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

Opinion

I have audited the financial report of Super SA Retirement Investment Fund for the financial year ended 30 June 2022.

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 2022, 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 Financial Position as at 30 June 2022
- an Income Statement for the year ended 30 June 2022
- a Statement of Changes in Member Benefits for the year ended 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Board Member of the South Australian Superannuation Board, the Acting Chief Executive, State Superannuation Office and the Director, Finance, State Superannuation Office.

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 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, State Superannuation Office and members of the South Australian Superannuation Board for the financial report

The Acting Chief Executive, State Superannuation Office 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 the 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Acting Chief Executive, State Superannuation Office 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, State Superannuation Office 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 Super SA Retirement Investment Fund for the financial year ended 30 June 2022.

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, State Superannuation Office
- conclude on the appropriateness of the Acting Chief Executive, State Superannuation Office'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 Acting Chief Executive, State Superannuation Office and 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)

23 September 2022

Super SA Retirement Investment Fund

Statement of Financial Position as at 30 June 2022

	Note	2022 \$000	2021 \$000
Assets			
Cash and cash equivalents	12	24 103	32 615
Receivables	4	3 809	7 022
Investments	5	6 192 727	6 246 946
Total assets		<u>6 220 639</u>	<u>6 286 583</u>
Liabilities			
Benefits payable		16 349	8 821
Payables	7	1 692	1 249
Insurance liabilities		493	925
Provision for PAYG withholding tax		69	23
Income tax payable	11(b)	7 302	47 543
Deferred tax liabilities	11(c)	6 966	24 695
Total liabilities excluding member benefits		<u>32 871</u>	<u>83 256</u>
Net assets available for member benefits		<u>6 187 768</u>	<u>6 203 327</u>
Member benefits			
Income Stream (IS) member benefit liabilities	3	4 383 506	4 463 727
Flexible Rollover Product (FRP) member benefit liabilities	3	1 754 479	1 687 357
Total member benefits		<u>6 137 985</u>	<u>6 151 084</u>
Total net assets		<u>49 783</u>	<u>52 243</u>
Equity			
Administration Fee Reserve	13	13 720	22 861
Insurance Reserve	14	1 244	757
Operational Risk Reserve	15	9 796	9 995
Investment allocation under/(over)		25 023	18 630
Total equity		<u>49 783</u>	<u>52 243</u>

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

Super SA Retirement Investment Fund

Income Statement

for the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
Net changes in investments measured at fair value		(340 653)	911 931
Interest revenue		1	11
Other revenue		-	4 572
Transfers from other schemes		(8 976)	8 976
Total revenue		<u>(349 628)</u>	<u>925 490</u>
Investment expenses	8	(18 935)	(18 579)
Administration expenses	9	(4 223)	(4 254)
Total expenses		<u>(23 158)</u>	<u>(22 833)</u>
Results from superannuation activities		<u>(372 786)</u>	<u>902 657</u>
Net insurance activities		982	790
Result from operating activities		<u>(371 804)</u>	<u>903 447</u>
Net benefits allocated to IS member accounts		239 274	(607 179)
Net benefits allocated to FRP member accounts		84 224	(210 715)
Operating result before income tax		<u>(48 306)</u>	<u>85 553</u>
Income tax (expense)/benefit	11(a)	46 909	(43 288)
Net operating result		<u>(1 397)</u>	<u>42 265</u>

The income statement should be read in conjunction with the accompanying notes

Super SA Retirement Investment Fund

Statement of Changes in Member Benefits for the year ended 30 June 2022

2022		Flexible Roller Product \$000	Income Stream \$000	Totals \$000
	Note			
Opening balance as at 1 July	3	1 687 357	4 463 727	6 151 084
Member contributions		93 137	-	93 137
Government co-contributions		82	-	82
Spouse contributions		778	-	778
Rollovers from other schemes		535 065	887 239	1 422 304
Income tax on rollovers		(51 230)	(66 506)	(117 736)
Net contributions		577 832	820 733	1 398 565
Benefits to members		(425 943)	(662 765)	(1 088 708)
Insurance premiums charged to members		(552)	-	(552)
Amounts allocated to members from reserves		9	1 085	1 094
Net benefits allocated to members, comprising:				
Net investment income		(82 061)	(235 069)	(317 130)
Net change in member liabilities		(2 163)	(4 205)	(6 368)
Closing balance as at 30 June		1 754 479	4 383 506	6 137 985

