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Superannuation entity model financial report

Financial reporting periods ending on or after 30 June 2024

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Updates to this publication

This publication was originally issued in June 2023 and has been updated and reissued in April 2024 to take the following into account:

- The Corporations Regulations made in July 2023 (differences from the draft regulations on which the June 2023 version of this publication was based include certain changes to the notice of members' meeting requirements, and a change to the remuneration report to remove a requirement for comparative information)
- The issue of ASIC Corporations Instruments to give relief to registrable superannuation entities equivalent to that available to other entities reporting under the Corporations Act (these were previously noted as likely but not yet in place)
- Updates to the *Sustainability (including climate) financial disclosure developments* section for developments from Treasury, the AASB exposure draft on climate-related financial disclosures, the introduction of enabling legislation in Federal Parliament and other developments
- Including consideration of the Financial Accountability Regime requirements in the context of the remuneration report
- New and amending pronouncements made by the AASB, IASB and other bodies after the date of finalisation of the June 2023 version of this publication
- Removal of new or modified requirements that applied for the first time at 30 June 2023. (Although the publication was prepared as an illustrative example for financial years ending on 30 June 2024, it was issued in June 2023 and so new requirements for that period were previously highlighted).

The information in this publication is current as of 9 April 2024 and entities should ensure any developments occurring from this date to the date of authorising of the financial statements are appropriately taken into account. This publication is updated annually (for June reporting periods). The latest edition can be found at www.deloitte.com/au/models.

Introduction

The new financial reporting requirements for superannuation entities provides an opportunity to provide more meaningful information to members

"Superannuation funds should grasp the opportunity to improve member communication and embrace mandatory ESG reporting"

Fiona O'Keefe
Partner
Superannuation Services

Bringing registrable superannuation entities into the scope of the financial reporting requirements of the *Corporations Act 2001* for financial years ending 30 June 2024 onwards represents a significant change for superannuation funds, but also provides opportunities.

The Australian superannuation system is highly regarded worldwide, but with this comes substantial regulatory oversight. As the superannuation sector continues to grow, demands for transparency and regulation grow as well. Therefore, this latest change in financial reporting for superannuation funds could be seen as a natural progression – effectively aligning the financial reporting requirements for the superannuation sector with Australia's largest corporates.

The new financial reporting requirements for superannuation entities are a timely opportunity to revisit their overall communication with members. Instead of seeing the new requirements as a compliance exercise, superannuation funds can revisit the content of their financial reporting, making it more relevant, focused on critical information, and understandable for members and potential members.

Based on legislation recently introduced in Federal Parliament, many superannuation funds will be included in the revised Group 2 entities category, being, all superannuation funds (RSEs) with over $5 billion of assets. These entities will be required to make mandatory climate-related financial disclosures from the 2026-2027 financial year. Investor driven demand for broader environment, social and governance disclosure will only continue to grow, and given the impact the superannuation sector has on the broader Australian economy and community, superannuation funds are placed in a unique position to lead in this crucial area.

Finally, superannuation funds should prepare for additional regulatory scrutiny by ASIC as a result of being brought into the ambit of the financial reporting requirements of the *Corporations Act 2001*. This will require a thorough understanding of a more robust financial reporting framework, with legal requirements supplemented by ASIC's Corporations Instruments, Regulatory Guides and so on. Superannuation funds are expected to be included in ASIC's financial reporting surveillance programme, requiring robust support for information disclosed in financial reports and directors' reports. Superannuation funds should ensure consistency between financial reports and other communications and documents.

Superannuation funds can respond to this new environment by:

- Understanding the new requirements in practical terms, particularly new legal requirements for a directors' report (including an audited remuneration report)
- Planning early for both financial reporting and climate-related financial disclosure requirements
- Identifying and addressing resourcing and knowledge gaps
- Focusing on member information needs and seeing corporate reporting as an integral part of communication and dialogue with them.

We've updated this model financial report to reflect developments since the original version issued in June 2023, including finalised Corporations Regulations, sustainability reporting developments and other guidance. We trust you find this document a useful resource in your transition.

April 2024

About the superannuation entity model financial report

This model financial report is designed to be used as a guide in achieving best practice outcomes in superannuation entity financial reporting under the *Corporations Act 2001*

About these illustrative disclosures

Overview of superannuation entities disclosures

As a result of 2023 amendments to the financial reporting requirements in Chapter 2M of the *Corporations Act 2001*, superannuation entities are required to prepare and lodge a financial report, directors' report and auditor's report annually with ASIC under that Act. The directors' report must include general information about operations and activities, a non-audit services section and a separate remuneration report section.

AASB 1056 *Superannuation Entities* (AASB 1056) details the specific disclosures by superannuation entities and requires the presentation of a comprehensive set of financial statements for superannuation entities regardless of whether they constitute one or more superannuation plans and whether they have defined contribution members or defined benefit members or both[1].

The objective of AASB 1056 is to specify requirements for the general purpose financial statements of superannuation entities with a view to providing users with information useful for decision making in a superannuation entity context (AASB 1056:1).

For more information see *Financial reporting by superannuation funds now governed by the Corporations Act* starting on page 10.

Basis of preparation

This document contains an illustrative example of a superannuation entity's **general purpose financial statements** prepared in accordance with:

- AASB 1056 *Superannuation Entities* and, except where otherwise specified in AASB 1056, prepared in accordance with other applicable Australian Accounting Standards
- Provisions of Chapter 2M of the *Corporations Act 2001*, insofar as they relate to the annual report
- Provisions of the *Superannuation Industry (Supervision) Act 1993* and *Superannuation Industry (Supervision) Regulations 1994*, insofar as they relate to financial reporting by superannuation entities, specifically the notice of annual members' meeting
- Other requirements and guidelines, including Australian Securities and Investments Commission (ASIC) Corporations Instruments, Regulatory Guides and Media Releases insofar as they relate to the primary financial statements and the notes to the financial statements.

The illustrative disclosures have been developed on the basis the superannuation entity:

- Is a registrable superannuation entity (see below)
- Is applying the amendments to Chapter 2M of the *Corporations Act 2001* for the first time.

[1] As superannuation entities are now reporting under the *Corporations Act 2001*, the AASB has remade AASB 1056 *Superannuation Entities* as a legislative instrument under that Act to accommodate this change. Remaking AASB 1056 as a legislative instrument under the Act does not introduce any substantive changes from the previous version of the standard.

This example includes the disclosures required by AASB 1056 and Chapter 2M of the *Corporation Act 2001*, together with the requirements of the *Superannuation Industry (Supervision) Act 1993* in relation to the notice of annual members' meeting (similar to the requirement for companies to hold an annual general meeting), either in illustrative or narrative form, insofar as those disclosures relate to superannuation entities.

The illustrative disclosures are suitable for use as a guide only and will not be appropriate for use by all superannuation entities. Each superannuation entity should consider its respective circumstances and develop their own disclosures as necessary.

What is a registrable superannuation entity (RSE)?

For the purposes of the *Corporations Act 2001*, a registrable superannuation entity (RSE) has the same meaning as in the *Superannuation Industry (Supervision) Act 1993*, essentially (SIS Act, s.10):

- A regulated superannuation fund (within the meaning of s.19 of the *Superannuation Industry (Supervision) Act 1993*, i.e. a superannuation fund that has a trustee, is a constitutional corporation or a fund with a primary purpose of providing old-age pensions, and has given the necessary elections to the Commissioner of Taxation)
- An approved deposit fund, or
- A pooled superannuation trust.

However, the definition does not include a self managed superannuation fund (SMSF).

However, for the purposes of Chapter 2M of the Corporations Act (which requires the preparation and lodgement of a directors' report and audited financial report), an RSE additionally excludes[2]:

- An exempt public sector superannuation scheme
- An excluded approved deposit fund
- A small APRA fund (i.e. those with no more than six members).

These excluded entities are therefore not required to comply with the financial reporting requirements of the Corporations Act but are otherwise required to comply with the Corporations Act to the extent they impact RSEs (e.g. keeping records for seven years).

Consolidated entity disclosure statement

Although RSEs are included within the scope of Chapter 2M of the *Corporations Act 2001*, they are not public companies for the purposes of that Act. Accordingly, the recently introduced requirement for public companies to include a consolidated entity disclosure statement in their financial reports **does not apply to RSE financial reports**. However the requirements may apply to other related entities of the RSE, such as subsidiaries and other investees of the RSE, that are public companies. For more information about the consolidated entity disclosure statement can be found in our Clarity publication *New consolidated entity disclosure statement.*

Best practice disclosures

In some instances, additional 'best practice' disclosures commonly included in financial statements have been illustrated in these model financial statements. These additional disclosures do not have source references included in the left-hand column.

Showing 'nil' amounts

The disclosures included in this publication are illustrated without amounts. This does not mean that we have illustrated all possible disclosures. Nor should it be taken to mean that, in practice, entities are required to display line items for 'nil' amounts.

[2] Part (b) of the definition of "registrable superannuation entity" in s.9 of the Corporations Act.

Effective date

This model annual report includes reporting obligations and illustrative disclosures that are effective for financial years ending on 30 June 2024.

Unless otherwise noted, the information in this guide is based on pronouncements on issue at and developments to 9 April 2024.

Changes from prior periods for superannuation entities

To assist readers to identify areas where new disclosures or other requirements apply for the financial year ended 30 June 2024, we have included this blue colour-coded bar in the left margin of the model financial statements.

Source references

References to the relevant requirements are provided in the left hand column of each page of this illustration. Where doubt exists as to the appropriate disclosure requirement, examination of the source of the disclosure requirement is recommended.

Abbreviations

Abbreviations used in this publication are as follows:

Term	Meaning
AASB	Australian Accounting Standard issued by the Australian Accounting Standards Board, or the Australian Accounting Standards Board itself (as the context requires)
AASB 1056	Australian Accounting Standard AASB 1056 *Superannuation Entities*
ASA	Australian Auditing Standard issued by the Auditing and Assurance Standards Board
ASIC-CI	Corporations Instrument issued pursuant to s.341(1) of the *Corporations Act 2001*
ASIC-RG	Australian Securities and Investments Commission Regulatory Guide
APES	Professional and Ethical Standard issued by the Accounting Professional and Ethical Standards Board
ED	AASB Exposure Draft
GPFS	General purpose financial statements
IASB	International Accounting Standards Board (IASB®)
IFRS Standards	International Financial Reporting Standards (IFRS®) as issued by the International Accounting Standards Board
Int	Interpretation issued by the Australian Accounting Standards Board
ITAA	*Income Tax Assessment Act 1997*
Corporations Act	*Corporations Act 2001*
Reg	Regulation of the *Corporations Regulations 2001* or *Superannuation Industry (Supervision) Regulations 1994* (as the context requires)
RSE(s)	Registrable superannuation entity/entities (as the context requires)
s.	Section of the *Corporations Act 2001* or *Superannuation Industry (Supervision) Act 1993* (as the context requires)
SIS Act	*Superannuation Industry (Supervision) Act 1993*
SIS Reg/Regulations	*Superannuation Industry (Supervision) Regulations 1994*

What's new for June 2024 corporate reporting?

This section provides a high-level overview of the key corporate reporting considerations in RSE annual reports for annual reporting periods ending on 30 June 2024

The information in this section was prepared as of 9 April 2024 and superannuation entities should ensure any developments occurring from this date to the date of authorising of the financial statements are appropriately taken into account. This publication will be updated for June reporting periods (as required) and will be accessible at www.deloitte.com/au/models.

As often occurs with changes to accounting standards and financial reporting requirements, some of the new or revised pronouncements and other information noted in this section may have a substantial impact on particular entities. Therefore, it is important that the information in this section is carefully reviewed for any potential impacts or opportunities.

Summary of key corporate reporting considerations for 30 June 2024

Relevant to full year superannuation entities financial reports at 30 June 2024

The following should be considered for full year superannuation financial reports at 30 June 2024.

What's changed?	What needs to be considered?
Disclosure considerations	
Amendments to the Corporations Act apply the financial reporting requirements in Chapter 2M to RSEs.	Effective for annual reporting periods starting on or after 1 July 2023, RSEs, approved deposit funds and pooled superannuation trusts are required to prepare and lodge financial reports for each financial year with ASIC (within three months after the end of the financial year) and make the financial report, directors' report (including a remuneration report) and auditor's report publicly available on the entity's website. For more information see section *Financial reporting by superannuation funds now governed by the Corporations Act* starting on page 10.
Amendments to Corporations Instruments to permit RSEs (and corporate collective investment vehicles or CCIVs) to take advantage of relief available to other entities reporting under the Corporations Act	Relief under Corporation Instruments which RSE's are permitted to take advantage of include the ability to round amounts in the financial report and directors' report. For more information see section ASIC starting on page 39.

What's changed?	What needs to be considered?
Revised version of AASB 1056 *Superannuation Entities* to make the standard a legislative instrument under the Corporations Act.	The revised standard does not change the reporting requirements applying to RSEs. However, because RSEs are required to prepare and lodge audited financial reports under the Corporations Act for financial years ending on or after 30 June 2024, AASB 1056 had to be made a legislative instrument under the Corporations Act. For more information see section *Financial reporting by superannuation funds now governed by the Corporations Act* starting on page 10.
A change in the way in which accounting policies are disclosed in financial reports is effective for annual reporting periods beginning on or after 1 January 2023, requiring disclosure of material accounting policy information rather significant accounting policies	All RSEs are encouraged to provide meaningful, entity-specific accounting policy information rather than repeating the requirements of standards. For more information, see section *Accounting policy disclosure changes* on page 12.
Other considerations	
The requirements for the notice of the annual members' meetings in section 29P of the SIS Act have been expanded to include additional, specific information. *(Most of these requirements were effective for years of income[3] ending on or after 30 June 2023, Although RSEs will have applied most of these changes at June 2023, they are included in this document for convenience)*	The additional information disclosed in the notice includes itemised information in respect of political donations, payments to related parties and industry bodies or trade associations, and specific requirements for the layout of the notice. For more information, see *Requirements for the notice of annual members' meeting* starting on page 13.
Superannuation funds are within the scope of the Federal Government's mandatory climate-related financial disclosures, which are proposed to apply from as early as 1 January 2025.	In terms of the legislation introduced into Federal Parliament on 27 March 2024, if an RSE has consolidated gross assets of $5 billion or more under its control, it is included in Group 2 and therefore required to make climate-related financial disclosures, for the first time for the 2026-2027 year of reporting. For more information, see *Sustainability (*including climate) financial disclosure developments on page 16.
There is an increasing focus on greenwashing from ASIC and investors.	The global push for a shift to "net zero" greenhouse gas emissions means balancing stakeholder demands with organisational realities and exposes entities to the risks of greenwashing, with serious regulatory and legal implications. Federal Government policy and ASIC have become much more active in this space recently and ASIC has released a number of media releases announcing actions against entities on greenwashing as well as launching court proceedings. For more information, see *Greenwashing* on page 31.

[3] The SIS Act refers to "year of income" rather than "financial year". However, s.323DAAA of the Corporations Act explains that the financial year for an RSE is the entity's year of income (within the meaning of the SIS Act). Accordingly, the terms can be used interchangeably. The *Treasury Laws Amendment (2023 Law Improvement Package No.1) Act 2023* has repealed the previous definition of "year of income" in the SIS Act and has substituted it with "year of income has the same meaning as in the *Income Tax Assessment Act 1936*".

Important note regarding ASIC focus areas

At the time of going to finalising this publication 9 April 2024, ASIC had not released focus areas for 30 June 2024. We expect that the focus areas will be largely consistent with prior periods, covering recoverability of assets, adequacy of provisions and disclosures of material business risks, climate change risk and cyber security risks.

ASIC's 30 June 2024 focus areas are expected to be announced on the ASIC website in the near future. More information on key matters to consider can be found in our Clarity publication *ASIC releases results of first integrated surveillance program and December 2023 focus areas*. We will provide updates in future editions.

For more information on ASIC (including ASIC's modified regulatory approach and financial report reviews), see *our Tier 1 models and reporting considerations* publication which is available at www.deloitte.com/au/models.

Financial reporting by superannuation funds now governed by the Corporations Act

There is a significant change in reporting of RSEs for the June 2024 financial statements as a result of the recent amendments to the *Corporations Act 2001* to apply the financial reporting requirements in Chapter 2M of the amended Corporations Act.

With effect from annual reporting periods beginning on or after 1 July 2023, the *Treasury Laws Amendment (2022 Measures No.4) Act 2023* shifts reporting governance over RSEs from the Australian Prudential Regulation Authority (APRA) to ASIC. In addition, Corporations Regulations and SIS Regulations amendments give effect to certain details, e.g. details of disclosures required in the remuneration report, and amendments to the notice of annual members' meeting.

As a result of these changes, RSEs are treated in a similar manner to listed companies for financial reporting purposes and have the same reporting deadlines as listed companies. In addition, the RSE financial reporting and auditing framework has moved to the Corporations Act. The 30 June 2024 annual reporting period is the first-time superannuation entities will need to implement the new requirements.

The Corporations Act amendments aim to improve accountability, transparency and regulatory oversight over RSEs with a view to improving information for members. For superannuation entities, the changes mean RSE must:

- Lodge with ASIC their audited annual financial report (which consists of financial statements for the year, notes to the financial statements and the directors' declaration about the statements and notes) and directors' report (which contains a separate remuneration report section and information about non-audit services) within three months of the end of the financial year
- Make a copy of the audited financial report and directors' report available on their websites for easy access by members.

