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*

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#### ***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.



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

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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
<b>Total receivables</b>	<b>588</b>	<b>46</b>	<b>797</b>	<b>71</b>	<b>1 385</b>	<b>117</b>

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

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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
<b>Financial assets at fair value through profit or loss - Level 2</b>						
<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
<b>Funds SA</b>	<b>2 061 699</b>	<b>1 971 610</b>	<b>5 175 874</b>	<b>4 839 306</b>	<b>7 237 573</b>	<b>6 810 916</b>

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

**6. Value and movement of investments by investment option**

	2024	Movement	2023
	\$'000	\$'000	\$'000
<b>Income Stream</b>			
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
<b>Investments at 30 June</b>	<b>4 737 866</b>	<b>343 832</b>	<b>4 394 034</b>
	2024	Movement	2023
	\$'000	\$'000	\$'000
<b>Income Stream Transition to Retirement</b>			
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
<b>Investments at 30 June</b>	<b>438 008</b>	<b>(7 264)</b>	<b>445 272</b>
	2024	Movement	2023
	\$'000	\$'000	\$'000
<b>Flexible Rollover Product</b>			
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
<b>Investments at 30 June</b>	<b>2 061 699</b>	<b>90 089</b>	<b>1 971 610</b>
	2024	Movement	2023
	\$'000	\$'000	\$'000
<b>Total</b>			
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
<b>Investments at 30 June</b>	<b>7 237 573</b>	<b>426 657</b>	<b>6 810 916</b>

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

**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
<b>Total payables</b>	<b>250</b>	<b>425</b>	<b>683</b>	<b>1 111</b>	<b>933</b>	<b>1 536</b>

**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
<b>Total investment expenses</b>	<b>5 279</b>	<b>5 126</b>	<b>13 235</b>	<b>12 697</b>	<b>18 514</b>	<b>17 823</b>

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 <sup>(i)</sup>	22	12	56	40	78	52
<b>Total administration expenses</b>	<b>1 364</b>	<b>1 095</b>	<b>3 934</b>	<b>3 098</b>	<b>5 298</b>	<b>4 193</b>

(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.

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

**11. Income tax**

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
<b>Major components of tax (expense)/benefit</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>11.1) Current income tax (expense)/benefit</b>						
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)
<b>Income tax (expense)/benefit</b>	<b>(9 825)</b>	<b>(11 418)</b>	<b>8 134</b>	<b>9 390</b>	<b>(1 691)</b>	<b>(2 028)</b>

**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)
<b>Tax applicable at the rate of 15% (2023:15%)</b>	<b>(1 068)</b>	<b>(903)</b>	<b>1 154</b>	<b>5 847</b>	<b>85</b>	<b>4 944</b>

**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**

	<b>(9 825)</b>	<b>(11 418)</b>	<b>8 134</b>	<b>9 390</b>	<b>(1 691)</b>	<b>(2 028)</b>
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	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
<b>11.2) Current tax liabilities</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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)
<b>Total current tax liabilities</b>	<b>12 712</b>	<b>8 404</b>	<b>11 739</b>	<b>6 108</b>	<b>24 451</b>	<b>14 512</b>

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

	Flexible Rollover Product		Income Stream		Totals	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>11.3) Deferred tax liabilities/(assets)</b>						
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
<b>Total deferred tax liabilities/(assets)</b>	<b>22 698</b>	<b>19 943</b>	<b>2 290</b>	<b>1 737</b>	<b>24 988</b>	<b>21 680</b>

**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
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>						
Cash and cash equivalents	22 424	12 341	33 712	11 142	56 136	23 483
<b>Total cash and cash equivalents</b>	<b>22 424</b>	<b>12 341</b>	<b>33 712</b>	<b>11 142</b>	<b>56 136</b>	<b>23 483</b>

**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)
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**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	-	-	-	-	-	-
<b>Net cash outflows from operating activities</b>	<b>(5 167)</b>	<b>216</b>	<b>10 671</b>	<b>17 086</b>	<b>5 504</b>	<b>17 303</b>

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

**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
<b>Opening balance</b>	5 124	4 448	10 980	9 272	16 104	13 720
Investment earnings <sup>(i)</sup>	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)
<b>Operating result - administration fee reserve</b>	<b>420</b>	<b>676</b>	<b>945</b>	<b>1 708</b>	<b>1 365</b>	<b>2 384</b>
Transfer to/(from) reserve	-	-	-	-	-	-
<b>Closing balance administration fee reserve</b>	<b>5 544</b>	<b>5 124</b>	<b>11 925</b>	<b>10 980</b>	<b>17 469</b>	<b>16 104</b>

(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
<b>Opening balance</b>	1 670	1 244	-	-	1 670	1 244
Investment earnings <sup>(i)</sup>	(55)	131	-	-	(55)	131
Premiums and charges	550	700	-	-	550	700
Benefit payments	(2 611)	(405)	-	-	(2 611)	(405)
<b>Operating result - insurance reserve</b>	<b>(2 116)</b>	<b>426</b>	<b>-</b>	<b>-</b>	<b>(2 116)</b>	<b>426</b>
Transfer to/(from) reserve	-	-	-	-	-	-
<b>Closing balance insurance reserve</b>	<b>(446)</b>	<b>1 670</b>	<b>-</b>	<b>-</b>	<b>(446)</b>	<b>1 670</b>

(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.

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

**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
<b>Opening balance</b>	7 125	5 678	4 258	4 118	11 383	9 796
Investment earnings <sup>(i)</sup>	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)
<b>Operating result - operational risk reserve</b>	<b>1 586</b>	<b>1 447</b>	<b>1 006</b>	<b>140</b>	<b>2 592</b>	<b>1 587</b>
Transfer to/(from) reserve	-	-	-	-	-	-
<b>Closing balance operational risk reserve</b>	<b>8 711</b>	<b>7 125</b>	<b>5 264</b>	<b>4 258</b>	<b>13 975</b>	<b>11 383</b>

(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.



## Super SA Retirement Investment Fund

### Notes to and forming part of the financial statements

for the year ended 30 June 2024

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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.

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

**2023-24**

	Expected	Market Risk	Average Funds Under Management	Potential Impact of Market Risk (+/-) on Income Statement
Income Stream	Average Return	%	\$'000	\$'000
	%	%		
<b>Investment option</b>				
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	Market Risk	Average Funds Under Management	Potential Impact of Market Risk (+/-) on Income Statement
Income stream transition to retirement	Average Return	%	\$'000	\$'000
	%	%		
<b>Investment option</b>				
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	Market Risk	Average Funds Under Management	Potential Impact of Market Risk (+/-) on Income Statement
Flexible rollover product	Average Return	%	\$'000	\$'000
	%	%		
<b>Investment option</b>				
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.

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

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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.

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

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	Total contractual cash flows	Carrying amount liabilities
	\$'000	\$'000	\$'000
<b>2023-24</b>			
Benefits payable <sup>(i)</sup>	23 718	23 718	23 718
Payables	-	-	-
Vested benefits <sup>(ii)</sup>	7 210 048	7 210 048	7 210 048
<b>Total</b>	<b>7 233 766</b>	<b>7 233 766</b>	<b>7 233 766</b>

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

(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*

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**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.

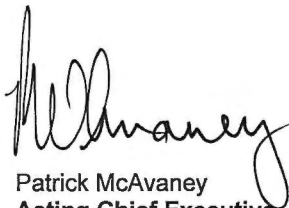
**Super SA Retirement Investment Fund**  
**Certification of the financial statement**  
*for the year ended 30 June 2024*

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**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