2021		Flexible Roller Product \$000	Income Stream \$000	Totals \$000
	Note			
Opening balance as at 1 July	3	1 402 081	3 746 243	5 148 324
Member contributions		75 764	-	75 764
Government co-contributions		64	-	64
Spouse contributions		297	-	297
Rollovers from other schemes		361 362	707 403	1 068 765
Income tax on rollovers		(34 552)	(51 780)	(86 332)
Net contributions		402 935	655 623	1 058 558
Benefits to members		(327 968)	(545 477)	(873 445)
Insurance premiums charged to members		(501)	-	(501)
Amounts allocated to members from reserves		95	159	254
Net benefits comprising:				
Net investment income		212 619	611 062	823 681
Net change in member liabilities		(1 904)	(3 883)	(5 787)
Closing balance as at 30 June	3	1 687 357	4 463 727	6 151 084

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 for the year ended 30 June 2022

	Administration Fee Reserve	Insurance Reserve	Operational Risk Reserve	Over/(under) allocated benefits	Total Equity
2022	\$000	\$000	\$000	\$000	\$000
Note	13	14	15		
Opening balance	22 861	757	9 995	18 630	52 243
Net operating result	(165)	487	(199)	(1 520)	(1 397)
Net transfers to equity	(8 976)	-	-	7 913	(1 063)
Closing balance	13 720	1 244	9 796	25 023	49 783

	Administration Fee Reserve	Insurance Reserve	Operational Risk Reserve	Over/(under) allocated benefits	Total Equity
2021	\$000	\$000	\$000	\$000	\$000
Note	13	14	15		
Opening balance	19 785	1 833	13 641	(23 745)	11 514
Net operating result	4 387	850	3 633	33 395	42 265
Net transfers to equity	(1 311)	(1 926)	(7 279)	8 980	(1 536)
Closing balance	22 861	757	9 995	18 630	52 243

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

Super SA Retirement Investment Fund

Statement of Cash Flows for the year ended 30 June 2022

	Note	2022 \$000	2021 \$000
GST recoup		749	294
Other income		80	14
Income tax		(11 062)	1 609
Administration expenses paid		(5 371)	(3 318)
Net cash flows from operating activities	12	<u>(15 604)</u>	<u>(1 401)</u>
Receipts from the sale of investments from Funds SA		1 694 404	1 401 296
Payments to Funds SA for the purchase of investments		(1 996 697)	(1 594 484)
Net cash flows from investing activities		<u>(302 293)</u>	<u>(193 188)</u>
Member contributions		93 137	75 779
Spouse contributions		778	297
Government co-contributions		82	64
Net transfers from other superannuation entities		1 423 218	1 065 555
Transfers from other schemes		(8 976)	8 976
Payments from Operational Risk Reserve		14	(5)
Income Stream payments		(660 124)	(544 506)
Flexible Rollover Product payments		(421 009)	(330 670)
Contributions tax paid		(117 736)	(86 332)
Net cash flows from financing activities		<u>309 384</u>	<u>189 158</u>
Net change in cash		(8 512)	(5 431)
Cash at the beginning of the financial period		32 615	38 046
Cash at the end of the financial period	12	<u>24 103</u>	<u>32 615</u>

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

Super SA Retirement Investment Fund

Notes to the Financial Statements

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 comprises 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 to maintain their current insurance through the Triple S Scheme, 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 is 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.

Super SA Retirement Investment Fund

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.

2) Significant accounting policies

a) *Basis of accounting*

This financial report is a general purpose financial report. The financial statements have been prepared in accordance with relevant Australian Accounting Standards, 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.

This financial report has been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

This financial report is 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) *Impact of standards and statements not yet effective*

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. The assessment of the impact of these new standards and interpretations is set out below.

The Board has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations on behalf of the Fund. There are no Accounting Policy Statements that are not yet effective. The material impacts on the Fund are outlined below.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The standard applies to reporting periods beginning on or after 1 July 2021. The standard replaces the reduced disclosure requirements previously included in all Australian Accounting Standards with simplified disclosure requirements which will apply to Tier 2 entities.

AASB 1053 Application of Tiers of Australian Accounting Standards will still apply in conjunction with AASB 1060. Application of AASB 1060 will significantly amend the content of Tier 2 financial reports.