Further, because of these changes, in late December 2023, the AASB published a revised version of AASB 1056 *Superannuation Entities*, which applies to annual reporting periods beginning on or after 1 July 2023 that end on or after 31 December 2023. The revised standard does not change the financial reporting requirements applying to superannuation entities but makes the standard a legislative instrument under the Corporations Act.

In March 2024 the AASB issued an Action Alert 228 from its March meeting which provides feedback on its post-implementation review of AASB 1056 *Superannuation Entities* and Interpretation 1019 *The Superannuation Contributions Surcharge.* The AASB proposed no amendments to AASB 1056 and Interpretation 1019 and will monitor practices which might inform future improvements to AASB 1056.

In addition, ASIC:

- Released *ASIC Corporations (Amendment) Instrument 2023/142* and *ASIC Corporations (Amendment) Instrument 2024/187*, which amend a number of other instruments to permit RSEs (and corporate collective investment vehicles or CCIVs) to take advantage of relief available to other entities reporting under the Corporations Act
- Updated ASIC Information Sheet 278 *Inventory of superannuation trustee transparency and disclosure obligations* in October 2023. The updates include new guidance as result of the recent Corporations Act changes impacting RSEs. This is not an authorative document, rather it provides a central repository of obligations for superannuation trustees.

For more information on the above see section ASIC starting on page 39.

The new requirements are a significant change for the superannuation industry. To implement these requirements RSEs need to consider resourcing requirements (both in terms of number and expertise), ensure their websites are structured to allow easy location of the annual report and other prescribed reporting requirements, and ensure appropriate governance is in place.

The main differences between new reporting amendments and prior reporting requirements are noted below[4]:

New amendments	Previous legislation
Keeping of records	
RSEs[5] must keep financial and accounting records for seven years for financial years beginning on or after 1 July 2023.	RSEs were required to keep accounting records for five years.
Annual reporting	
RSEs must lodge annually a financial report, directors' report and auditor's report with ASIC for financial years beginning on or after 1 July 2023.	RSEs were required to provide specified information on the entity's business operations to APRA on a quarterly and annual basis.
Financial report	
RSEs must prepare a financial report (which comprises financial statements required by the accounting standards and regulations, notes and a director's declaration), directors' report and auditor's report.	RSEs were required to submit an audited statement of financial position, statement of financial performance, provisions and impaired asset forms, liquidity and capital adequacy forms to APRA.
Directors' report	
RSEs must prepare a directors' report for each financial year that includes: • General information about operations and activities • Information about non-audit services • A separate remuneration report section.	No requirement for a directors' report (although some larger RSEs presented information that is similar to the requirements).
Directors' declaration	
A declaration by the directors of the Trustee in the prescribed format, including a solvency statement, compliance with Australian Accounting Standards and giving a true and fair view. The declarations must be made in accordance with a resolution of the directors, specify the date on which the declaration is made and be signed by a director.	There was no prescribed format for the trustees' statement unless prescribed by the Fund's governing rules.
Publishing of information	
RSEs must make the financial report, directors' report and auditor's report publicly available on the Fund's website and report to members within three months after the end of the financial year.	RSEs were required to publish the remuneration report and any other information prescribed by the regulations on the RSE's website.
RSEs must provide a copy of the financial report, directors' report and auditor's report for a specified financial year to a member upon request.	No requirement on providing members with financial information upon request.

[4] This table is based on materials included in the Explanatory Memorandum accompanying the Bill to implement the financial reporting changes for RSEs.

[5] Under Chapter 2M, many of the obligations arising are imposed on the directors of the entity. Under s.345AAA, obligations imposed on a RSE are to be discharged by the RSE licensee (i.e. the trustee or trustees). Furthermore, under s.9AC(3), a director of a RSE means the trustee of the entity that is the RSE licensee for the RSE, or each individual forming part of the group of individual trustees of the RSE licensee.

Accounting policy disclosure changes

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* makes amendments to various Australian Accounting Standards and AASB Practice Statement 2 *Making Materiality Judgements* to change the way in which accounting policies are disclosed in financial reports, requiring disclosure of material accounting policy information rather significant accounting policies.

Under the revised requirements, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. As a result, standardised information or information that only duplicates or summarises the requirements of Australian Accounting Standards may be less useful to users of financial statements. Removal of this 'boilerplate' information can substantially reduce the volume of disclosure in financial statements.

AASB 101 *Presentation of Financial Statements* notes the following areas as examples where an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions (AASB 101.117B):

Potentially material accounting policy information	Illustrative examples applicable to RSEs
The entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements	• Applying a new IFRIC agenda decision, which results in a material change to existing accounting policies
The entity chose the accounting policy from one or more options permitted by Australian Accounting Standards	• As most assets and liabilities of RSEs are required to be measured at fair value, there are limited choices in measurement basis to which this factor would apply
The accounting policy was developed in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* in the absence of an Australian Accounting Standard that specifically applies	• As noted above, as most assets and liabilities of RSEs are required to be measured at fair value, there are unlikely to be many instances where this factor would apply
The accounting policy relates to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions	• Fair value measurements (particularly for Level 3 fair value measurements, including private equity investments and other direct investments) • Measurement of defined benefit obligations • Determining whether the RSE is acting as principal or agent in relation to insurance arrangements
The accounting required is complex and users of the entity's financial statements would otherwise not understand material transactions, other events or conditions	• Investments • Accounting for successor fund transfers (mergers)

AASB Practice Statement 2 *Making Materiality Judgements* (as amended by AASB 2021-2) provides further detail on determining whether accounting policy information is material. In part, the Practice Statement notes the following:

> *"Paragraph 117C of AASB 101 describes the type of material accounting policy information that users of financial statements find most useful. Users generally find information about the characteristics of an entity's transactions, other events or conditions—entity-specific information—more useful than disclosures that only include standardised information, or information that duplicates or summarises the requirements of the Australian Accounting Standards. Entity-specific accounting policy information is particularly useful when that information relates to an area for which an entity has exercised judgement—for example, when an entity applies an Australian Accounting Standard differently from similar entities in the same industry."*

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. As a result, RSEs with a June year end will apply the new requirements for the first time in their financial reports for the financial year ending on 30 June 2024.

In complying with these requirements, RSEs should place emphasis on meaningful, entity-specific accounting policy information rather than repeating the requirements of Australian Accounting Standards. In order to assist RSEs to develop this disclosure, the notes to the financial statements list broad areas where disclosure may need to be considered.

More information can be found in IFRS in Focus *IASB amends IAS 1 and IFRS Practice Statement 2 with regard to the disclosure of accounting policies.*

Requirements for the notice of annual members' meeting

Most of the changes in this section applied to RSEs for the year of income ending 30 June 2023. However, as the amendments applying to the year of income ending 30 June 2023 are recent, the update has been included for convenience of readers.

Background

An RSE is required to hold an annual members' meeting in respect of each year of income of the entity (SIS Act, s.29P(1)). The RSE licensee is required to give notice of the annual members' meeting to members (and other specified entities) no later than six months after the end of the year of income, and at least 21 days before the date of the meeting (SIS Act, s.29P(3)(d)).

In addition to providing the information required by s.29P, the notice of meeting is also required to provide information required by the SIS Regulations. *Superannuation Industry (Supervision) Amendment (Your Future, Your Super—Improving Accountability and Member Outcomes) Regulations 2021* introduced Regulation 2.10 (among others) into the SIS Regulations, outlining specific requirements to be included in notice of annual members' meetings in respect of years of income that end on or after 6 August 2021 (i.e. for most RSEs, in respect of the year of income ending on 30 June 2022).

However, *Superannuation Industry (Supervision) Amendment (Annual Members' Meetings Notices) Regulations 2022* amended the requirements in Regulation 2.10, by removing the requirement for itemised disclosure of certain expenditure, correcting the double-counting of certain expenditure, and to align the definition of 'related party' to the definition in Australian Accounting Standards. These amendments applied to notices of meeting given on or after 9 September 2022, in respect of years of income ending on or after 30 June 2022. Accordingly, most RSEs applied the modified regulations when sending the notice of their annual members' meetings for the year of income ending on 30 June 2022.

However, with effect from 9 February 2023, the *Superannuation Industry (Supervision) Amendment (Annual Members' Meetings Notices) Regulations 2022* were disallowed by the Senate and accordingly, they no longer have any effect. As a result, RSEs need to comply with Regulation 2.10 as was in force before the amending regulations were made. In other words, the requirements of the original regulations were applied for the first time by RSEs for their year of income ending on 30 June 2023.

Changed requirements as a result of the disallowance

The table below shows a high-level comparison between the changed requirements of Regulation 2.10 as a result of the disallowance of the amendments to the SIS Regulations:

Source	Previous requirement (disallowed)	Current requirement	Impact[6]
2.10(1)(a)	A short form summary of specific information (but may include other information) that must fit on a single page and be on the first page of the notice	A short form summary of specified information must fit on a single page and be the only information on that page, and be the first page of the notice	The short-form summary is required to be the **only** information on the first page
2.10(1)(e)	No requirement	Itemised list of payments promoting the entity, promoting a particular view on behalf of the entity or sponsorship on behalf of the entity	The itemised information was provided for the first time for the year of income ending on 30 June 2023

[6] Impact for years of income ending on or after 30 June 2023

Source	Previous requirement (disallowed)	Current requirement	Impact[6]
2.10(1)(f)	Itemised list showing gifts to political entities, significant third parties or an associated entity	Itemised list showing gifts to political entities, political campaigners or an associated entity	The itemised list includes payments to political campaigners and their associated entities
2.10(1)(g)	No requirement	Itemised list of payments made to industry bodies or trade associations	The itemised information was provided for the first time for the year of income ending on 30 June 2023
2.10(1)(h)	No requirement	Itemised list of payments made to related parties (as prescribed)	The itemised information was provided for the first time for the year of income ending on 30 June 2023
2.10(2)(b)	Total of all amounts paid as aggregate promotion, marketing or sponsorship expenditure (other than those shown as aggregate political donations)	Total of all amounts paid as aggregate promotion, marketing or sponsorship expenditure	The amount includes political donations that are of this nature, even if already disclosed as political donations (see next row)
2.10(2)(c)	Total of all gifts to political entities, significant third parties or an associated entity, described as aggregated political donations	Total of all gifts to political entities, political campaigners or an associated entity, described as aggregated political donations	The aggregate amount includes payments to political campaigners and their associated entities
2.10(2)(d)	Total of all amounts made to industry bodies or trade associations	Total of all amounts made to industry bodies or trade associations (as disclosed individually)	The total amount disclosed should not change as a result of this technical change
2.10(2)(e)	Total of all payments made to related parties (as defined by Australian Accounting Standards)	Total of all payments made to related parties (as prescribed in the regulation)	Related party disclosures include payments to entities that share key management personnel or executive officers with the RSE licensee, or associates of those entities.

Note: Source references are to the SIS Regulations.

Changed requirements applying the first time to years of income ending on 30 June 2024

In addition to the above changes, the following amendments to the requirements for the notice of annual members' meeting are effective for years of income beginning on or after 1 July 2023:

Source	Requirement	Impact
SIS Act s.29P(3)(aa)	Links to the directors' report, financial report and auditor's report	Most RSEs already made financial statements available to members and included links to them in the notice in accordance with SIS Reg 2.10(1)(b)(iii). The new requirements for the directors' report and auditor's report will probably not materially change the requirement as these reports will generally be included in the one report.
SIS Reg 2.10(2)(a)	The requirement to include the aggregate remuneration expenditure in the short form expenditure summary is changed to refer to the new remuneration report requirements	RSEs will be required to prepare a remuneration report (as part of the directors' report) and disclose the aggregate remuneration expenditure in the short-form summary.[7]

[7] SIS Reg 2.10(2)(a) refers to the remuneration required to be disclosed per SIS Reg 2.10(1)(b)(i). The latter regulation refers to the remuneration information under Reg 7.9.07ZC(3) or (5) (the transitional requirement to disclose remuneration details on the RSE's website) or under s.300C (the remuneration report included as part of the directors' report). Accordingly, the information disclosed in the notice will be required by the Corporations Act and Regulations rather than the previous remuneration requirements under the SIS Act. The exposure draft regulations proposed to delete the requirement to disclose aggregate remuneration in the short form summary, but the final regulations amendments retained this requirement.

Source	Requirement	Impact
SIS Reg 2.10(1)(d)(ii)	The most recent fund information provided under Corps Reg. 7.9.32, including the following under Corps Reg 7.9.31A: • If the entity is not a self managed superannuation fund, the name and ABN of each outsourced service provider that has provided a service which might affect a material business activity of the entity • If the entity is not a self managed superannuation fund, information about the key management personnel of the entity (including their name, qualifications, experience and attendance at board meetings for the last seven financial years) • Fund information for regulated superannuation funds and pooled investment funds prescribed by the regulations.	The requirements were previously required under the SIS Regulations (SIS Reg 2.38) and so this change should not have a material impact. However, these requirements will be administered under the Corporations Act rather than the SIS Act.

See page 45 for an illustrative example of the notice of annual members meeting (incorporating the above requirements).

Sustainability (including climate) financial disclosure developments

Global developments

Following the formation of the International Sustainability Standards Board (ISSB) in 2021, a rapid exposure and redeliberation process led to the issue of the new board's inaugural IFRS Sustainability Disclosure Standards in late June 2023:

- **IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*** - This Standard requires the disclosure of information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as the entity's "prospects"). The Standard includes conceptual foundations, core content, general requirements and requirements around judgements, uncertainties and errors. Many of these conceptual foundations and general requirements are broadly consistent with the IASB *Conceptual Framework for Financial Reporting*, IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* pronouncements for financial reporting. Sustainability-related financial disclosures would be required to be published at the same time as the financial statements (with some transitional relief)
- **IFRS S2 *Climate-related Disclosures*** - This Standard is the first thematic IFRS Sustainability Disclosure Standard covering the disclosure of climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as the entity's "prospects"). Disclosure requirements cover governance, strategy, risk management and metrics and targets. The Standard was based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and includes industry-based metrics tailored to industry classifications derived from the industry-based Sustainability Accounting Standards Board (SASB) Standards (see further discussion below).

IFRS S1 and IFRS S2 are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted (so long as both Standards are applied at the same time).

The analysis in this section deals with IFRS Sustainability Disclosure Standards IFRS S1 and IFRS S2 as issued by the ISSB. The AASB has released an exposure draft of proposed Australian Sustainability Reporting Standards (ASRSs), which are proposed to be based on IFRS S1 and IFRS S2, but with certain differences. The AASB's exposure draft is discussed in the section titled *Standard-setting* starting on page 250.

General requirements for sustainability-related financial information (IFRS S1)

Background and scope

IFRS S1 is inspired by the IASB *Conceptual Framework for Financial Reporting*, IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* pronouncements for financial reporting. It sets out the overall objective for an entity to disclose sustainability-related financial information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.

An entity applies IFRS S1 in preparing and reporting sustainability-related financial disclosures in accordance with IFRS Sustainability Disclosure Standards. An entity may apply IFRS Sustainability Disclosure Standards whether the entity's related financial statements are prepared in accordance with IFRS Accounting Standards or another accounting framework.

Conceptual foundations

For sustainability-related financial information to be useful, it must be relevant and faithfully represent what it purports to represent. The usefulness of sustainability-related financial information is enhanced if the information is comparable, verifiable, timely and understandable. The following conceptual foundations are outlined in IFRS S1:

- **Fair presentation** – requires the faithful representation of sustainability-related risks and opportunities in accordance with the principles set out in IFRS S1
- **Materiality** – all material information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects must be disclosed. In the context of sustainability-related financial disclosures, information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity
- **Reporting entity** – sustainability-related financial disclosures are for the same reporting entity as the related financial statements to allow users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on the cash flows, access to finance and cost of capital over the short, medium and long term
- **Connected information** – information is provided in a manner that enables users to understand the connections between:
  - The items to which the information relates (such as connections between various sustainability related risks and opportunities that could reasonably affect the entity's prospects)
  - Disclosures provided by the entity:
    - Within its sustainability disclosures (e.g. connections between governance, strategy, risk management and metrics and targets)
    - Across its sustainability related financial disclosure and other general purpose reports (e.g. such as related financial statements).

Core content

Unless another IFRS Sustainability Disclosure Standard permits or requires otherwise, an entity would provide disclosures about the following core topic areas:

- **Governance** – the governance processes, controls and procedures the entity uses to monitor and manage sustainability-related risks and opportunities
- **Strategy** – the approach the entity uses to manage sustainability-related risks and opportunities. Aspects to strategy include:
  - Sustainability related risks and opportunities
  - Effects on business model and value chain
  - Effects of sustainability related risks and opportunities on strategy and decision making
  - Current and anticipated financial effects of sustainability related risks and opportunities
  - Resilience (including scenario analysis)
- **Risk management** – the process the entity users to identify, assess, prioritise and monitor sustainability-related risks and opportunities
- **Metrics and targets** – the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

General requirements

In addition to the core content discussed above, IFRS S1 contains a number of general requirements for sustainability-related financial information:

- **Source of guidance** – in identifying sustainability related risks and opportunities and in identifying applicable disclosure requirements, in addition to IFRS Sustainability Disclosure Standards, an entity considers amongst other source of guidance as outlined in IFRS S1, the disclosure topics in SASB Standards and may refer to the CDSB Framework Application Guidance, the most recent pronouncements of other standard-setting bodies and other entities in the same industry and geographical region(s)
- **Location of disclosures** – disclosures required by IFRS Sustainability Disclosure Standards must be included in an entity's general purpose financial reports
- **Timing of reporting** – sustainability-related financial disclosures are made at the same time as the related financial statements and cover the same period as the financial statements
- **Comparative information** – an entity disclosures comparative information in respect of the preceding period for all amounts disclosed in the reporting period and for narrative and descriptive sustainability-related financial information where it is useful for an understanding of sustainability-related financial disclosures for the reporting period
- **Statement of compliance** – requires an entity whose sustainability-related financial disclosures comply with all of the relevant requirements of IFRS Sustainability Disclosure Standards to include an explicit and unreserved statement of compliance.