Super SA Retirement Investment Fund

The Fund is not a Tier 2 financial reporting entity. The Board has assessed the impact of the amendments of AASB 1060, and has determined there will be no impact on the Fund's financial statements.

AASB 2020-2 Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities

The standard applies to reporting periods beginning on or after 1 July 2021. The standard removes the ability for certain for-profit private sector entities to self-assess their financial reporting requirements and prepare special purpose financial statements (SPF) when they are required to prepare financial statements that comply with Australian Accounting Standards (AAS).

The Fund is an exempt public sector superannuation scheme and operates on a not-for-profit basis. The Board has assessed the impact of the new standard on the Fund, and has determined there will be no impact on the Fund's financial statements.

AASB 2021-1 Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities

The standard applies to reporting periods beginning on or after 1 July 2021. The Standard amends new elements of AASB 1053 and amends AASB 1060 for first-time application to provide not-for-profit entities with optional relief from presenting comparative information in the notes to the financial statements where the entity did not disclose the comparable information in its most recent previous general purpose financial statements. This relief is only applicable where AASB 1060 is early adopted.

Amendments to AASB 1053 highlight that the relief set out in Appendix E of AASB 1053 is available only to for-profit private sector entities.

The Fund operates on a not-for-profit basis and is not adopting AASB 1060. The Board has assessed the impact of the new standard on the Fund, and has determined there will be no impact on the Fund's financial statements.

AASB 2020-7 Amendments to Australian Accounting Standards - Covid-19 Related Rent Concessions: Tier 2 Disclosures

This standard applies to reporting periods beginning on or after 1 July 2021. AASB 16 (June 2020) provides a practical expedient to elect not to assess whether rent concessions are lease modifications and allows entities to apply a change in lease payments resulting from rent concessions as per the requirements of AASB 16. This practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and where certain conditions are met. Additional disclosures were required where the practical expedient was applied. AASB 2020-7 amends AASB 16 to include relief for Tier 2 entities from the requirement of the additional disclosures required by paragraph 60A and introduces these disclosures in AASB 1060.

The Scheme does not hold any leases therefore AASB 2020-7 does not apply. The Board has assessed the impact of the new standard on the Scheme, and has determined there will be no impact on the Scheme's financial statements.

Super SA Retirement Investment Fund

AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments

This standard applies to reporting periods beginning on or after 1 July 2021. This Standard amends AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities to provide relief in the first reporting period in which an entity applies AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2. An entity is not required to disclose the information that would otherwise be required by paragraph 106(b) of AASB 1060 in respect of the accounting policy changes made in applying AASB 2020-8.

The Scheme operates on a not-for-profit basis and is not adopting AASB 1060. The Board has assessed the impact of the new standard on the Scheme, and has determined there will be no impact on the Scheme's financial statements.

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.

Super SA Retirement Investment Fund

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.

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 specified otherwise.

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.

Super SA Retirement Investment Fund

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 2022 but paid after 30 June 2022.

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.

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.

Super SA Retirement Investment Fund

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 Fund is Australian dollars, which is the Fund's primary currency. The Fund'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.

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.

Super SA Retirement Investment Fund

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 is 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

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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.

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 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

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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.

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 2022, Funds SA managed seven (2021: eight) distinct investment options for the Fund which were available to investors, each differing by strategic asset allocation:

- High Growth
- Balanced
- Moderate
- Stable (previously known as Conservative)
- 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.

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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 and Climate Risk Response Plan to support its approach in this area. Please refer to the Funds SA website for further detail.

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	
	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000
Member benefits	1 754 479	1 687 357	4 383 506	4 463 727	6 137 985	6 151 084
As compared to net assets available for member benefits	1 769 073	1 708 177	4 418 695	4 495 150	6 187 768	6 203 327

4) Receivables

	Flexible Rollover Product		Income Stream		Totals	
	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000
Refund from ATO for GST	12	29	34	74	46	103
Interest	-	-	-	-	-	-
Funds SA receivables	607	2 755	3 156	4 084	3 763	6 839
Other receivables	-	38	-	42	-	80
Contributions receivables	-	-	-	-	-	-
Rollovers receivable	-	-	-	-	-	-
	619	2 822	3 190	4 200	3 809	7 022

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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.

Financial assets at fair value through profit or loss – Level 2

Level 1 and level 3 are not relevant to the Scheme

	Flexible Rollover Product		Income Stream		Totals	
	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000
Unlisted managed investment schemes	1 782 423	1 742 837	4 410 304	4 504 109	6 192 727	6 246 946
Funds SA	1 782 423	1 742 837	4 410 304	4 504 109	6 192 727	6 246 946

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6) Value and movement of investments by investment option

	2022	Movement	2021
Income Stream	\$000	\$000	\$000
High Growth Taxable	332 689	(36 369)	369 058
Balanced Taxable	1 831 739	(108 848)	1 940 587
Moderate Taxable	778 597	38 353	740 244
Stable Tax-Exempt ^(f)	556 180	(2 176)	558 356
Capital Defensive Taxable	178 783	(21 500)	200 283
Cash Taxable	223 011	104 570	118 441
Socially Responsible Investment	75 565	20 400	55 165
Investments at 30 June	3 976 564	(5 570)	3 982 134

	2022	Movement	2021
Income Stream (Transition to Retirement)	\$000	\$000	\$000
High Growth Taxable	43 360	(13 984)	57 343
Balanced Taxable	207 466	(76 533)	283 999
Moderate	88 557	(6 974)	95 532
Stable Tax-Exempt ^(f)	49 558	112	49 446
Capital Defensive Taxable	8 630	(879)	9 510
Cash Taxable	23 716	7 892	15 823
Socially Responsible Investment	12 453	2 131	10 322
Investments at 30 June	433 740	(88 235)	521 975

	2022	Movement	2021
Flexible Rollover Product	\$000	\$000	\$000
High Growth Taxable	237 920	(25 040)	262 960
Balanced Taxable	876 803	12 982	863 821
Moderate	207 630	(9 367)	216 998
Stable Tax-Exempt ^(f)	179 916	366	179 550
Capital Defensive Taxable	98 153	2 624	95 529
Cash Taxable	143 470	51 314	92 155
Socially Responsible Investment	38 531	6 707	31 824
Investments at 30 June	1 782 423	39 586	1 742 837

	2022	Movement	2021
Total	\$000	\$000	\$000
High Growth Taxable	613 969	(75 393)	689 361
Balanced Taxable	2 916 008	(172 399)	3 088 407
Moderate Taxable	1 074 784	22 012	1 052 774
Stable Tax-Exempt ^(f)	785 651	(1 698)	787 352
Capital Defensive Taxable	285 566	(19 755)	305 322
Cash Taxable	390 197	163 776	226 419
Socially Responsible Investment	126 549	29 238	97 311
Investments at 30 June	6 192 727	(54 219)	6 246 946

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7) Payables

	Flexible Rollover Product		Income Stream		Totals	
	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000
Audit fees payable	14	12	34	37	48	49
Administration fees	518	288	1 126	912	1 644	1 200
Rollovers refundable	-	-	-	-	-	-
	532	300	1 160	949	1 692	1 249

8) Investment expenses

	Flexible Rollover Product		Income Stream		Totals	
	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000
Investment expenses	5 366	5 100	13 569	13 479	18 935	18 579

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	
	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000
Administration fee	1 063	1 006	3 109	3 196	4 172	4 202
Other expenses ⁽ⁱ⁾	15	12	36	40	51	52
	1 078	1 018	3 145	3 236	4 223	4 254

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

10) Auditors' remuneration

	2022	2021
	\$000	\$000
Audit fees paid or payable	46	45

Audit fees paid (or payable), \$45 700 GST exclusive (2021: \$44 600), relate to the Auditor-General's Department work performed under the PFAA. No other services were provided by the Auditor-General's Department.