Judgements, uncertainties and errors

An entity is required to disclose information to enable users of general purpose financial reports to understand:

- The judgements that the entity has made in the process of preparing its sustainability-related financial disclosures that have the most significant effect on the information included in those disclosures
- The most significant uncertainties affecting amounts reported in its sustainability-related financial disclosures, including identifying amounts, the sources of measurement uncertainty and the assumptions, approximations and judgements made in measuring the amounts.

An entity must also correct material prior period errors by restating comparative amounts for the prior periods, unless it is impracticable to do so. Where this occurs, the entity discloses the nature of the error and the correction (to the extent practicable) for each period disclosed. If correction of the error is impracticable, the entity discloses the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

Climate-related financial disclosures under IFRS S2

The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 applies to climate-related opportunities available to the entity and the following climate-related risks to which the entity is exposed:

- **Climate-related physical risks** – these risks result from climate change that can be event driven (acute physical risks such as storms, floods, drought or heatwaves) or from longer-term shifts in climatic patterns (chronic physical risks such as changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity)
- **Climate-related transition risks** – these risks arise from efforts to transition to a lower-carbon economy, and may include policy, legal, technological, market and reputational risks.

Core content

IFRS S2 is based upon the four core elements of the TCFD recommendations: governance, strategy, risk management, and metrics and targets. The table below summarises the key requirements of the Standard, with each item having additional requirements and guidance:

Governance	Strategy	Risk management	Metrics and targets
Objective Disclose information about the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	**Objective** Disclose information about the entity's strategy for managing climate-related risks and opportunities.	**Objective** Disclose information about the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities.	**Objective** Disclose metrics and targets to understand performance in relation to climate-related risks and opportunities, including progress toward climate-related targets (set internally or required to be met by law or regulation).
Disclosures • Information about the governance body(s) or individuals(s) with oversight of climate-related risks and opportunities • Information about management's role in processes, controls and procedures to monitor, manage and oversee climate-related risks and opportunities.	**Disclosures** • The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects • The current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain • The effects of climate-related risks and opportunities on the entity's strategy and decision-making, including its transition plans • The effects of significant climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period, and the anticipated effects over the short, medium and long term[8] • The climate resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties.	**Disclosures** • The entity's process or processes used to identify, assess, prioritise and monitor climate-related risks and climate-related opportunities • The extent to which, and how, those processes are integrated into and inform the entity's overall risk management process.	**Disclosures** • Information relevant to the cross-industry metric categories (discussed below) • Industry-based metrics which are associated with particular business models, activities or common features that characterise participation in an industry • Targets set by the entity, and targets required by law or regulation, including any GHG emissions targets, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress.

[8] The entity is required to specify the time horizons – short, medium or long term – over which the effects of climate-related risks and opportunities could reasonably expect to occur (IFRS S2:10(c)). These time horizons can vary between entities and depend on many factors, including industry-specific characteristics (IFRS S1:31). Accordingly, the entity is required to explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making (IFRS S2:10(d)).

Cross-industry metrics

IFRS S2 requires disclosure of information relevant to the following cross-industry metric categories:

Category	Metric	Unit of measure
GHG emissions		
Absolute gross GHG emissions generated during the reporting period, classified as Scope 1, Scope 2 and Scope 3 emissions[9]	Quantitative	Metric tonnes of CO_2 equivalent
The approach used to measure GHG emissions, including: • The measurement approach, inputs and assumptions used • The reason the measurement approach. inputs and assumptions were chosen • Any changes made to the measurement approach, inputs and assumptions during the reporting period	Discussion and analysis	n/a
Scope 1 and Scope 2 emissions are required to be disaggregated between: • The consolidated accounting group (the parent and its consolidated subsidiaries) • Other investees (associates, joint ventures, unconsolidated subsidiaries) not included in the consolidated accounting group	Quantitative	Metric tonnes of CO_2 equivalent
For Scope 2 emissions: • Location-based Scope 2 emissions[10]	Quantitative	Metric tonnes of CO_2 equivalent
• Information about any contractual instruments to inform users' understanding of the entity Scope 2 emissions[11]	Discussion and analysis	n/a
For Scope 3 emissions: • The categories included within the entity's measure of Scope 3 emissions in accordance with the Scope 3 categories in the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)* • Additional information about the entity's Category 15 emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance	Discussion and analysis	n/a
Transition risks		
The amount and percentage of assets or business activities vulnerable to transition risks	Quantitative	Amount, percentage
Physical risks		
The amount and percentage of assets or business activities vulnerable to physical risks	Quantitative	Amount, percentage
Opportunities		
The amount and percentage of assets or business activities aligned with climate-related opportunities	Quantitative	Amount, percentage
Capital deployment		
The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Quantitative	Amount
Internal carbon prices		
The price for each metric tonne of GHG emissions that the entity uses to assess the costs of its emissions	Quantitative	Metric tonnes of CO_2 equivalent
An explanation of whether and how the entity is applying the carbon price in decision-making (e.g. investment decisions, transfer pricing and scenario analysis)	Discussion and analysis	n/a

[9] Scope 1 emissions are direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity. Scope 2 emissions are indirect greenhouse emissions that occur from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Scope 3 emissions are all indirect emissions (not included in Scope 2 emissions) that occur in the value chain of the reporting entity and are categorised into 15 categories. The emissions are measured in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions.

[10] "Location-based" does not mean a geographical emission metric but rather what grids emissions are generated from, as noted in IFRS S2:BC106 which indicates that *An entity using a location-based approach measures the average emissions intensity of the grids on which energy consumption occurs (most commonly using grid-average emission factor data)*.

[11] Contractual instruments are any type of contract between an entity and another party for the sale and purchase of energy bundled with attributes about the energy generation or for unbundled energy attribute claims (unbundled energy attribute claims relate to the sale and purchase of energy that is separate and distinct from the greenhouse gas attribute contractual instruments).

Category	Metric	Unit of measure
Remuneration		
Percentage of executive remuneration recognised in the current period that is linked to climate-related considerations	Quantitative	Percentage
Description of whether and how climate-related considerations are factored into executive remuneration	Discussion and analysis	n/a

Industry-based metrics

IFRS S2 includes industry-based guidance, which originated from the SASB Standards developed for use in the United States. As part of finalising IFRS S2, the ISSB decided to include the industry-based requirements as part of the illustrative guidance to the standard, rather than as a mandatory part of it.

In taking this decision, the ISSB agreed to maintain the requirement in IFRS S2 that entities provide industry-based metrics associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining industry-based metrics, entities are required to refer to and consider the industry-based metrics included in the industry-based guidance. In effect, entities can use the information in the industry-based guidance as a guide to determining the most appropriate industry-specific disclosure, but will not be bound by it.

Additionally, the ISSB decided that the disclosure requirements for 'financed emissions' for the asset management activities, commercial banks and insurance be part of the mandatory application guidance to IFRS S2. As a result, entities in these industries are required to disclose its financed emissions as part of its Scope 3 GHG emissions disclosures (i.e. this is a requirement of the Standard rather than non-mandatory industry based guidance).

In late December 2023, the ISSB announced targeted amendments made to the SASB Standards, designed to enhance their international applicability.

Transitional relief

The implementation of sustainability-related financial disclosure is subject to various transitional reliefs.

In summary, an entity applying IFRS Sustainability Disclosure Standards can elect in the first year of application only not to:

- Provide sustainability-related risks and opportunities other than climate-related information
- Provide comparative information in the first year of applying IFRS S1 and IFRS S2 (which means in an entity's second year of application, for an entity who elected to only provide climate-related information in their first year of applying IFRS S1, comparative information would only be required in respect of the climate-related disclosures in IFRS S2)
- Provide sustainability-related disclosures at the same time as the related financial statements (thereby providing additional time for entities to prepare their first set of climate-related disclosures, rather than aligning with financial reporting timeframes)
- Disclose Scope 3 GHG emissions under IFRS S2 (in addition, an entity applying this relief would not be required to provide comparatives for Scope 3 emissions in the second year of applying IFRS S2)
- Use the GHG Protocol to measure emissions (where a different approach is currently being used).

Together, this relief provides an easier and phased transition to sustainability reporting whilst permitting an early application of IFRS Sustainability Disclosure Standards to respond to urgent investor demand for information about climate-related risks and opportunities.

ISSB consultation on future priorities

In May 2023, the ISSB released Request for Information *Consultation on Agenda Priorities*, seeking feedback on its priorities for the following two years.

The paper puts forward four possible projects that could be considered by the ISSB over the next two years:

- **Biodiversity, ecosystems and ecosystem services** - with possible subtopics on water (including freshwater and marine resources and ecosystems used), land use and land use change (including deforestation), pollution (including air, water and soil emissions) and resource exploitation (including material sourcing and the circular economy)
- **Human capital** - with possible subtopics on worker wellbeing, diversity, equity and inclusion, employee engagement, workforce investment, the alternative workforce, labour conditions in the value chain and workforce composition and costs
- **Human rights** - noting the market's understanding of human rights and its link to investor-relevant sustainability-related risks and opportunities is still maturing
- **Integrated reporting** - to explore how to integrate information in financial reporting beyond the requirements for connected information in the forthcoming IFRS Sustainability Disclosure Standards, IFRS S1 and IFRS S2[12].

The first three projects would explore the sustainability-related risks and opportunities associated with each topic. These would push the work of the ISSB beyond its current focus in what the ISSB Chair, Emmanuel Faber, terms addressing "climate first, but not climate only" in the ISSB's mission.

The consultation notes that the ISSB's focus for 2023-2024 will be the effective implementation of IFRS S1 and IFRS S2. Therefore, the consultation notes that there is limited capacity to progress all four possible projects, and the consultation paper questions whether a single project out of the four should be progressed, or if more than one, which two projects[13]. Accordingly, much of the feedback sought was on priorities between the various projects.

The consultation paper also noted various synergies with the ISSB's existing projects, and notes an intention to leverage and build upon other materials and existing guidance in each topic area.

Furthermore, in relation to the first three possible sustainability-related projects, the consultation questions explored if sustainability-related risks and opportunities are substantially different across business models, economic activities and other common features such that tailoring of any developed requirements would be required (in a similar way to industry-based requirements under IFRS S2).

The consultation paper was open for comment until 1 September 2023. The IASB and ISSB met on 25 January 2024 to discuss feedback on this Request for Information, specifically a potential project on integration in reporting and feedback on connectivity. Although the Request for Information did not include a question on connectivity, (including connectivity in processes, connectivity between the ISSB's and IASB's respective requirements and connectivity between sustainability-related financial disclosures and financial statements, highlighting the importance of connectivity in providing decision-useful information) respondents provided feedback on this topic. The ISSB is currently analysing the feedback and will discuss the feedback at future meetings. A feedback statement is expected in Q2 2024. More information can be found in iGAAP in Focus *ISSB seeks feedback on its agenda priorities*.

[12] The IASB and the ISSB are working together to develop a corporate reporting framework, including principles and concepts from the current *Integrated Reporting Framework*.

[13] The consultation also countenanced the possibility of adding more projects and making incremental progress on those projects.

Australian developments

On 27 March 2024, the Federal Government introduced *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* into Parliament. This bill includes the final provisions to implement mandatory climate-related financial disclosures in Australia. To become law, the bill will need to be debated and passed by the House of Representatives and the Senate, and then receive Royal Assent. The Senate has also referred the bill to the Economics Legislation Committee for inquiry and reporting by 30 April 2024. The analysis that follows includes the impacts of the measures in the bill.

Legislative framework

Background and history

Treasury has released four consultations seeking feedback on sustainability reporting related topics:

- Empowering the AASB to deliver sustainability standards – Exposure draft legislation that would provide the AASB with the explicit power to develop and formulate (voluntary) sustainability reporting standards (comments closed on 16 December 2022). This measure was implemented by the passage of *Treasury Laws Amendment (2023 Measures No.1) Bill 2023* discussed in the section *Standard-setting arrangements* on page 25
- Climate-related financial disclosure – A consultation paper seeking feedback on proposals to implement and mandate the disclosure of sustainability and climate-related financial risks and opportunities in Australia, and to ensure Australia's financial reporting bodies are appropriately positioned for climate and sustainability reporting (comments closed on 17 February 2023)
- Climate-related financial disclosure: Second consultation – A consultation building on the first consultation, proposing a broader application of climate-related financial disclosures, with a staged mandatory reporting framework and assurance (released on 27 June 2023, comments closed on 21 July 2023)
- Climate-related financial disclosure: exposure draft legislation – Treasury's final consultation on the implementation of mandatory climate-related financial disclosures in Australia which includes a policy position statement, policy impact analysis, exposure draft legislation and exposure draft explanatory memorandum. The proposals largely follow previous proposals but respond to feedback received on previous consultations and also clarify a number of matters. This consultation was released on 12 January 2024, with comments closing on 9 February 2024.

For more information about Treasury's consultations see:

- Clarity publication *Action now for mandatory climate reporting in Australia* (Treasury's second consultation)
- Clarity publication *Release of Treasury's final consultation on climate-related financial disclosures* (Treasury's final consultation).

On 27 March 2024, the Federal Government introduced *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* into Parliament. This bill includes the final provisions to implement mandatory climate-related financial disclosures in Australia.

Entities required to report climate-related financial disclosures

- Entities which lodge financial reports under Chapter 2M of the Corporations Act will be captured, subject to size thresholds (based on their levels of assets, revenues and employees) and a phased in approach (set out in more detail below), with three groups first reporting from financial years beginning on or after an expected start date of 1 January 2025 (Group 1), 1 July 2026 (Group 2) and 1 July 2027 (Group 3). The Treasury proposals had originally sought a start date of 1 July 2024, with consultation on whether this should be deferred by six months. The start date is linked to the passage of the legislation through Parliament, with the start date being linked to the first 1 January or 1 July after the bill receives Royal Assent
- In addition, all entities who are required to report under Chapter 2M of the Corporations Act and who report under the *National Greenhouse and Energy Reporting Act 2007* (NGER) will be required to report in either Group 1 or Group 2 even if they do not meet the size threshold criteria

- Finally, registered schemes, registrable superannuation entities and retail CCIVs are excluded from Group 1 (even if they exceed the thresholds for that Group). Instead, these entities are included in Group 2 if the value of assets at the end of the financial year are $5 billion or more[14]
- Entities in Group 3 would only be required to make disclosures if they face material climate-related risks or opportunities, and where this is not the case, would be able to comply by disclosing a statement that they do not have material climate-related risks and opportunities and why this is the case
- Concessions introduced would see consolidated groups being able to elect to only prepare one sustainability report for the Australian consolidated group.

ACNC-registered entities are exempt from lodging financial reporting under Chapter 2M of the Corporations Act and hence would not be required to make climate-related financial disclosures.

Phased approach to implementation

The three-phased approach to entities reporting under Chapter 2M of the Corporations Act would apply to entities that meet the prescribed thresholds as outlined below:

- Entities which meet **two or more** of the prescribed size thresholds related to employees, consolidated assets and consolidated revenue (other than registered schemes, registrable superannuation funds or retail CCIVs in respect of Group 1), or
- Entities reporting under NGER, or
- In relation to registered schemes, registrable superannuation entities and retail CCIVs, the value of assets is $5 billion or more.

The specific scoping criteria for entities are set out in the table below:

Group	Periods commencing	Category 1			Category 2	Category 3
		Meets two or more of these thresholds			NGER reporters	Registered schemes, RSEs and retail CCIVs
		Employees	Consolidated assets	Consolidated revenue		
1	1 January 2025[15]	More than 500	$1 billion or more	$500 million or more	Above NGER publication threshold	N/A[16]
2	1 July 2026	More than 250	$500 million or more	$200 million or more	All other NGER reporters	$5 billion assets or more
3	1 July 2027	More than 100	$25 million or more	$50 million or more	N/A	N/A

Reporting requirements

- The introduction of a new "sustainability report" would form a fourth report as part of the annual report, alongside the directors' report, financial report and auditor's reports. The auditor's report on the sustainability report would be separate from the report on the financial report
- The sustainability report would include a climate statement, notes to the climate statement, any statements or notes to the statements prescribed by the regulations and a directors' declaration

[14] If the assets of a registered scheme, registrable superannuation entity or retail CCIV are less than $5 billion, they may still be captured by the Group 2 or Group 3 thresholds for employees, consolidated assets and consolidated revenue that apply to other entities.

[15] The start date for Group 1 is linked to when the enabling legislation commences (i.e. is passed by Parliament and receives Royal Assent) and will be the 1 January or 1 July after commencement plus a certain number of days. However, if the start date is not 1 January 2025 or 1 July 2025, there will effectively be no start date for Group 1 and entities otherwise captured in Group 1 would instead report in accordance with Group 2 (as entities exceeding the Group 1 thresholds will also exceed the Group 2 thresholds).

[16] Under proposed s.1707B(2)(b), an entity in Group 1 cannot be a registered scheme, registrable superannuation entity or retail CCIV. Accordingly, such entities are not required to report in accordance with the Group 1 even if they meet two or more of the thresholds in Category 1.