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11) Income tax

	Flexible Rollover Product		Income Stream		Totals	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Major components of tax expense (expense)/benefit						
(a) Current income tax (expense)/benefit						
Current tax charge	(858)	(15 713)	15 069	(12 976)	14 211	(28 689)
Adjustment to current tax charge for prior periods	135	(112)	14 834	16	14 969	(96)
Relating to the originating and reversal of temporary differences	13 089	(9 678)	4 640	(4 825)	17 729	(14 503)
Income tax (expense)/benefit	12 366	(25 503)	34 543	(17 785)	46 909	(43 288)
Reconciliation between income tax expenses and the accounting profit before income tax						
Net operating result before tax	(18 588)	39 508	(29 718)	46 045	(48 306)	85 553
Tax applicable at the rate of 15% (2021: 15%)	2 788	(5 926)	4 458	(6 907)	7 246	(12 833)
Tax effect of expenses that are not assessable/or deductible in determining taxable income:						
Non deductible expenses	-	-	(257)	(91)	(257)	(91)
Tax effect of income/(losses) that are not assessable/or deductible in determining taxable income:						
Investment revenue	(10 018)	8 722	(29 183)	52 459	(39 201)	61 181
Exempt pension income	-	-	23 519	20 807	23 519	20 807
Tax effect of other adjustments:						
Imputation and foreign tax credits	6 934	3 307	15 112	6 941	22 046	10 248
(Over)/under provision prior period	(134)	(112)	(14 834)	16	(14 968)	(96)
Self insurance deduction	80	76	-	-	80	76
Net benefit allocated to members	12 715	(31 546)	35 728	(91 101)	48 443	(122 647)
Deductible financial planning fees	1	(24)	-	-	1	(24)
Income tax (expense)/benefit	12 366	(25 503)	34 543	(17 785)	46 909	(43 379)
(b) Current tax liabilities						
Balance at beginning of year	21 413	9 152	26 130	7 996	47 543	17 148
Income tax paid - current period	(43 973)	(28 852)	(52 251)	(38 626)	(98 224)	(67 478)
Income tax paid - prior periods	(21 279)	(9 264)	(11 296)	(7 981)	(32 575)	(17 245)
Current years income tax provision	52 088	50 265	51 438	64 757	103 526	115 022
(Over)/under provision prior period	(134)	112	(14 834)	(16)	(14 968)	96
Current tax liabilities	8 115	21 413	(813)	26 130	7 302	47 543

Super SA Retirement Investment Fund

Income tax cont.

	Flexible Rollover Product		Income Stream		Totals	
	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000

(c) Deferred tax liabilities/(assets)

The amount of deferred tax liability recognised in the Statement of Financial Position at reporting date is made up as follows:

Accrued expenses	(2)	(2)	(1)	(1)	(3)	(3)
Unrealised capital gains /(losses) carried forward (discounted)	8 036	21 125	(1 067)	3 573	6 969	24 698
Deferred tax liabilities/(assets)	8 034	21 123	(1 068)	3 572	6 966	24 695

The Scheme offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets.

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	
	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	11 395	9 536	12 708	23 079	24 103	32 615

Reconciliation of operating result to net cash from operating activities

Net operating result	(6 222)	14 005	4 825	28 260	(1 397)	42 265
Adjustments for:						
Change in investments measured at fair value	96 257	(253 295)	244 396	(658 636)	340 653	(911 931)
Investment expenses	5 366	5 100	13 569	13 479	18 935	18 579
Administration fee received	-	(1 158)		(3 414)		(4 572)
Net insurance movement	(984)	(441)	-	-	(984)	(441)
(Increase) in receivables	2 090	(1 833)	1 010	(4 017)	3 100	(5 850)
Increase/(decrease) in payables	(27 428)	22 625	(24 985)	20 030	(52 413)	42 655
Allocation to members accounts	(84 224)	210 715	(239 274)	607 179	(323 498)	817 894
Net cash (outflows)/inflows from operating activities	(15 145)	(4 282)	(459)	2 881	(15 604)	(1 401)

Super SA Retirement Investment Fund

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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Opening balance	5 576	(202)	17 285	19 987	22 861	19 785
Investment earnings ⁽ⁱ⁾	(223)	102	(649)	3 941	(872)	4 043
Administration fees	1 252	1 120	3 628	3 372	4 880	4 492
Administration expenses	(1 064)	(990)	(3 109)	(3 158)	(4 173)	(4 148)
Operating result	(35)	232	(130)	4 155	(165)	4 387
Transfer to/(from) Reserve ⁽ⁱⁱ⁾	(1 093)	5 546	(7 883)	(6 857)	(8 976)	(1 311)
Closing balance	4 448	5 576	9 972	17 285	13 720	22 861

⁽ⁱ⁾ The Administration Reserves are notionally invested in the Balanced Option. The rate of return on earnings were FRP: -4.92 per cent (2021: 19.44 per cent), IS -5.78 per cent (2021: 21.30 per cent) and TRIS -2.64 per cent (2021: 19.9 per cent).

⁽ⁱⁱ⁾ The Flexible Rollover Product amount relates to the Board approved reversal of the transfers of accumulated investment earnings from the Triple S Scheme's Insurance Reserve (\$1.1 million). The Income Stream amount relates to the Board approved reversal of the transfers of accumulated investment earnings from the Triple S Scheme's Insurance Reserve (\$7.9 million).

14) Insurance Reserve

The surplus attributable to the insurance pool for the Flexible Rollover Product was initially recognised in March 2014 as an Insurance Reserve and operates on a self insurance basis. This reserve is credited with insurance deductions from member accounts and debited with the value of benefits paid to members. Insurance is not offered through Income Stream.

	Flexible Rollover Product		Income Stream		Totals	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Opening balance	757	1 833	-	-	757	1 833
Investment earnings ⁽ⁱ⁾	(65)	349	-	-	(65)	349
Premiums and charges	552	501	-	-	552	501
Operating result	487	850	-	-	487	850
Transfer to/(from) Reserve ⁽ⁱⁱ⁾	-	(1 926)	-	-	-	(1 926)
Closing balance	1 244	757	-	-	1 244	757

⁽ⁱ⁾ The Insurance Reserve is notionally invested in the Balanced option. The rate of return on earnings was -4.92 per cent (2021: 19.44 per cent).

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15) Operational Risk Reserve

The Operational Risk Reserves (ORR) for Income Stream and Flexible Rollover Product were established at 31 December 2012 at 0.20 per cent of funds under management. From April 2016, members were charged a fee (0.04 per cent FRP, 0.05 per cent IS/TRIS) via a reduction to the unit prices in order to build the reserves to a target rate (0.45 per cent FRP, 0.20 per cent IS/TRIS) of funds under management. From March 2018, the fee charged to FRP members was increased from 0.04 per cent to 0.05 per cent, IS/TRIS remained unchanged at 0.05 per cent until June 2019. From July 2019 to December 2019 the fee charged to IS/TRIS members was reduced to 0.025 per cent, from January 2020 the rate was further reduced to 0.0125 per cent and remained unchanged for the year ended 30 June 2022. The FRP rate again remained unchanged at 0.05 per cent for the year.

	Flexible Rollover Product		Income Stream		Totals	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Opening balance	5 072	3 649	4 923	9 992	9 995	13 641
Investment earnings ⁽ⁱ⁾	(296)	734	(297)	1 858	(593)	2 592
ORR fee	911	784	577	511	1 488	1 295
Payments from Reserve	(9)	(95)	(1 085)	(159)	(1 094)	(254)
Operating result	606	1 423	(805)	2 210	(199)	3 633
Transfer to/(from) Reserve ⁽ⁱⁱ⁾	-	-	-	(7 279)	-	(7 279)
Closing balance	5 678	5 072	4 118	4 923	9 796	9 995

⁽ⁱ⁾ The ORRs are notionally invested in the Balanced Option. The rate of return on earnings were FRP: -4.92 per cent (2021: 19.44 per cent), IS -5.78 per cent (2021: 21.30 per cent) and TRIS -2.64 per cent (2021: 19.9 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.

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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.

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 fully 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 partly 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.

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(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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Income Stream

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

	Expected Average Return	Market Risk	Average Funds Under Management	Potential impact of market risk (+/-) on Income Statement
	%	%	\$000	\$000
2022				
Investment Option				
High Growth Taxable	7.0	10.4	350 874	36 491
Balanced Taxable	6.3	9.0	1 886 163	169 755
Moderate Taxable	4.8	6.7	759 421	50 881
Stable Tax-Exempt ^(f)	4.0	5.1	557 268	28 421
Capital Defensive Taxable	3.3	3.8	189 533	7 202
Cash Taxable	0.0	0.5	170 726	854
Socially Responsible Investment	5.4	8.9	65 365	5 817

	Expected Average Return	Market Risk	Average Funds Under Management	Potential impact of market risk (+/-) on Income Statement
	%	%	\$000	\$000
2021				
Investment Option				
High Growth B	7.9	10.9	225 286	24 556
Balanced Taxable	7.3	10.0	1 707 230	170 723
Moderate Taxable	5.8	7.1	646 122	45 875
Stable Tax-Exempt ^(f)	4.7	5.1	492 535	25 119
Capital Defensive Taxable	3.4	3.5	210 799	7 378
Cash Taxable	0.3	1.0	184 141	1 841
Socially Responsible Investment	6.3	10.2	46 467	4 740

Super SA Retirement Investment Fund

Income Stream Transition to Retirement

The statistics shown below are averages calculated over 10 years, net of investment management fees and gross of tax. These investment statistics have a 15 per cent tax rate applied and includes franking credits.