- The climate statement and notes to the climate statement would together disclose material climate-related financial risks and opportunities, metrics and targets related to climate (including Scope 1, Scope 2 and Scope 3 GHG emissions) and climate-related governance or risk management processes, controls and procedures. The disclosures to be made are those determined by sustainability standards made for purposes of the relevant sections of the legislation (i.e. by the AASB)
- The sustainability report would comply with sustainability standards set by the AASB (and any requirements in the regulations), would be given to members (with some exceptions) and laid before the annual general meeting (where held)
- The reporting timetable for the sustainability report would be consistent with existing requirements under the Corporations Act, with disclosing entities, registered managed investment schemes and registrable superannuation entities) to report within three months of the end of the financial year. Other entities would report within four months of the end of the financial year.

Assurance requirements

- All climate disclosures included in sustainability reports made from 1 July 2030 onwards will be subject to audit
- The legislation provides that the audit requirements prior to 1 July 2030 are to be determined by the AUASB on a phased-in approach. On 20 March 2024, the AUASB released Consultation Paper *Assurance over Climate and Other Sustainability Information*, which includes a request for feedback on possible phasing of assurance requirements. The Consultation Paper is open for comment until 3 May 2024.

Other considerations

- The introduction of a temporary 'modified liability' framework which provides limited immunity from liability for statements in sustainability reports relating to Scope 3 emissions, scenario analysis and transition plans, in relation to the first three years starting from the start date (i.e. the 1 January or 1 July after commencement of the legislation plus a number of days)
- A separate 'modified liability' framework in relation to the first 12 months from the start date (i.e. the 1 January or 1 July after commencement of the legislation plus a number of days) for future-focused statements made in a sustainability report or auditor's report related to complying with a sustainability standard in relation to climate
- The seven year record keeping requirement applying to financial records would be extended to information explaining or used in preparing the sustainability report. Similar requirements apply to record keeping in relation to audit information for the auditor.

Standard-setting

Standard-setting arrangements

The Federal Government 2023-24 Mid-Year Economic and Fiscal Outlook (MYEFO) confirmed the Government's commitment to legislate mandatory standardised climate-related financial disclosure requirements and commits funding of $81.6 million to the AASB, AUASB, ASIC and other bodies to support the implementation of the new requirements. In addition, a further $1.2 million has been committed to support the replacement of the AASB, AUASB and Financial Reporting Council with a new body responsible for corporate reporting standards related to accounting, auditing and assurance and climate sustainability.

The new body is expected to be operational on or after 1 July 2026 (subject to the passage of legislation) and will be responsible for accounting and auditing standards and climate-related financial disclosures. The AASB will continue to develop climate-related financial disclosure standards until the new arrangements are in place.

The proposed model is similar to the arrangements in New Zealand, where the External Reporting Board performs similar functions (but delegates standard-setting responsibilities to sub-boards).

In November 2023 Federal Parliament finalised passage of *Treasury Laws Amendment (2023 Measures No. 1) Bill 2023* and the Bill received Royal Assent on 27 November 2023.

The Bill amends the *Australian Securities and Investments Commission Act 2001* to:

- Give the AASB the power to develop and formulate sustainability standards
- Expand the AUASB's functions to include formulating auditing and assurance standards for sustainability purposes
- Expand the Financial Reporting Council's oversight and governance powers to account for the development of sustainability standards.

The new powers relate to the formulation of voluntary sustainability standards. The ability of the AASB to "make" mandatorily sustainability standards will result from the passage of the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024*.

Standard setting activities

In response to the regulatory developments, at its February 2023 meeting, the AASB discussed the implementation of sustainability disclosure standards in Australia. In order to progress climate-related financial disclosure requirements, the AASB decided to adopt a "climate first" approach so that these standards could be finalised as soon as possible to meet investor and government demand for such standards.

On 23 October 2023, the AASB released Exposure Draft ED SR1 *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information* (Climate ED). The Climate ED outlines the proposed implementation of climate-related financial disclosure in Australia in the context of the proposed Federal Government policy and previous feedback from Commonwealth Treasury consultations.

The Climate ED proposes three Australian Sustainability Reporting Standards (ASRSs):

- ASRS 1 *General Requirements for Disclosure of Climate-related Financial Information*, which is based on IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*. Consistent with previous AASB decisions and Government policy, this proposed standard has been 'climatised' to only apply to climate-related financial disclosures only
- ASRS 2 *Climate-related Financial Disclosures*, which is based on IFRS S2 *Climate-related Disclosures*. The scope of this proposed standard is limited to climate-related risks and opportunities related to climate change and does not include other climate-related emissions that are not GHG emissions
- ASRS 101 *References in Australian Sustainability Reporting Standards*, which is proposed to operate as a 'service standard' to give legal effect to references to various other documents such as the GHG Protocol and Australian and New Zealand Standard Industrial Classification (ANZSIC) (in a similar way to how AASB 1048 *Interpretation of Standards* operates for Australian Accounting Standards).

As an overview, the following themes are evident in the Climate ED:

Focus on climate first

- The scope of the Climate ED is limited to climate-related financial disclosures only, unlike IFRS S1 which more broadly addresses sustainability-related financial disclosures. The wording in IFRS S1 has been "climatised" to achieve this outcome
- As a result, a significant proportion of disclosures would be identical between ASRS 1 and ASRS 2 (particularly across the governance, strategy and risk management sections) and so the proposals delete the duplicate requirements in ASRS 2 and rather cross-reference to those disclosures in ASRS 1. This means that entities will need to reference both ASRS 1 and ASRS 2 to determine the disclosures required
- It is likely that entities complying only with the requirements of ASRSs will not be able to make a statement of compliance with ISSB Standards.

Australian focus

- The Climate ED prioritises certain Australian requirements over international requirements. For instance, *National Greenhouse and Energy Reporting Act 2007* (NGER) legislation methodologies should be prioritised for the calculation of scope 1 and 2 GHG emissions instead of the GHG Protocol
- Further, if entities elect to disclose industry-specific metrics under ASRS 2, the entity should consider well-established and understood metrics associated with particular business models, activities or other features that characterise participation in the same industry grouping, as classified according to ANZSIC[17] classifications rather than the Sustainability Accounting Standards Board (SASB) industry classifications contained in the industry-based guidance of the ISSB standards. Further, all references to the SASB standards have been removed from the Climate ED
- As certain Australian carbon credit units (ACCUs) are not "uniquely serialised" under the Australian Carbon Credit Unit Scheme, the AASB has modified the definition of "carbon credit" to include credits under the scheme.

[17] The Australian Bureau of Statistics' Australian and New Zealand Standard Industrial Classification (ANZSIC)

Meeting Federal Government policy

- Consistent with Treasury's consultations on climate reporting, the Climate ED requires climate resilience assessments against at least two relevant possible future states, one of which must be consistent with the most ambitious global temperature goal set out in the *Climate Change Act 2022* (i.e. 1.5°C above pre-industrial levels)
- Further, it proposes the disclosure of market-based[18] scope 2 GHG emissions in addition to its location-based emissions (with transitional relief for the first three reporting periods)
- The AASB however decided not to include a requirement for a detailed index table in annual reports displaying climate-related financial disclosure requirements (i.e. governance, strategy, risk management, and metrics and targets) and the relevant disclosure section and page number, as suggested by Treasury's recent consultation. Instead the AASB proposed including a more general requirement to apply judgement in providing information in a manner that enables users to locate its climate-related financial disclosures.

Sector neutrality

- The Climate ED contains additional guidance and provisions to make IFRS S1 and IFRS S2 operative for not-for-profit entities and seeks feedback from those entities on various proposals.

The Climate ED contains tables outlining the differences between the proposed ASRS 1 and ASRS 2 and IFRS S1 and IFRS S2, which are summarised below.

Differences between IFRS S1 and proposed ASRS 1

IFRS S1	Proposed ASRS 1	Rationale for modification
Application		
Terminology focused on the for-profit sector	Includes terminology applicable to not-for-profit entities	Sector neutrality
Scope		
Applies to sustainability-related financial information	Applies only to climate-related financial information	Consistent with Government policy to focus on 'climate first'
No explicit requirement to make disclosures where the entity determines it has *no* material climate-related risks and opportunities	Contains explicit disclosures where the entity determines it has *no* material climate-related risks and opportunities	Considered to be useful information for users
Sources of guidance		
In identifying relevant sources of guidance to refer to in the absence of an applicable IFRS Sustainability Disclosure Standard, requires the application of SASB Standards	Where an entity elects to provide industry-based disclosures, the entity considers "well established and understood metrics" in the same industry (classified in accordance with ANZSIC)	AASB decided not to include references to the SASB Standards or industry-based guidance accompanying IFRS S2 until the content has been comprehensively internationalised by the ISSB and undergone AASB due process[19]
Location of disclosures		
Requires identification of the report within which climate-related financial information is located	Information must be provided in a manner that enables users to locate its disclosures in accordance with ASRS Standards	To make it easier for users to locate climate-related financial disclosures

[18] The disclosure of market-based scope 2 emissions is only proposed to apply to entities that are required to prepare climate-related financial disclosures by the *Corporations Act 2001* (and so would not apply to other entities that are required to, or choose to, comply with ASRS 2). The Climate ED proposes that for the first three annual reporting periods in which an entity applies ASRS 2, the entity would not be required to disclose market-based scope 2 GHG emissions (similarly, comparative information related to those periods would not be required).
[19] The Basis for Conclusions on the Climate ED notes that entities can make additional voluntary disclosures using SASB Standards if they wish to do so.

IFRS S1	Proposed ASRS 1	Rationale for modification
Timing of reporting		
Gives an example of an entity preparing climate-related financial information for a period other than 12 months and addresses interim reporting	Specifies that entities should use the same reporting period for climate-related financial information and financial statements and does not address interim reporting	To avoid confusion by stakeholders

Differences between IFRS S2 and proposed ASRS 2

IFRS S2	Proposed ASRS 2	Rationale for modification
Interaction with other pronouncements		
Includes requirements related to general disclosures on governance, strategy and risk management identical to the requirements in IFRS S1	Cross referenced to ASRS S1 rather than duplicating the requirements	To avoid duplication
Application		
Terminology focused on the for-profit sector	Terminology focused on the not-for-profit sector	Sector neutrality
Scope		
Applies to climate-related risks and opportunities	Applies to climate-related risks and opportunities in relation to climate change only	To clarify that ASRS 2 does not apply to climate-related emissions other than GHG emissions. The Climate ED specifically notes that ASRS 2 does not replace any existing legislative requirements related to other sustainability related topics (e.g. water and biodiversity)
Climate resilience		
Requires climate-related scenario analysis to assess climate resilience commensurate with the entity's circumstances	Requires resilience assessments against at least two possible future states, one of which must be consistent with the most ambitious global temperature goal set in the Climate Change Act 2022 (i.e. 1.5°C above pre-industrial levels)[20]	Specifying the minimum number of scenarios and the lower-temperature scenario to assess against to ensure comparability across entities
Greenhouse gas (GHG) emissions		
Requires conversion of GHGs into a CO_2 equivalent value based on the latest Intergovernmental Panel on Climate Change (IPCC) assessment guidance (i.e. the 6th IPCC assessment report)	Requires conversion of GHGs into a CO_2 equivalent value using the same IPCC assessment report referred to in the *National Greenhouse and Energy Reporting Act 2007* and associated regulations (NGER) and the Paris Agreement (i.e. the 5th IPCC assessment report)	Avoids regulatory burden for Australian entities that would be required to use Global Warming Potential (GWP) values based on the IPCC 5th assessment report under the NGER scheme legislation

[20] The requirement for resilience assessment against at least two possible future states would only apply to entities required to prepare climate-related financial disclosures by the Corporations Act (and so would not apply to other entities that are required to, or choose to, comply with ASRS 2).

IFRS S2	Proposed ASRS 2	Rationale for modification
Permits the use of a method other than the GHG Protocol when required to do so by a jurisdictional authority or an exchange on which the entity is listed	Requires the prioritisation of relevant methodologies under NGER before referring to other GHG measurement methods	To align with the proposals in Treasury's second consultation
Requires the disclosure of location-based scope 2 GHG emissions	Requires the disclosure of market-based scope 2 GHG emissions in addition to location-based measures[21]	To align with the proposals in Treasury's second consultation
When certain conditions are met, permit the measurement of GHG emissions using information from periods that are different from its own reporting period	Scope 3 GHG emissions can be measured using data for the immediately preceding period where information is not available without undue cost or effort	To align with the proposals in Treasury's second consultation
Requires an entity to disclose the sources of its scope 3 emissions under the 15 categories taken from the GHG Protocol	Includes the 15 categories as examples that an entity could consider when disclosing sources of its scope 3 emissions (rather than requiring disclosure in accordance with the 15 categories)	The 15 categories are not referenced in IPCC guidelines or the Paris Agreement and concerns about international alignment
Requires entities participating in asset management, commercial banking or insurance activities to make additional disclosures of its financed emissions in accordance with the GHG Protocol	Requires those entities to consider the applicability of those additional disclosures related to its financed emissions	To support sector neutrality and align the financed emissions paragraphs with the GHG Protocol regarding measurement of GHG emissions
Industry-based metrics		
In identifying industry-based metrics to disclose, requires an entity to apply the SASB Standards and consider industry-based metrics adapted from the SASB Standards	Requires an entity electing to make industry-based disclosures to consider industry-based metrics disclosed by entities operating in the same industry (as classified using ANZSIC)	The AASB decided not to include the industry-based guidance accompanying IFRS S2 until the content has been comprehensively internationalised by the ISSB and undergone AASB due process

The Climate ED was open for comment until 1 March 2024. Depending on feedback received, the AASB may potentially publish another exposure draft or fatal flaw draft to enable further consultation as it moves toward finalisation of the proposed ASRSs in mid-2024.

More information on Australia's climate exposure draft can be found in Clarity publication *Australia's first climate standards: no more waiting*.

Australian regulatory perspectives

In December 2021 ASIC welcomed the establishment of the ISSB and is supportive of its objectives. ASIC further indicated in the media release that it "encourages listed companies to use the TCFD recommendations as the primary framework for voluntary climate change-related disclosures. Listed companies reporting climate-related information under the TCFD recommendations are expected to be well placed to transition to the future Australian Sustainability Reporting Standards. Furthermore, ASIC notes that listed companies should consider the guidance published by the TCFD and are required to prepare an OFR and consider ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review.*

Whilst the requirement for an OFR applies to listed entities under s.299A of the Corporations Act, the information remains relevant for other entities reporting under the Corporations Act. There are complimentary requirements in s.299 of the Corporations Act that should be considered by such entities in the context of reporting sustainability information. These include the requirement to

[21] The disclosure of market-based scope 2 emissions is only proposed to apply to entities that are required to prepare climate-related financial disclosures by the Corporations Act (and so would not apply to other entities that are required to, or choose to, comply with ASRS 2). The Climate ED proposes that for the first three annual reporting periods in which an entity applies ASRS 2, the entity would not be required to disclose market-based scope 2 greenhouse gas emissions (similarly, comparative information related to those periods would not be required).

include a review of operations, significant changes in the state of affairs, likely developments in affairs, and the requirements around the entity's operations being subject to significant environmental regulation in Australia.

Furthermore, entities should consider the imminent implementation of mandatory climate-related financial disclosures when determining their disclosures in their annual report for the current period. This should also extend to the impact of climate-related risk and opportunities on the carrying amounts of assets and liabilities recognised in the financial report and related disclosures.

Implications for RSEs

Expected timing

As discussed in section Legislative *framework* starting on page 23, proposals in *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024* introduced into Parliament on 27 March 2024 by the Federal Government propose adding an asset test such that RSEs (as well as registered schemes and retail CCIVs) are excluded from Group 1 (even if they exceed the thresholds for that Group). Instead, these entities are included in Group 2 if the value of assets at the end of the financial year are $5 billion or more. Accordingly, most RSEs would be expected to be included in the second phase of mandatory sustainability reporting in Australia. Therefore, most RSEs would need to have reporting of governance, strategy, risk management, targets and metrics in place to report for the 2026-2027 financial year.

Transitional relief

Under the proposals of the Climate ED, RSEs (and all other impacted entities) would be able to elect to **not** disclose comparative information in the first annual reporting period in which they apply the Climate ED. Further the Climate ED proposes that for the first three annual reporting periods in which an entity applies the Climate ED, the entity would not be required to disclose market-based scope 2 GHG emissions (similarly, market-based scope 2 GHG emissions comparative information related to those periods would not be required).

A significant disclosure for RSEs will be Scope 3 greenhouse gas emissions which RSEs (and all other impacted entities) would be able to elect to **not** disclose in the first annual reporting period in which they apply the Climate ED (for an entity applying this relief, in the second year of applying Climate ED the entity would thus not be required to provide comparatives for Scope 3 emissions). This one year deferral will permit more time to implement the required processes and systems to collate the necessary data.

Financed greenhouse gas emissions

One of the biggest climate-related financial disclosure impacts for RSEs will be in relation to Scope 3 greenhouse gas emissions.

IFRS S2 requires entities participating in asset management, commercial banking or insurance activities to make additional disclosures of its financed emissions in accordance with the GHG Protocol. These disclosure requirements for 'financed emissions' for asset management activities, commercial banks and insurance are closely based on the SASB Standards developed for use in the United States.

In Australia however, the Climate ED only requires those entities to consider the applicability of those additional disclosures related to its financed emissions. This is because the AASB decided to remove references to the SASB Standards as contained in IFRS S1 and IFRS S2 when it developed its proposals in the Climate ED based on those standards. This was partially due to the SASB Standards being seen as "US-centric and not representative of the Australian or global market". Although the ISSB completed its project to amend and internationalise climate-related SASB Standards as part of the issue of IFRS S2, the AASB did not include the amended requirements in ED SR1 because of consultative timeframe and due process concerns. However, the Basis for Conclusions on the Climate ED notes that entities can make additional voluntary disclosures using SASB Standards if they wish to do so.

Financed emissions refers to the portion of gross emissions of an investee attributed to the investments made by the entity which falls under the investments category (category 15) of Scope 3 emissions in accordance with the *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*.

The Climate ED does not define the asset management and custody activities industry. However, IFRS S2 *Industry-based Guidance on IFRS S2 implementing Climate-related Disclosures* (which is closely based on the SASB Standards) describes the asset management and custody activities industry in the following terms:

> *Asset Management & Custody Activities industry entities manage investment portfolios on a commission or fee basis for institutional, retail and high net-worth investors. In addition, entities in this industry provide wealth management, private banking, financial planning, and investment advisory and retail securities brokerage services. Investment portfolios and strategies may be diversified across multiple asset classes, which may include equities, fixed income and hedge fund investments. Specific entities are engaged in venture capital and private equity investments. The industry provides essential services to a range of customers from individual retail investors to large, institutional asset owners to meet specified investment goals.*

Accordingly, RSEs would likely fall into this industry which the Climate ED would then require consideration of the applicability of the additional disclosures related to financed emissions.

Set out below is a high-level summary of the additional disclosures relating to financed emissions for entities that participate in asset management activities:

Sustainability disclosure topics and metrics

Metric	Category	Unit of measure
• Absolute gross[22]: o Scope 1 greenhouse gas emissions o Scope 2 greenhouse gas emissions o Scope 3 greenhouse gas emissions • Associated amount of total assets under management (i.e. financed emissions)	Quantitative	Metric tonnes CO2-equivalen Presentation currency
• Percentage of total assets under management (AUM) included in the financed emissions calculation • If the percentage is less than 100%, disclose information that explains the exclusions, including types of assets and associated amount of AUM.	Quantitative Discussion	Percentage (%)
Description of the methodology used to calculate financed emissions	Discussion and analysis	n/a

Greenwashing

Global perspectives

According to the World Economic Forum, greenwashing is when an entity refers to practices or products as 'green' or 'sustainable' while ignoring their total contribution to climate change and or the Sustainable Development Goals such as biodiversity or environmental pollution. It generally takes two forms:

- **Selective disclosure** - advertising positive information while hiding the negative. For example, calling paper produced from a sustainably harvested forest sustainable without considering other issues in the paper-making process, such as greenhouse gas emissions or chlorine bleaching
- **Symbolic actions** - Drawing attention to minor issues when the action taken is not meaningful. For example, if financial services or professional firms were only to offset their own emissions while ignoring the potential impact they can have by furthering the sustainability contribution of their clients. They could for example, also be making efforts to help clients with a negative sustainability footprint.

Australian regulatory perspective

In relation to investments, ASIC sees greenwashing as the practice of misrepresenting the extent to which a financial product or investment strategy is environmentally friendly, sustainable or ethical.

ASIC notes that the Corporations Act contains prohibitions against misleading and deceptive statements and conduct, which may be breached where statements about the future (e.g. expected emissions reductions) are made without having reasonable grounds for making the statement.

[22] At its December 2022 meeting, the ISSB decided to remove the proposed requirement that an entity disclose its greenhouse gas emissions intensity of its financed emissions per unit of physical or economic activity.

In May 2023, ASIC released a report outlining its interventions in response to its greenwashing surveillance activities in the nine month period from 1 July 2022 to 31 March 2023.

The report notes that ASIC's interventions resulted in 23 corrective disclosure outcomes, 11 infringement notices issued and one instance of the commencement of civil penalty proceedings. The matters noted by ASIC include references to:

- Net zero statements and targets
- Use of terms such as 'carbon neutral', 'clean' or 'green'
- Fund labels
- Scope and application of investment exclusions and screens (in the funds sector).

In a speech coinciding with the release of the report, the ASIC Deputy Chair at the time noted an 'antidote' to greenwashing focused on transparent disclosure, policy-installed 'bright lines' supporting that disclosure, and effective regulator activity.

The speech also noted that more than 400 listed companies referenced the terms 'carbon neutral' or 'net zero' in price sensitive announcements in 2022 – compared with fewer than 50 companies doing so in 2019.

The release of the report follows the 2023-2024 Federal Budget confirming $4.3 million in additional funding for ASIC to "ensure the integrity of sustainable finance markets by investigating and undertaking enforcement action against market participants engaging in greenwashing and other sustainable finance misconduct". In a joint press media release after an investor roundtable held in April 2023, the Federal Government announced the $4.3 million funding for ASIC and noted a "strong and proactive regulatory approach will reduce the risk of greenwashing, supporting investor sentiment towards Australia as a destination for green capital".

Earlier, in June 2022, ASIC released Information Sheet INFO 271 *How to avoid greenwashing when offering or promoting sustainability-related products.* Whilst focused on financial products issued by funds, ASIC acknowledges the concepts and recommendations are also relevant for other entities, such as listed entities and in relation to the issue of 'green bonds'.

ASIC INFO 271 outlines the following factors to consider when preparing communications and disclosures about sustainability:

- **True to label** - Making statements that reflect the underlying reality. 'No gambling fund' investing in companies with less than 30% of total revenue from gambling activities is an example of a product not true to label
- **Avoiding vague terminology** - Using broad, unsubstantiated sustainability-related statements or 'jargon' without clarification, e.g. we will 'contribute towards positive impact for our investors and the world' without additional disclosure about what the positive impacts are or how they will be achieved
- **Not making misleading headline claims** - Making 'headline' statements in absolute terms which are qualified or contradicted in later detail
- **Incorporation of sustainability-related factors into decisions and stewardship** - Disclose and clearly explain which sustainability-related considerations are taken into account and how they are incorporated into investment decisions and stewardship activities
- **Investment screening criteria – including exceptions or qualifications** - Whilst specific to funds, how sustainability related decisions are incorporated into business investment decisions is relevant for many entities, e.g. financial institutions reducing exposure to certain high-intensity emission sectors
- **Influence over benchmark indexes** - Specific to funds, this refers to clearly disclosing when a fund manager has a level of influence over composition of a benchmark index
- **Reasonable grounds for stated sustainability target** - Clearly explaining sustainability targets, how and when the target will be met, how progress will be measured, and any assumptions relied upon when setting targets or measuring progress.

During the second half of calendar 2022, ASIC released a number of media releases announcing actions against many entities on greenwashing. Further, in February 2023 ASIC launched its first Court proceedings alleging greenwashing and commenced its third civil penalty proceeding in the Federal Court on August 2023. In March 2024, ASIC announced it had won its first civil penalty action for greenwashing.

ASIC's enforcement and regulatory update report (October to December 2023), notes that greenwashing continued to be a focus and that it had issued two infringement notices for misleading conduct relating to sustainable finance including greenwashing.

In an *ASIC greenwashing antidote* article (July 2023), ASIC deputy chair at the time notes that "Ultimately, only meaningful, responsible and transparent disclosure will effectively combat greenwashing practices".

Furthermore, in its *ASIC Corporate Plan 2023-27 - Focus 2023-24*, ASIC notes it will "continue to take action, including enforcement action, to deter greenwashing, and support effective climate and sustainability governance and disclosure".

In its December 2023 focus areas, ASIC has also called out auditors to do more to detect and respond to greenwashing.

It is clear that ASIC and the Federal Government are strongly focused on greenwashing, and entities should carefully consider ASIC's guidance and Federal Government policy in order to respond appropriately in their annual financial reporting and more broadly.

Greenwashing and sustainability reporting are linked
In essence, greenwashing is intrinsically linked with the current global and Australian push for mandatory sustainability reporting.

Entities that successfully implement a sustainability reporting framework such as the IFRS Sustainability Disclosure Standards, should thereby typically avoid the risk greenwashing, as the frameworks provide detail that address matters expected by investors and regulators alike. For instance, the Climate ED and the ISSB's IFRS Sustainability Disclosure Standards on which the Climate ED is based, focus on the four categories of governance, strategy, risk management and metrics and targets. This will help narrow the gap between green claims and green action. (See section Sustainability (including climate) financial disclosure developmentsfor more information).

Financial reporting considerations
Claims of greenwashing can arise directly from financial reporting.

As evident from a series of recent regulator actions against entities for greenwashing, entities making sustainability claims need to have a reasonable basis for making those claims. Where there are inconsistencies between sustainability disclosures and financial reporting, this elevates the risk of greenwashing occurring. Even where a reasonable basis exists, consistency between sustainability disclosures and financial reporting is paramount. For example, if an entity intends to replace equipment used in a manufacturing process with more energy efficient equipment this might have numerous 'flow on' financial reporting impacts, including:

- A need to consider the impacts on depreciation – the carrying amount of the equipment to be replaced may need to be depreciated over a shorter timeframe, and any residual value used in the depreciation calculation may need to be reassessed as likely prices and demand for inefficient machinery may be lower
- Impairment implications may arise – including whether the plans act as an indicator of possible impairment of the existing equipment, cash outflows expected to arise from committed capital spending and the impacts the equipment will have on energy use assumed in the model
- Where the new or existing equipment is leased, the implications on lease accounting must also be considered – including lease modification accounting and make good or other provisions
- If the investment is significant, this may have broader implications on capital and liquidity management, and perhaps even continuous disclosure considerations.

Other developments

The following highlighted developments have recently occurred (to the date of this publication), in addition to those noted above:

- The International Auditing and Assurance Standards Board (IAASB) announced that it would fast track an International Standard on Sustainability Assurance™ on the general requirements for sustainability assurance engagements, with an exposure draft issued in early August 2023 (comments closed on 1 December 2023). A final standard is due to be voted on at the IAASB's September 2024 meeting
- In December 2022, the European Commission published its Corporate Sustainability Reporting Directive (CSRD) in the Official Journal of the European Union. The CSRD came into effect on 5 January 2023 and is required to be transposed into European Member States' national legislation within 18 months of that date. The CSRD aims to improve sustainability reporting to better exploit the potential of the European single market and to contribute to the transition to a fully sustainable and inclusive economic and financial system in line with the European Green Deal and the UN Sustainable Development Goals. The CSRD applies on a worldwide basis to certain entities on a phased-in basis, commencing in 2024 for entities listed on an EU regulated market (where they have more than 500 employees), and ultimately extending to foreign entities that generate a net turnover of more than EUR 150 million (and meeting other requirements) with effect to financial years commencing on or after 1 January 2028. Subsequently, in late July 2023, the European Sustainability Reporting Standards (ESRS) were finalised and adopted by the European Commission. The ESRS will be used by entities reporting under the CSRD, which will be progressively required over the 2024-2028 period. Australian entities listed in the European Union, or that have operations in Europe, may be within scope (subject to revenue thresholds in some cases) and be required to report under the ESRS on their consolidated operations at the global ultimate parent level. For more information, see iGAAP in Focus *European Sustainability Reporting Standards finalised* and iGAAP in Focus *Worldwide reach of the Corporate Sustainability Reporting Directive – final text published in Official Journal*
- The New Zealand External Reporting Board (XRB) has published three Aotearoa New Zealand Climate Standards, which apply to annual reporting periods beginning on or after 1 January 2023. The Standards are based on the Taskforce on Climate-Related Disclosures (TCFD) recommendations, but in some cases have been aligned with the ISSB proposals in (the then draft) IFRS S1 and IFRS S2
- In September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) published its final recommendations and guidance for nature-related risk management and disclosure. The recommendations aim to help businesses start measuring, managing and disclosing their nature-related impacts, dependencies, risks and opportunities. The recommendations include a set of recommended disclosures, building on the four pillars that have been used by the TCFD, i.e. governance, strategy, risk and impact management, and metrics and targets. At the January 2024 Davos meeting, the TNFD announced that 320 organisations (including 12 from Australia) have committed to start making nature-related disclosures based on the TNFD Recommendations published in September last year. For more information, see iGAAP in Focus *Sustainability reporting: TNFD publishes final recommendations for nature-related risk management and disclosure.*
- In October 2023, new Californian legislation was signed into law which may impact entities with United States incorporated subsidiaries that have operations in the state of California. Under bill SB-253 *Climate Corporate Data Accountability,* various entities incorporated under United States law doing business in California where revenue exceeds a US$1 billion threshold will be required to publicly disclose their Scope 1 and Scope 2 emissions from 2025 and Scope 3 GHG emissions from 2027. Bill SB-261 *Greenhouse gases: climate-related financial risks* would require entities with more than US$500 million in revenue to prepare a climate-related financial risk report on a biennial basis from 2026. For more information, see iGAAP in Focus *Sustainability reporting: California Climate Legislation* and Heads Up *#DeloitteESGNow – The Sweeping Impacts of California's Climate Legislation*'
- GRI developments:
  - In late January 2024, GRI announced the publication of GRI 101 *Biodiversity 2024*, providing an update to its standards on comprehensive disclosure of significant impacts by entities on biodiversity throughout their operations and value chain
  - In February 2024 the GRI issued *GRI 14: Mining Sector 2024* which is effective for reports or other materials published on or after 1 January 2026, with early adoption encouraged. The Standard which is used with the GRI Universal Standards and the GRI Topic Standards, enables mining companies to use common metrics to report their impacts
- In March 2024, the United States Securities and Exchange Commission (SEC) released final rules to implement mandatory climate-related risk disclosures for United States registrants. The rules would require disclosures in the financial statements (e.g. impacts due to severe weather events and other natural conditions and a roll-forward of carbon offsets and renewable energy credits) and outside of the financial statements (including Scope 1 and Scope 2 GHG emissions, governance and

oversight of material climate-related risks, material impacts of climate risks, risk management processes and material climate targets and goals). Observations include:

- Disclosures are loosely based on the TCFD although don't include all the TCFD recommendations. Notably, scope 3 GHG emissions are not required to be disclosed
- Disclosures in the financial statements relate to impacts due severe weather events rather than the 'climate-related' risks or opportunities. When determining that the severe weather event or other natural condition was a significant contributing factor in recognising such amounts, entities are not required to attribute the cause of severe weather events or other natural conditions to climate change. Instead, they are required to include the entire amount of expenditure or capitalised cost, charges or recoveries in the amounts disclosed.

The new rules will be phased in from 2025 to 2033[23]. For more information, see iGAAP in Focus *SEC adopts rule that requires climate-related disclosures* and Heads Up *Comprehensive analysis of the SEC's landmark climate disclosure rule*.

For more information see:

- **iGAAP in Focus *Sustainability reporting: ISSB publishes first IFRS Sustainability Disclosure Standards***
- ***Deloitte 2023 CxO Sustainability Report: Accelerating the Green Transition* finds global C-level business leaders (or CxOs) view climate change as a top priority for their organisations amid global uncertainty**
- **Deloitte Roadmap publication *Greenhouse Gas Protocol Reporting Considerations* which consolidates and simplifies the concepts in the Greenhouse Gas (GHG) Protocol**
- **Deloitte co-authored publication *A director's guide to mandatory climate reporting*.**

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[23] On 4 April 2024, the SEC issued an order which has the effect of exercising the SEC's discretion to stay the rules pending the completion of a judicial review of various court petitions seeking review of the rules. The order notes that the SEC "is not departing from its view that the Final Rules are consistent with applicable law and within the Commission's long-standing authority to require the disclosure of information important to investors in making investment and voting decisions".

New and revised financial reporting pronouncements

This section outlines new and revised pronouncements that have not been previously applied in financial reports.

The tables and other information in this section outline the new and revised pronouncements and other requirements that are to be applied for the first time at 30 June 2024 (for full-year superannuation entities financial statements), or which may be early adopted at that date and which apply to for-profit Tier 1 entities.

The tables do not include amended reporting requirements relating to:

- AASB 17 *Insurance Contracts* as AASB 17 does not apply to superannuation entities applying AASB 1056 (AASB 17.6A(d))
- Tier 2 general purpose financial statements as they are not applicable to Tier 1 general purpose financial statements.

Overall considerations

Impacts of adopting new and revised pronouncements

Applying new and revised pronouncements for the first time can result in direct changes in recognition, measurement, presentation and disclosure requirements. In addition, there can be consequential impacts on financial reports through the transitional provisions of the pronouncement and the existing requirements of other Australian Accounting Standards.

The table below outlines some of the areas where these consequential impacts should be considered:

Area	Consideration
Updates to accounting policies	The terminology and substance of accounting policies will need to be updated to reflect new recognition, measurement and other requirements impacting material accounting policy information.
Impact of transitional provisions	AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* contains a general requirement that changes in accounting policies are retrospectively applied, but this does not apply to the extent an individual pronouncement has specific transitional provisions.
Disclosures about changes in accounting policies	Where an entity changes its accounting policy as a result of the initial application of an Accounting Standard (including Interpretations as a result of AASB 1048 *Interpretation of Standards*) and it has an effect on the current period or any prior period, AASB 108 (subject to any specific transitional provisions of the Accounting Standard) requires the disclosure of a number of matters, e.g. the title of the Standard, the nature of the change in accounting policy, a description of the transitional provisions, and the amount of the adjustment for each financial statement line item affected.
Third statement of financial position	AASB 101 *Presentation of Financial Statements* requires (subject to any specific transitional provisions of the relevant Accounting Standard) the presentation of a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements in a number of situations. This applies where an entity applies an accounting policy retrospectively and the retrospective application has a material effect on the information in the statement of financial position at the beginning of the preceding period.

Early adoption

Where early adoption is being contemplated, it is important to address any necessary procedural requirements, e.g. for RSEs reporting under the Corporations Act, appropriate directors' resolutions for early adoption must be made under s.334(5).