	Expected Average Return	Market Risk	Average Funds Under Management	Potential impact of market risk (+/-) on Income Statement
	%	%	\$000	\$000
2022				
Investment Option				
High Growth Taxable	6.2	10.3	50 352	5 186
Balanced Taxable	5.6	9.0	245 733	22 116
Moderate Taxable	4.3	6.7	92 045	6 167
Stable Tax-Exempt ^(f)	3.5	5.1	49 502	2 525
Capital Defensive Taxable	2.9	3.8	9 070	345
Cash Taxable	0.0	0.5	19 770	99
Socially Responsible Investment	4.7	8.9	11 388	1 013

	Expected Average Return	Market Risk	Average Funds Under Management	Potential impact of market risk (+/-) on Income Statement
	%	%	\$000	\$000
2021				
Investment Option				
High Growth Taxable	7.0	10.9	39 467	4 302
Balanced Taxable	6.4	10.0	275 807	27 581
Moderate Taxable	5.1	7.1	87 763	6 231
Stable Tax-Exempt ^(f)	4.1	5.1	44 770	2 283
Capital Defensive Taxable	3.0	3.5	13 436	470
Cash Taxable	0.3	1.0	26 378	264
Socially Responsible Investment	5.9	10.3	7 189	740

Super SA Retirement Investment Fund

Flexible Rollover Product

The statistics shown below are averages calculated over 10 years, net of investment management fees and gross of tax. These investment statistics have a 15 per cent tax rate applied and includes franking credits.

	Expected Average Return	Market Risk	Average Funds Under Management	Potential impact of market risk (+/-) on Income Statement
	%	%	\$000	\$000
2022				
Investment Option				
High Growth Taxable	6.2	10.3	250 440	25 795
Balanced Taxable	5.6	9.0	870 312	78 328
Moderate Taxable	4.3	6.7	212 314	14 225
Stable Tax-Exempt ⁽ⁱ⁾	3.5	5.1	179 733	9 166
Capital Defensive Taxable	2.9	3.8	96 841	3 680
Cash Taxable	0.0	0.5	117 813	589
Socially Responsible Investment	4.7	8.9	35 178	3 131

	Expected Average Return	Market Risk	Average Funds Under Management	Potential impact of market risk (+/-) on Income Statement
	%	%	\$000	\$000
2021				
Investment Option				
High Growth Taxable	7.0	10.9	169 693	18 497
Balanced Taxable	6.4	10.0	750 165	75 016
Moderate Taxable	5.1	7.1	193 338	13 727
Stable Tax-Exempt ⁽ⁱ⁾	4.1	5.1	160 121	8 166
Capital Defensive Taxable	3.0	3.5	95 288	3 335
Cash Taxable	0.3	1.0	126 076	1 261
Socially Responsible Investment	5.9	10.3	26 156	2 694

(i) Stable was previously known as the Conservative option.

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.

Super SA Retirement Investment Fund

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

The following tables summarise the expected 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
2022			
Benefits payable Payables ⁽ⁱ⁾	16 349	16 349	16 349
Vested benefits ⁽ⁱⁱ⁾	6 137 985	6 137 985	6 137 985
Total	6 154 334	6 154 334	6 154 334
2021			
Benefits payable Payables ⁽ⁱ⁾	8 821	8 821	8 821
Vested benefits ⁽ⁱⁱ⁾	-	-	-
Total	6 151 084	6 151 084	6 151 084

⁽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 the underlying investment movements using redemption value (refer Note 3). The redemption value is adjusted for disposal costs. This difference in valuation methods is reflected in the investment allocation amount in the statement of financial position.

Super SA Retirement Investment Fund

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 managers 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.

19) Related parties

a) Key management personnel

The key management personnel of the Fund includes the Treasurer, Board members and the Chief Executive and the six members of the Executive Leadership Team, State Superannuation Office 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 requiring disclosure for 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

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.



Virginia Deegan
Board Member
SA Superannuation Board



Patrick McAvaney
A/Chief Executive
State Superannuation Office



Mark Hordacre
Director Finance
State Superannuation Office

Date15/9/2022.....