Summary of new and amended pronouncements

Effective for the first time at 30 June 2024

The table below summarises the amended reporting requirements that must be applied by RSEs for the first time for full financial years ending 30 June 2024. It does not include amended reporting requirements applicable to Tier 2 financial statements or those that apply to half-years ending 30 June 2024.

See our *Tier 1 models and reporting considerations* publication for the year ended 30 June 2024 for a summary of each pronouncement, available at www.deloitte.com/au/models and see Note 2 *Changes in accounting policies and changes in estimates* of this publication for illustrative disclosures.[24]

Pronouncement	Change
Applicable to annual financial statements of superannuation entities[25]	
AASB 1056	Revised superannuation entities standard (AASB 1056)
AASB 101/108	Disclosure of accounting policies and definition of accounting estimates (AASB 2021-2, AASB 2021-6)
AASB 112	Deferred tax related to assets and liabilities arising from a single transaction (AASB 2021-5)
Various	Editorial corrections and repeal of superseded and redundant standards (AASB 2022-7)
AASB 112	International tax reform – Pillar two model rules[26] (AASB 2023-2)

In addition to new pronouncements, entities should also consider the impacts of recent IFRS Interpretations Committee agenda decisions on the financial statements. A summary of recent agenda decisions can be found in our *Tier 1 models and reporting considerations* publication which is regularly updated. The publication is available at www.deloitte.com/au/models.

[24] Reference to our *Tier 1 models and reporting considerations* publication is included for completeness, however many of the pronouncements listed will not apply to RSEs. The tables in this *Superannuation entity model financial report* do not include amended reporting requirements relating to:

- AASB 17 *Insurance Contracts* as AASB 17 does not apply to superannuation entities applying AASB 1056 (AASB 17.6A(d))
- Tier 2 general purpose financial statements as they are not applicable to Tier 1 general purpose financial statements.

[25] In addition to the pronouncements listed, AASB 2020-6, although itself effective for annual reporting periods beginning on or after 1 January 2022 (the original effective date of AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*), defers the effective date of AASB 2020-1 to annual reporting periods beginning on or after 1 January 2023. AASB 2022-6 however, subsequently defers the effective date of AASB 2020-1 to annual reporting periods beginning on or after 1 January 2024 and defers the effective date of AASB 2020-6 (i.e. paragraph 139U of AASB 101) with immediate effect on issue of AASB 2022-6 in December 2022 (in other words, to require the amendments in AASB 2020-1 and AASB 2022-6 to be applied at the same time and to give effect to the deferral of the effective date of all amendments to annual reporting periods beginning on or after 1 January 2024). Therefore AASB 2020-6 and AASB 2020-1 are not included in the table.

[26] Additional disclosures about the impact of Pillar Two on the entity (in a jurisdiction where Pillar Two legislation is enacted or substantively enacted but not yet in effect) and disclosure of the amount of current tax arising from Pillar Two taxes as required by paragraphs 88B–88D of the amendments is effective for annual reporting periods beginning on or after 1 January 2023 that end on or after 30 June 2023. Therefore, these disclosures will be provided for the first time in full year reports ending 30 June 2024, unless the entity chose to provide such information prior to the mandatory application date.

Pronouncements not yet effective

The table below summarises the amended reporting requirements that are not effective for financial years ending 30 June 2024. It does not include amended reporting requirements applicable to Tier 2 financial statements.

See Note 2 *Changes in accounting policies and changes in estimates* of this publication for illustrative disclosures.[24]

Pronouncement	Change
1 January 2024	
AASB 101	Non-current liabilities with covenants (AASB 2020-1 and related amendments)
AASB 16	Lease liability in a sale and leaseback (AASB 2022-5)
AASB 107/AASB 7	Supplier finance arrangements (AASB 2023-1)
1 January 2025	
AASB 10/AASB 128	Sale or contribution of assets between an Investor and its associate or joint venture (AASB 2014-10 and related amendments) [27]
AASB 1/AASB 121	Lack of exchangeability (AASB 2023-5)
1 January 2027	
IFRS 18[28]	Presentation and disclosure in financial statements

[27] The editorial amendments in AASB 2021-7 apply to either annual reporting periods beginning on or after 1 January 2022 or 1 January 2023. Those editorial amendments that apply to annual reporting periods beginning on or after 1 January 2023 are effective for the first time at 30 June 2024 for full year financial statements. However, those editorial amendments apply to AASB 17 *Insurance Contracts* and therefore are not applicable for superannuation entities applying AASB 1056 (AASB 17.6A(d)) because AASB 17 does not apply to those entities.

[28] At the date of finalisation of this publication (9 April 2024), the AASB has not made an equivalent standard, but is expected to do so in due course. If the AASB makes an equivalent standard prior to finalisation of an entity's financial report, disclosures in the financial report should reference the Australian equivalent standard.

ASIC

The table below outlines financial reporting related ASIC instruments and other guidance which have been issued or updated and effective for RSEs for the reporting period ending 30 June 2024. Links are to the ASIC website, or www.legislation.gov.au.

Document	Effective date	Link to document
ASIC Instruments		
ASIC Corporations (Amendment) Instrument 2024/187 Extends the application of the following instruments for a further five year period: • *ASIC Corporations (Auditor Independence) Instrument 2021/75*, which provides the lead auditor for an audit relief from the requirement to disclose a contravention of paragraph R510.4(c) of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards*). This instrument now effective until 30 April 2029 • *ASIC Corporations (Parent Entity Financial Statements) Instrument 2021/195*, which allows a parent entity, which is required to include consolidated financial statements in its financial report to also include its single entity financial statements in that report. This instrument now effective until 1 April 2029. The Corporations Instrument also extends the relief in these two instruments to apply to registrable superannuation entities in addition to companies, registered managed investment schemes and other disclosing entities. For more information see ASIC news *ASIC extends and amends parent entity financial statement and auditor independence instruments*.	22 March 2024	ASIC-CI-2024/187 ASIC-CI-2021/75 ASIC-CI-2021/195
ASIC Corporations (Amendment) Instrument 2023/142 Amends the following instruments to permit RSEs (and corporate collective investment vehicles or CCIVs) to take advantage of relief available to other entities reporting under the Corporations Act: • *ASIC Corporations (Post Balance Date Reporting) Instrument 2015/842* Permits the presentation of a statement of financial position (and where applicable a consolidated statement of financial position) in the notes to the financial statements explaining the financial effect of material acquisitions and disposals of entities and businesses after the balance date. • *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* Permits rounding off in the directors' report and financial report where total assets exceed $10 million, $1,000 million and $10,000 million.	5 January 2024	ASIC-CI-2023/142 ASIC-CI-2015/842 ASIC-CI-2016/191

Document	Effective date	Link to document
Other ASIC information		
ASIC Information Sheet *278 Inventory of superannuation trustee transparency and disclosure obligations* Recent updates: • Incorporate (as relevant) changes to transparency and disclosure obligations introduced under the *Treasury Laws Amendment (2022 Measures No. 4) Act 2023* and the *Treasury Laws Amendment (Financial Reporting and Auditing of Registrable Superannuation Entities) Regulations 2023* • Incorporate some obligations that require trustees to keep information on their websites • Include transparency and disclosure requirements on remuneration in the Australian Prudential Regulation Authority (APRA) Prudential Standard CPS 511 *Remuneration,* APRA Prudential Standard SPS 250 *Insurance in superannuation* and APRA Prudential Practice Guide SPG 250 *Insurance in superannuation* • Provide additional descriptions for some obligations, and some minor wording and formatting changes.	N/A[29]	INFO 278

[29] ASIC Information Sheet 278 *Inventory of superannuation trustee transparency and disclosure obligations in October 2023* is not authoritative and was last substantially updated on 31 October 2023, with additional minor updates on 7 March 2024.

Reporting deadlines

Summary of reporting deadlines for annual financial reporting

RSEs reporting under the Corporations Act and SIS Act

The following table summarises the reporting deadlines for annual reports of RSEs and RSE licensees under the Corporations Act and SIS Act respectively.

Source	Requirement	Reporting deadline
Annual financial reporting – Corporations Act requirements		
s.314AA s.315(3AA)	Report to members by making a copy the financial report, directors' report and auditor's report on the financial report publicly available on the entity's website[30]	On and after the day on which the reports are lodged with ASIC (and within 3 months after the end of the financial year)
s.319(3)(a)	Lodgement of the financial report, directors' report and auditor's report with ASIC	Within 3 months after end of the financial year
Annual members' meetings – SIS Act requirements[31]		
s.29P(2)	Give the notice of the annual members' meeting and any information required to be included with the notice	Earlier of 21 days before the annual members' meeting or 6 months after the end of the financial year[32]
s.29P(1), (4)	Hold the annual members' meeting	Within 3 months after the notice is given
Annual financial statements of the RSE licensee (i.e. the trustee)		
Reg 7.9.07ZB(3) Item 14	Make the annual financial statements for the previous financial year that the trustee, as a financial services licensee, is required to lodge with ASIC under Part 7.6 (of the Corporations Act) available on the entity's website	The day that the annual financial statements are first lodged with ASIC or provided to a member of the entity
Periodic statement		
s.1017D(3)	The periodic statement must be given as soon as practicable after, and in any event within 6 months after, the end of the reporting period to which it relates.	Within 6 months after the end of the reporting period to which it relates

[30] In addition, the trustee of a superannuation product that relates to an RSE (within the meaning of Chapter 2M of the Corporations Act) must provide a copy of the financial report, directors' report and auditor's report to a concerned person on being requested to do so in writing by that person (s.1017C(3AA)). For these purposes, a 'concerned person' is a person that is a member of the superannuation entity (or was within the preceding 12 months) or a beneficiary of the superannuation entity (s.1017C(9)). Furthermore, a trustee of a superannuation fund is required to provide to a person who is not a covered person (e.g. a member of the general public) the reports provided to members under s.314AA(1)) where the person requests the trustee to do so in writing (SIS Reg 2.33(b)).

[31] The requirements in relation to annual members' meetings do not apply to a superannuation fund with no more than six members, an excluded approved deposit fund, a pooled superannuation trust or an eligible rollover fund (s.29P(7), SIS Act).

[32] The SIS Act refers to "year of income" rather than "financial year". However, s.323DAAA of the Corporations Act explains that the financial year for an RSE is the entity's year of income (within the meaning of the SIS Act). Accordingly, the terms can be used interchangeably. Commencing 21 September 2023, the *Treasury Laws Amendment (2023 Law Improvement Package No.1) Act 2023* repeals the definition of "year of income" in the SIS Act and substitutes it with "year of income has the same meaning as in the *Income Tax Assessment Act 1936*".

Requirements for documents lodged with ASIC under s.319 of the Corporations Act

The Corporations Regulations require that documents lodged with ASIC by an RSE under s.319 must be accompanied by all of the following (Reg 1.0.08(1)(e)):

- The entity's Australian Business Number (ABN)
- The dates on which the financial year to which the documents relate begins and ends
- The name of the entity
- The name of the entity's RSE licensee
- A statement of certification, which requires the document to be in the approved form and signed by a director of the entity (Reg 1.0.16(4)). For these purposes, a 'director' is a director of the trustee (if the trustee is a constitutional corporation or a body corporate), or an individual trustee (where the RSE licensee for the entity is a group of individual trustees).

Dates applicable for 30 June 2024 reports

Deadlines applicable for annual reporting periods ending 30 June 2024

The following table summarise the reporting deadlines of annual reporting periods for RSEs ending 30 June 2024.

Obligation	Deadline	Date for 30 June 2024 financial reports
Lodgement of audited annual financial report with ASIC	3 months	30 September 2024
Reporting to members by making a copy the financial report, directors' report and auditor's report on the financial report publicly available on the entity's website	3 months	30 September 2024
Notice of the annual members' meeting and any information required to be included with the notice	Earlier of 21 days before the annual members' meeting or 6 months after the end of the financial year	Earlier of 21 days before the annual members' meeting or 31 December 2024
Holding of annual members' meeting	Within 3 months after the notice is given	Within 3 months after the notice is given
Issuing of periodic statement to members	Within 6 months after the end of the reporting period to which it relates	31 December 2024

DNew Superannuation Fund

ACN 123 456 789

Annual report for the financial year ended 30 June 2024

Contents

Notice of 2024 annual members' meeting

Source

SIS Reg 2.09

The requirement to provide a notice of annual members' meeting applies to all RSEs, except for:

- A superannuation fund with fewer than seven members
- An excluded approved deposit fund
- A pooled superannuation trust
- An eligible rollover fund.

Short form expenditure summary

SIS Act s.29P(3)(b)
SIS Reg 2.10(2)

As required by section 29P(3)(b) of the *Superannuation Industry (Supervision) (SIS) Act 1993,* below is the information required by Regulation 2.10(2) of the *Superannuation Industry (Supervision) Regulations 1994* in respect of the 2023-2024 year of income (financial year)[33].

SIS Reg 2.10(1)(a)

The short-form summary must:

- Fit on a single page and be the only information on the page
- Be the first page of the pages of information required by SIS Reg 2.10.

		Payments made during the 2023-2024 year of income $
SIS Reg 2.10(2)(a)	Aggregate remuneration expenditure relating to the entity for the year of income[34]	
SIS Reg 2.10(2)(b)	Aggregate promotion, marketing, or sponsorship expenditure	
SIS Reg 2.10(2)(c)	Aggregate political donations	
SIS Reg 2.10(2)(d)	Aggregate industrial body payments	
SIS Reg 2.10(2)(e)	Aggregate related party payments	

Further information about the amounts to include in the aggregate amounts shown above can be found in the itemised breakdowns required (see *Additional statutory information* starting on page 47).

[33] The SIS Act refers to "year of income" rather than "financial year". However, s.323DAAA of the Corporations Act explains that the financial year for an RSE is the entity's year of income (within the meaning of the SIS Act). Accordingly, the terms can be used interchangeably. Commencing 21 September 2023, the *Treasury Laws Amendment (2023 Law Improvement Package No.1) Act 2023* repeals the definition of "year of income" in the SIS Act and substitutes it with "year of income has the same meaning as in the *Income Tax Assessment Act 1936*".

[34] The draft regulations designed to accompany the legislation to bring RSEs into the scope of Chapter 2M of the Corporations Act proposed deleting this requirement with effect from 1 July 2023. The final regulations however retained the requirement to disclose the aggregate remuneration in the short form summary. The aggregate of the remuneration disclosed in the remuneration report should be disclosed.

Source

Invitation to attend annual members' meeting

The directors of DNew Superannuation Pty Limited (the Trustee), as trustee of the DNew Superannuation Fund (the Fund) invite members of the Fund to attend the Fund's 2024 annual members' meeting. The meeting will consider the annual report of the Fund for the financial year ended 30 June 2024, provide an update on the performance of the Fund and provide members with an opportunity to ask questions about the Fund and its performance, management and strategy.

Date, time and location

SIS Act s.29P(3)(a)(i)

The annual members' meeting will be held on *[date and time]* at *[location]*.

SIS Act s.29P(3)(a)(ii),(iii)

The meeting will also be broadcast live on the Fund's website at *[website address]*. Register by *[date]* at *[registration website address]* to attend the live broadcast.

Agenda

SIS Act s.29P(3)(aaa)

[time] *[agenda item 1]*

[time] *[agenda item 2]*

Annual report

SIS Act s.29P(3)(aa)

The Fund's annual report for the period ending 30 June 2024 is available at the Fund's website at *[website address]*. The annual report includes the financial report, directors' report and auditor's report on the financial report.

Source	
	Additional statutory information
SIS Reg 2.10(1)	For the purposes of paragraph 29P(3)(b) of the SIS Act, the following information (set in SIS Regulation 2.10(1)) must be included with the notice of an annual members' meeting for a year of income of the entity that is given to a member of the entity.
SIS Reg 2.10(3)	If the information required to be given to a member of the entity is accessible by the member (including by being publicly available) at the time the notice of the annual members' meeting is given, or must be made so accessible before the meeting is held, it is sufficient for the purposes of the SIS Regulations if the information included with the notice includes details of how to access that extra information.
	For example, it is not necessary to include the following information in the actual notice of meeting if the information is made available on the entity's website.
SIS Reg 2.10(3) Note SIS Reg 2.10(1)(a)	This does not extend to the short-form expenditure summary, which must be included in the actual notice of meeting.
	Itemised expenditure
SIS Reg 2.10(1)	The *Superannuation Industry (Supervision) Regulations 2014* require the Fund to itemise the following categories of expenses in relation to the Fund's year of income ending on 30 June 2024.
	Remuneration expenditure
SIS Reg 2.10(1)(b)(ii)	The SIS Regulations require the notice of meeting to include the details of remuneration that, at the time the notice is given, are required under subregulation 7.9.07ZC(3) or (5) of the *Corporations Regulations 2001* to be made publicly available on the entity's website or are required under section 300C of the *Corporations Act 2001* to be included in the director's report for the entity.
SIS Reg 2.10(3)	Details of the remuneration of the key management personnel of the Fund and/or Trustee is disclosed in the remuneration report, which forms part of the directors' report (see page 61).

Source

Promotion, marketing, or sponsorship expenditure

SIS Reg 2.10(1)(e)

Set out below is an itemised listing of payments that make up the aggregate promotion, marketing and sponsorship amount shown in the short-form expenditure summary, together with the additional details required by regulations. The purpose of these payments was to promote the entity, promote a particular view on behalf of the entity or sponsorship on behalf of the entity.

SIS Reg 2.10(1)(e)

Source	Entity	Contract term	Total payments to be made under the contract $	Payments made during the 2023-2024 year of income $
SIS Reg 2.10(1)(e)(ii), (iii)	Reach Advertising Pty Limited	2 years commencing on 1 January 2024 and ending on 31 December 2026		
	[Describe]	*[Describe]*		
SIS Reg 2.10(1)(e)(i)	**Total**			

SIS Reg 2.10(2)(b)

The above table includes itemised payments made during the year of income for each contract. The SIS Regulations require the total payments to be made under each contract, rather than the payments made during the year of income, to be itemised. However, aggregate promotion, marketing and sponsorship expenditure for the year of income is required to be disclosed in the short-form statement on the first page of the notice. Therefore, the itemised payments made during the year of income have been included in the table above so that the aggregate amount shown on the short-form statement can be reconciled to the individual contracts. However, this is not strictly required.

Political donations

SIS Reg 2.10(1)(f)

Set out below is an itemised listing of payments made by or on behalf of the Fund to political entities, political campaigners and associated entities.

Entity or organisation name	Payments made during the 2023-2024 year of income $
[Describe]	
[Describe]	
Total	

Source

Industrial body payments

SIS Reg 2.10(1)(g), Set out below is an itemised list of payments made by or on behalf of the Fund to organisations registered under the *Fair Work (Registered Organisations) Act 2009*.

A registered organisation under the *Fair Work (Registered Organisations) Act 2009* includes associations of employers, associations of employees (i.e. unions) and enterprise associations (s.18 of that Act). Registered organisations are listed on the Fair Work Commission website.

Registered organisation name	Payments made during the 2023-2024 year of income $
[Describe]	
[Describe]	
Total	

Related party payments

For the purposes of the disclosure of related party transactions, the SIS Regulations prescribe disclosure of itemised payments made by an RSE (the fund) to:

- SIS Reg 2.10(1)(h)(i) A connected entity (i.e. a subsidiary) of the RSE licensee (i.e. the trustee)
- SIS Reg 2.10(1)(h)(ii) An associated entity of another entity (third party) if the third party is a connected entity of the trustee of the fund
- SIS Reg 2.10(1)(h)(iii) An entity over whom the trustee of the fund has significant influence
- SIS Reg 2.10(1)(h)(iv) An entity that has significant influence over the trustee of the fund
- SIS Reg 2.10(1)(h)(v) An entity whose key management personnel include the trustee, or an executive officer of the trustee, of the fund
- SIS Reg 2.10(1)(h)(vi) An associated entity of another entity (the third party) if the trustee, or an executive officer of the trustee, of the fund is a member of the key management personnel of the third party.

The prescribed related parties may be different to related parties that would be identified under AASB 124 *Related Party Disclosures*. Accordingly, the information provided may not align with the related party information included in the notes to the financial statements.

Set out below is an itemised list of payments made by the Fund to related parties as prescribed by the *Superannuation Industry (Supervision) Regulations 1994*:

Entity name	Payments made during the 2023-2024 year of income $
[Entity name]	
[Entity name]	
[Entity name]	
Total	

Source	
	Information about the RSE
	The notice of annual members' meeting must also include:
SIS Reg 2.10(1)(b)(i)	• A summary of each significant event or material change notice (if any) given under s.1017B of the Corporations Act by a trustee of the RSE to a member of the entity during the two year period finishing at the end of year of income
SIS Reg 2.10(1)(c) SIS Act 52(9)(a)	• If a determination made under s.52(9)(a) of the SIS Act in relation to the entity is publicly available at the time the notice is given, or must be made publicly available before the meeting is held, a copy of the determination. In other words, a written determination for each MySuper product and choice product offered by the entity, as to whether the financial interests of the beneficiaries of the entity who hold the product are being promoted by the trustee (such a determination being required to be made on annual basis).
SIS Reg 2.10(3)	As noted above, this information can be made available by being accessible by the member (including by being publicly available) or is made so accessible before the meeting is held.
	Information to be included with the notice - periodic statement and fund information
	The notice of meeting must also contain:
SIS Reg 2.10(1)(d)(i)	• The most recent periodic statement (if any) given to the member under s.1017D of the Corporations Act
SIS Reg 2.10(1)(d)(ii)	• The most recent fund information provided under Reg. 7.9.32 of the Corporations Regulations to holders of interests in the entity.
	Requirements for the periodic statement
s.1017D	The periodic statement under s.1017D must give the holder the information that the issuer reasonably believes the holder needs to understand his or her investment in the financial product, and contain particulars (among others) such as the opening and closing balances for the reporting period, details of transactions (as prescribed by the regulations), any increases in contributions, return on investment, details of changes in circumstances affecting the investment and other details prescribed by the regulations.
	Requirements for the fund information
	In addition to any applicable requirements in Subdivisions 5.6 (fund information for retail superannuation funds and ADFs) and 5.7 (fund information for pooled superannuation trusts) of Division 5 of Part 7.9 of the Corporations Regulations, the following fund information must be provided:
Reg 7.9.31A(a)	• If the entity is not a self managed superannuation fund, the name and ABN of each outsourced service provider that has provided a service which may affect a material activity of the RSE
Reg 7.9.31A(b)	• If the entity is not a self managed superannuation fund, information about each of the key management personnel of the entity:
Reg 7.9.31A(b)(i),(ii)	◦ The person's name and qualifications
Reg 7.9.31A(b)(iii)	◦ A summary of the person's experience as a trustee or board member, including the periods during which the member served as a trustee or board member
Reg 7.9.31A(c)	• If the entity is not a self managed superannuation fund, the record of attendance at board meetings for each director of the entity for the last seven financial years (or a shorter period if the director has served as a director for less than seven years).
Reg 7.9.32(3)	Fund information for a fund reporting period must be provided as soon as practicable after the end of the reporting period, and in any event, within six months after the end of the reporting period.

Source

Information to be included with the notice - periodic statement and fund information (continued)

The above information was previously required to be published on the entity's website in accordance with regulation 2.38 of the SIS Regulations and accordingly, does not impose new obligations on trustees of RSEs.

Reg 7.9.32(6)

The fund information for a fund reporting period must be provided on the entity's website and, if a holder elects, in hard copy or electronic copy.

Set out below are illustrative disclosures of the fund information (relating to the entity and any relevant sub plan, within the meaning of section 1017C of the Corporations Act) to be provided.

Outsourced providers

Set out below are details of each outsourced provider that has provided a service at any time in the previous 12 months, which may affect a material business activity of the Fund:

Reg 7.9.31A(a)

Outsourced provider name	ABN
[Entity name]	*[Provide details]*
[Entity name]	*[Provide details]*
[Entity name]	*[Provide details]*

Information about key management personnel

Reg 7.9.31A(b)

Name	Qualifications	Period of service
Ms C.J. Chambers Chair of the board of directors of the Trustee	Chartered Accountant, joined the board in 2018 in a non-executive capacity and is a non-executive director. She has extensive experience in superannuation matters and prior to joining the board was a registered superannuation entity auditor. She is a member of the audit committee and the risk management committee.	23 September 2018 – Present
Ms F.R. Ridley Non-executive member of the board of directors of the Trustee	Chartered Accountant, joined the Board in 2021 in a non-executive capacity. Ms Ridley is a member of the nomination and remuneration committee, and of the audit committee.	27 April 2021 - Present
Mr A.K. Black Non-executive member of the board of directors of the Trustee	Former industrial engineer, joined the Board on 19 January 2024 . He is also currently an executive member of the Heavy Manufacturing Industry Union and has served 15 years in this capacity.	19 January 2024 - Present
Mr W.K. Flinders Non-executive member of the board of directors of the Trustee	Practicing Solicitor, joined the Board in 2016 in a non-executive capacity and resigned during the year. Mr W.K. Flinders is a member of the nomination and remuneration committee.	9 May 2016 - Present

Source

Information about key management personnel (continued)

Reg 7.9.31A(b)

Name	Qualifications	Period of service
Ms S.M. Saunders Non-executive member of the board of directors of the Trustee	Practicing Solicitor, joined the Board in 2015 in a non-executive capacity. Ms S.M. Saunders was a member of the nomination and remuneration committee and the risk management committee until her resignation.	2 March 2015 - 12 June 2024
Mr P.H. Taylor Chief executive officer	*[Describe]*	*[Insert details]*
Mr C.V. Kruger Chief financial officer	*[Describe]*	*[Insert details]*
Ms B.M. Stavrinidis Chief risk officer	*[Describe]*	*[Insert details]*
Ms O.H. O'Brien Chief investment officer	*[Describe]*	*[Insert details]*
Mr K.N. Naicker Chief of member experience	*[Describe]*	*[Insert details]*
Mr J.B. Singh Fund secretary	*[Describe]*	*[Insert details]*

Reg 7.9.31A(c)

Record of attendance of directors at board meetings of the Trustee

The table below sets out the record of attendance at board meetings of the Trustee for the period the director has served (or for the past seven years, where the term of service of the director exceeds seven years).

	Meetings attended						
	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Ms C.J. Chambers							
Ms F.R. Ridley							
Mr A.K. Black							
Mr W.K. Flinders							
Ms S.M. Saunders							
Meetings held							

Source	**How the notice of annual members' meeting is to be given to members**
SIS Reg 2.11(2)	The notice of annual members' meeting must be made publicly available on the superannuation entity's website and be readily accessible from that website.
SIS Reg 2.11[35]	RSE licensees are generally required to provide information to members about the management, financial condition and investment performance of the fund under s.1017DA(1)(a) of the Corporations Act. Regulation 7.9.75A of the Corporations Regulations requires that the information provided under s.1017DA(1)(a) of the Corporations Act be provided in writing, electronically or in a manner agreed by the member or member's agent. This could include, for example, information being published on a fund's website. If an RSE licensee is required to provide information under paragraph 1017DA(1)(a) of the Corporations Act in a particular manner to members, they must also provide notice of an annual members' meeting and the accompanying information in the same way. For example, if the RSE licensee provides this information via email, they must also provide the annual members' meeting notice via email. If the member has agreed a specific method of receiving information provided under paragraph 1017DA(1)(a) of the Corporations Act, the annual members' meeting notice and accompanying information must also be provided in that manner.

[35] The explanation of SIS Reg 2.11 provided in this section has been derived from the Explanatory Memorandum accompanying *Superannuation Industry (Supervision) Amendment (Your Future, Your Super—Improving Accountability and Member Outcomes) Regulations 2021*, which introduced the requirement for a notice of annual members' meeting.

Directors' report

Source	
s.298(1)	An RSE must prepare a directors' report for each financial year.
s.292(5)	The regulations may provide that a directors' report prepared by an RSE must comply with prescribed requirements.
s. 9AC(3)	For the purposes of the financial reporting and audit requirements contained in Chapter 2M of the Corporations Act, a director of an RSE means: • If the RSE licensee for the entity is a constitutional corporation or a body corporate—a director of the constitutional corporation or body corporate, or • If the RSE licensee for the entity is a group of individual trustees—each of those trustees.
s.299(2)(a)	The directors of DNew Superannuation Pty Limited (the Trustee), as trustee for the DNew Superannuation Fund (the Fund), submit herewith the annual report of the Fund for the financial year ended 30 June 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors of the Trustee report as follows:
	Principal activities
s.299(1)(c)	DNew Superannuation Fund is operated for the purpose of providing members with lump sum or pension benefits upon retirement, termination of service, death or disablement.
	Review of operations
s.299(1)(a)	The directors' report must contain a review of the RSE's operations during the financial year and the results of those operations.
	ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review*
ASIC-RG 247	In preparing this disclosure, superannuation entities may wish to refer to ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review* (RG 247, available at www.asic.gov.au) and the ASX Guidance Note 10 *Review of Operations and Activities: Listing Rule 4.10.17* and to the G100's *Guide to Review of Operations and Financial Condition*. These documents provide guidance on the form and content of a listed entity's review of operations and the results of those operations, including specific guidance on items which might be appropriately included in such a review. Although the guidance has been issued with respect to listed companies it represents best practice and may provide guidance to directors when complying with the disclosure requirements of the Corporations Act.
	Climate change
ASIC-RG 247.66	Climate change is a systemic risk that could have a material impact on the future financial position, performance or prospects of entities. Examples of other risks that could have a material impact for particular entities may include digital disruption, new technologies, geopolitical risks and cyber security. Directors may also consider whether it would be worthwhile to disclose additional information that would be relevant under integrated reporting, sustainability reporting or the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), where that information is not already required for the OFR.

Source

Non-IFRS financial information

If the Fund considers it appropriate to include non-IFRS financial information in the review of operations, elsewhere in the directors' report or another document accompanying the annual report, the guidelines in Section D of ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information* should be followed to assist in reducing the risk of non-IFRS financial information being misleading[36].

Important considerations include that:

- IFRS financial information should be given equal or greater prominence compared to non-IFRS financial information, in particular IFRS profit
- Non-IFRS information should:
  - Be explained and reconciled to IFRS financial information
  - Be calculated consistently from period to period
  - Be unbiased and not used to remove 'bad news'.

ASIC-RG 230

RSEs should refer to the complete document when preparing their reports as it provides detailed guidance for presenting non-IFRS financial information.

A clear statement should be made about whether the non-IFRS financial information has been audited or reviewed in accordance with Australian Auditing Standards.

Changes in state of affairs

s.299(1)(b)

During the financial year, the Fund merged with Major Superentity Fund through a successor fund transfer. Other than the aforementioned changes, there was no significant change in the state of affairs of the Fund during the financial year.

Subsequent events

s.299(1)(d)

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Otherwise, describe the matter(s) or circumstance(s).

Future developments

s.299(1)(e), s.299(3)

Directors must bring likely developments in the operations of the RSE in future financial years and the expected results of those operations to the attention of the users of the annual report. These disclosures are not required where they would result in unreasonable prejudice to the Fund.

Use of the 'unreasonable prejudice' exemption

ASIC RG 247, s.299(3)(a)

In determining whether any information should be omitted in the case of 'unreasonable prejudice', ASIC RG 247 *Effective disclosure in an operating and financial review* suggests that:

- Unreasonable prejudice means the consequence would be unreasonable if, for example, disclosing the information is likely to give third parties (such as competitors, suppliers and buyers) a commercial advantage, resulting in a material disadvantage to the Fund
- Likely means 'more than a possibility' or 'more probable than not'.

Even where the exemption is relied upon it is still expected that some information should be able to be disclosed about an entity's business strategies and prospects.

[36] Non-IFRS financial information is financial information presented other than in accordance with all relevant accounting standards.

Source

Environmental regulations

s.299(1)(f)

If the RSE operations are subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory, the directors' report should disclose details of the RSE's performance in relation to the environmental regulation.

ASIC-RG 68.74

ASIC has provided the following guidance on completing environmental regulations disclosures:

- Prima facie, the requirements would normally apply where an entity is licensed or otherwise subject to conditions for the purposes of environmental legislation or regulation
- The requirements are not related specifically to financial disclosures (e.g. contingent liabilities and capital commitments) but relate to performance in relation to environmental regulation. Hence, accounting concepts of materiality in financial statements are not applicable
- The information provided in the directors' report cannot be reduced or eliminated because information has been provided to a regulatory authority for the purposes of any environmental legislation
- The information provided in the directors' report would normally be more general and less technical than information which an entity is required to provide in any compliance reports to an environmental regulator.

Non-audit services

s.300C(4)(a), (5), (6)

The Corporations Act s.300C(4)(a), (5) and (6) requires disclosures relating to non-audit services in the Directors' report. This is in addition to the disclosures required in the financial statements on audit fees and other (non-audit) services under AASB 1054 *Australian Additional Disclosures.* The Corporations Act as made does not allow the Directors' report of an RSE to cross reference to the disclosures in the financial statements. Therefore, the disclosures required by Corporations Act s.300C (on non-audit services) and by AASB 1054 (on audit fees and other (non-audit) services) will be required to be disclosed in the Directors' report and financial statements respectively.

See note 16. *Remuneration of auditors* for an illustrative disclosure on audit fees in the financial statements as required by AASB 1054 and for guidance on providing disclosures on remuneration of auditors.

APES 110:R410.31(b)

Subject to limited exceptions[37], a public interest entity must publicly disclose fees for non-audit services. This includes fees charged to the entity (client) and its related entities over which the entity (client) has direct or indirect control that are consolidated in the financial statements on which the auditor expresses an opinion.

'Related entities' which an RSE entity controls and consolidates (in accordance with AASB 10 *Consolidated Financial Statements*) will typically be subsidiaries that are not themselves investment entities and whose main purpose and activities are providing services that relate to the (parent) investment entity's investment activities.

[37] For more detail see APES 110:32.

Source

Non-audit services (continued)

s.300C(6)

Details of amounts paid or payable to the auditor in respect of DNew Superannuation Fund and its consolidated entities, for non-audit services provided during the year by the auditor are disclosed in the table below.

s.300C(4)(a), (6)

	30/06/2024 $	30/06/2023 $
Deloitte and related network firms*		
Statutory assurance services required by legislation to be provided by the auditor		
Other assurance and agreed-upon procedures under other legislation or contractual arrangements		
Other services:		
- Tax compliance services#		
- Consulting services#		
- Other [describe]		

	30/06/2024 $	30/06/2023 $
Other auditors and their related network firms		
Statutory assurance services required by legislation to be provided by the auditor		
Other assurance and agreed-upon procedures under other legislation or contractual arrangements		
Other services:		
- Tax compliance services#		
- Consulting services#		
- Other [describe]		

*The auditor of DNew Superannuation Fund is Deloitte Touche Tohmatsu

 # These line items are provided by way of example only. The disclosures should provide sufficient detail of the amounts paid or payable to the auditor for each non-audit service.

Source

Non-audit services (continued)

s.300C(4)(b)

The directors of the Fund are satisfied that the provision of non-audit services provided during the year by the auditor (or by another person or firm on the Auditor's behalf) is compatible with the standard of independence for auditors imposed by the *Corporations Act 2001*.

s.300C(4)(c), s.300C(7)

The directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence, for the following reasons:

APES 110:R600.22

- All non-assurance services have been approved by the *[audit committee / those charged with governance]* as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (APES 110)*
- All the services comply with the general principles relating to auditor independence as set out in APES 110, including not assuming management responsibilities or reviewing or auditing the auditor's own work, and ensuring threats to independence are either eliminated or reduced to an acceptable level.

s.300C(7)

The above directors' statements are in accordance with the advice received from the audit committee.

* Relevant only to Public Interest Entities

s.300C(6)

For the purposes of paragraph (4)(a), the details of amounts paid or payable to an auditor for non-audit services provided, during the year, by the auditor (or by another person or firm on the auditor's behalf) are:

- The name of the auditor
- The dollar amount that the RSE or the RSE licensee for the RSE, paid, or is liable to pay, for each of those non audit services.

s.300C(7)

The statements under paragraphs (4)(b) and (c) must be made in accordance with advice provided by the RSE's audit committee.

s.300C(8)

For the purposes of subsection (7), a statement is taken to be made in accordance with advice provided by the RSE's audit committee only if:

- The statement is consistent with that advice and does not contain any material omission of material included in that advice
- The advice is endorsed by a resolution passed by the members of the audit committee
- The advice is written advice signed by a member of the audit committee on behalf of the audit committee and given to the directors.

Source	
	Audit
s.300C(9)	If an individual plays a significant role in the audit of an RSE for a financial year in reliance on an approval granted under section 324DAA, the directors' report for the entity for the financial year must also include details of, and reasons for, the approval.
s.324DAA	The directors of a RSE may by resolution grant an approval for an individual to play a significant role in the audit of the RSE by extending the audit involvement period from the normal five successive financial years to six or seven successive financial years.
s.300C(10)	If a registered company auditor plays a significant role in the audit of an RSE for a financial year in reliance on a declaration made under section 342A, the directors' report for the entity for the financial year must also include details of the declaration.
s.342A	ASIC may make a declaration to enable an individual who is a registered company auditor to continue to play a significant role (as defined in s.9 of the Corporations Act) in the audit of a RSE (by extending the audit involvement period from the normal five successive financial years to six or seven successive financial years). ASIC must however consult APRA before making a declaration in relation to the audit of a RSE or a class of RSEs. Further, if ASIC makes a declaration in relation to the audit of a RSE or a class of RSEs, ASIC must notify APRA of the declaration and do so as soon as practicable after making the declaration.
	Auditor's independence declaration[38]
s.298(1AA)(c)	The auditor's independence declaration is included on page 68.
	True and fair view
s.297(a), 298(1A)	If the financial statements for a financial year include additional information under s.295(3)(c) to give a true and fair view of financial position and performance, the directors' report for the financial year must also: • Set out the directors' reasons for forming the opinion that the inclusion of that additional information was necessary to give a true and fair view required by s.297 • Specify where that additional information can be found in the financial statements.

[38] See *Presentation of the auditor's independence statement outside of the directors' report* on page 52 for more information about when it is appropriate to provide a cross reference to the auditor's independence declaration, rather than including it as part of the directors' report.

Source

Rounding off of amounts

If the entity is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently the amounts in the directors' report and the financial statements are rounded, that fact must be disclosed in the financial statements or the directors' report.

Where the conditions of the Corporations Instrument are met, entities may round to the nearest dollar, nearest thousand dollars, nearest hundred thousand dollars, or to the nearest million dollars, depending upon the total assets of the entity. The appropriate rounding should be included in the disclosure below:

ASIC-CI 2016/191

DNew Superannuation Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest *[dollar/thousand dollars / hundred thousand dollars/ million dollars]*, unless otherwise indicated.

ASIC-CI 2016/191

Where the Corporations Instrument is applied, certain amounts in the report are required to be rounded to differing levels of precision. It is important to ensure these amounts are shown using the correct level of precision and column headings and narrative information uses the correct level of rounding as required by the Corporations Instrument.

Source

s.300C(2)

Remuneration report

Although this section has been identified as a new requirement (by reference to the blue bar in the left-hand margin), this is in the context of the report being included in the directors' report and being made available to members on an annual basis as part of an RSE's financial reporting obligations under the Corporations Act. Previously, information about the remuneration of key management personnel was required by the SIS Regulations to be made available on an RSE's website on a continuous basis.

This model remuneration report is suitable for use as a guide only and will not be appropriate for use by all RSEs preparing a remuneration report. Each RSE should consider its respective circumstances and amend the disclosures as necessary.

Share-based payments granted to key management personnel and shares and options held by key management personnel are not common in RSEs. Therefore disclosures relating to share-based payments granted to key management personnel and shares and options held by key management personnel are not illustrated in this model remuneration report. If share-based payments are applicable to an RSE, the entity should refer to Corporations Regulation 2M.3.04 for the detailed disclosure requirements specifically 2M.3.04(1) items 10, 11, 13, 14 and 15.

s.300C(1)
s.314AA

For financial years beginning on or after 1 July 2023, the details set out in Corporations Regulation 2M.3.04 in relation to the remuneration of key management personnel are to be included in the annual directors' report for the entity in a separate and clearly identified section (e.g. under a heading *Remuneration report*). Corporations Act s.314AA requires the directors' report (which includes the *Remuneration report*) to be published annually on the entity's website within three months after the end of the entity's financial year.

Reg 7.9.07ZC

Under transitional provisions introduced into the Corporations Regulations, an RSE is required to publish the information prescribed by Regulation 2M.3.04 of the Corporations Regulations (i.e. the remuneration report) on the entity's website until a financial report, directors' report and auditor's report are first published on the entity's website (i.e. within three months of the end of the financial year that commences on or after 1 July 2023).

Source

Financial Accountability Regime

In September 2023, Australia introduced the Financial Accountability Regime (FAR) to improve accountability standards in entities regulated by Australian Prudential Regulation Authority (APRA). The regime was enacted by the *Financial Accountability Regime Act 2023* (FAR Act), is jointly administered by APRA and ASIC and will apply to RSE licensees from 15 March 2025.

Under the FAR Act, broadly:

FAR Act, s.9, s.13
- An accountable entity is an RSE licensee (in addition to others) and is a constitutionally covered body (i.e. the trustee of a superannuation fund within the meaning of the SIS Act, the sole or primary purpose of which is the provision of old-age pensions)

FAR Act, s.10
- An accountable person is primarily someone who has actual or effective senior executive responsibility for management or control of an accountable entity, or of a significant or substantial part or aspect of the operations of the entity or its corporate group.

The FAR Act imposes various accountability obligations on accountable entities and accountable persons. In addition, among other things, accountable entities must also comply with key personnel obligations and obligations to defer a prescribed portion of variable remuneration of its accountable persons to ensure compliance with their obligations.

In complying with the variable remuneration provisions, in relation to remuneration decisions that occur from 15 March 2025, broadly RSE licensees must (subject to certain exclusions):

FAR Act, s.27(1), s.28
- Defer payment of at least 40% of an accountable person's variable remuneration for a minimum of four years

FAR Act, s.25(1)(b),(c)
- Have a remuneration policy in place that requires a reduction in variable remuneration where an accountable person fails to comply with their accountability obligations, and not pay any required reduced variable remuneration to an accountable person in these circumstances

FAR Act, s.25(d)
- Ensure that its significant related entities (as defined by the FAR Act) also comply with the deferred remuneration provision of the Act.

RSEs that are significant financial institutions under APRA's prudential framework are also required to comply with APRA Prudential Standard CPS 511 *Remuneration*, which applies to RSEs with effect from 1 July 2023. This standard is comparable to the requirements under the FAR Act above.

In developing the disclosures in the remuneration report, RSEs should ensure they consider the implications of these regulations both in the current year and in planning and putting in place remuneration requirements in future periods as the FAR Act becomes effective.

More information about the Financial Accountability Regime as it applies to RSEs (and other captured entities) can be found in ASIC Regulatory Guide RG 279 *Financial Accounting Regime: Information for accountable entities*.

Source	
	Defined terms
s.9, AASB 124:9	**Key management personnel** are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
s.9	Closely related party of a member of the key management personnel for an entity is defined to include: • A spouse or child of the member • A child of the member's spouse • A dependant of the member or of the member's spouse • Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity • A company the member controls • A person prescribed by the regulations for the purposes of this paragraph.
	Prescribed details in relation to remuneration
s.300C(1)(c), Reg 2M.3.04	The prescribed details in relation to remuneration referred to in s.300C(1)(a) are detailed in Regulation 2M.3.04 of the Corporations Regulations.
	Payments from related parties of the RSE
Reg 2M.3.04(2)	If • A member of the key management personnel receives a payment, benefit or compensation from a related party of the RSE, and • All or part of the payment, benefit or compensation relates to work performed for the RSE then, to the extent that the payment, benefit or compensation relates to that work, the disclosure requirements apply to the payment, benefit or compensation in the same way as if it were paid or given by the RSE.
	Application of Accounting Standards
Reg 2M.3.04(4)	The requirements of Reg 2M.3.04 are to be determined in accordance with the requirements of any relevant Australian Accounting Standards.
Reg 2M.3.04(5)	If an expression used in subregulation (1), (2) or (3) in Reg 2M.3.04, is defined in a relevant Australian Accounting Standard, the expression has the meaning given by the standard.
	Comparative information
	Disclosure of comparative information is not required by s.300C or Regulation 2M.3.04.

Source

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the key management personnel of DNew Superannuation Fund for the financial year ended 30 June 2024. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, including any director (whether executive or otherwise) of the Trustee of the Fund. The prescribed details for each person covered by this report are detailed below under the following headings:

- Key management personnel
- Remuneration of key management personnel
- Key terms of employment contracts.

Key management personnel

Reg 2M.3.04 (1) (Item 1-4)

The directors of the trustee and other key management personnel of the trustee during the financial year were:

Directors of the Trustee

Name	**Status**
Ms C.J. Chambers	Member nominated
Ms F.R. Ridley	Employer nominated
Mr A.K. Black (appointed 19 January 2024)	Member nominated
Mr W.K. Flinders	Independent
Ms S.M. Saunders (retired from position 12 June 2024)	Independent

The status is not required to be disclosed under either the Corporations Act or the SIS Act but is often disclosed as good practice or to meet other requirements e.g. the constitution.

Other key management personnel

Name	**Position**
Mr P.H. Taylor	Chief executive officer
Mr C.V. Kruger (i)	Chief financial officer
Mr L.J. Jackson (retired 31 October 2023)	Chief financial officer
Ms B.M. Stavrinidis	Chief risk officer
Ms O.H. O'Brien	Chief investment officer
Mr K.N. Naicker	Chief of member experience
Mr J.B. Singh	Fund secretary

Reg 2M.3.04(1) (Item 3)

(i) On 1 September 2023 Mr. C.V. Kruger's position changed from financial controller to chief financial officer.

Source

s.300C(1)(a)(b)

Reg 2M.3.04(1) (Item 5-8)

Remuneration of key management personnel

2024	Short-term employee benefits				Post-employ-ment benefits	Long-term employee benefits	Termi-nation benefits	
	Salary & fees $	Cash bonus $	Non-monetary $	Other $	Super-annuation $	Long service leave $	$	Total $
Directors of the Trustee								
C.J. Chambers (i)								
F.R. Ridley								
A.K Black (ii)								
W.K. Flinders								
S.M. Saunders (iii)								
Other key management personnel								
P.H. Taylor								
C.V. Kruger								
L.J. Jackson (iv)								
B.M. Stavrinidis								
O.H. O'Brien								
K.N. Naicker								
J.B. Singh								
Total								

Reg 2M.3.04(1) (Item 16)

(i) $__ attributable to the services of Ms C.J. Chambers during the current financial year were made to *[name of organisation or entity]* instead of directly to Ms C.J. Chambers.

(ii) Amounts in the table are from 19 January 2024 when Mr A,K. Black was appointed until 30 June 2024.

(iii) Amounts in the table are for the period 1 July 2023 to 12 June 2024 when Ms S.M. Saunders retired from the position.

(iv) Amounts in the table are for the period 1 July 2023 until 31 October 2023 when Mr L.J. Jackson retired.

Reg 2M.3.04(1) (Item 9)

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Total of a person's compensation

Disclosure of the total compensation for each identified person is not specifically required by s.300C or Regulation 2M.3.04, however we recommend that it be made as a matter of good practice.

Payments and benefits

Reg 2M.3.04(1) (Item 5-10)

The tables above do not illustrate all the payments and benefits specified by Regulation 2M.3.04 that must be disclosed, if present. Disclosure of the following payments and benefits in respect of each member of the key management personnel of the RSE is required (for the most recently completed financial year for Regulation 2M.3.04(1) items 5 – 7 and 10):

Reg 2M.3.04(1) (Item 5)

- The person's short-term employee benefits for the most recently completed financial year, divided into at least the following components:
  - Cash salary, fees and short-term compensated absences
  - Short-term cash profit-sharing and other bonuses
  - Non-monetary benefits
  - Other short-term employee benefits

Source

Payments and benefits (continued)

Reg 2M.3.04(1) (Item 6)

- The person's post-employment benefits for the most recently completed financial year, divided into at least the following components:
  - Pension and superannuation benefits
  - Other post-employment benefit

Reg 2M.3.04(1) (Item 7)

- The person's long-term employee benefits other than benefits mentioned in items 5 and 6 (i.e. short-term employee benefits and post-employment benefits), for the most recently completed financial year, separately identifying any amount attributable to a long-term incentive plan

Reg 2M.3.04(1) (Item 8)

- The person's termination benefit where the person's position as a member of the key management personnel was terminated during the most recently completed financial year

Reg 2M.3.04(1) (Item 9)

- For any position the person started to hold during the financial year, payments (if any) made to the person, before the person started to hold the position, as part of the consideration for the person agreeing to hold the position, including:
  - The monetary value of the payment
  - The date of the payment

Reg 2M.3.04(1) (Item 10)

- Share-based payments made to the person (during the most recently completed financial year), divided into at least the following components:
  - Equity-settled share based payment transactions, showing separately:
    - Shares and units
    - Options and rights
  - Cash-settled share based payment transactions
  - All other forms of share based payment compensation (including hybrids).

Bonuses granted in the current financial year

Reg 2M.3.04(1) (Item 11)

Cash bonuses

Mr C.V. Kruger was granted and paid a cash bonus of $10,000 on *[date]*. The cash bonus was given in recognition of the substantial additional effort to negotiate and implement the merger between the Fund and Major Superentity Fund.

No other cash bonuses were granted during the financial year.

Compensation

Reg 2M.3.04(1) (Item 11)

For each grant of a cash bonus, performance related bonus or share-based payment compensation benefit made to a member of key management personnel for the entity, whether part of a specific contract for services or not, the remuneration report must include the terms and conditions of each grant affecting compensation in the reporting period or a future reporting period, including the following:

- The grant date
- The nature of the compensation
- The service and performance criteria used to determine the amount of compensation
- If there has been any alteration of the terms or conditions of the grant since the grant date – the date, details and effect of each alteration (see also 'alterations and modifications' below)
- The percentage of the bonus or grant for the financial year that was paid to the person or that vested in the person, in the financial year
- The percentage of the bonus or grant for the financial year that was forfeited by the person (because the person did not meet the service and performance criteria for the bonus or grant) in the financial year
- The financial years, after the financial year which the report relates, for which the bonus or grant will be payable if the person meets the service and performance criteria for the bonus or grant
- Estimates of the maximum and minimum possible total value of the bonus or grant (other than option grants) for financial years after the financial year to which the report relates.

Source

Key terms of employment contracts

Reg 2M.3.04(1) (Item 12)

If during the most recently completed financial year a contract for services was negotiated between the RSE licensee and a member of key management personnel, the report must also include for each member:

- How the amount of compensation was determined
- How the terms of the contract affect compensation in future periods.

[End of remuneration report]

s.298(2)

This directors' report is signed in accordance with a resolution of directors of the Trustee made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors of the Trustee

(Signature)

C.J. Chambers
Director

Sydney, 12 September 2024

Auditor's independence declaration

Source
ASIC-CI 2016/188

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000
Tel: +61 2 9322 7000
www.deloitte.com.au

12 September 2024

The Board of Directors
DNew Superannuation Pty Limited
As trustee for DNew Superannuation Fund
167 Second Terrace
SYDNEY NSW 2000

Dear Board Members

Auditor's independence declaration to the trustees of DNew Superannuation Fund

s.298(1AA)(c), s.307C

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of DNew Superannuation Pty Limited as trustee for DNew Superannuation Fund.

As lead audit partner for the audit of the financial report of DNew Superannuation Fund for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully
DELOITTE TOUCHE TOHMATSU

T.L. Green
Partner
Chartered Accountants

Source

Presentation of the auditor's independence statement outside of the directors' report

ASIC-CI 2016/188

Under *ASIC Corporations (Directors' Report Relief) Instrument 2016/188*, an entity is permitted to exclude information (including the auditor's independence statement) from the directors' report or the financial report provided that information is included in a document which accompanies the directors' report and financial report for the relevant period, and certain other conditions are met.

At the date of finalisation of this document (9 April 2024), the relief available in the Corporations Instrument applies to entities that companies, registered schemes or disclosing entities, i.e. it does not extend to RSEs.

For the purposes of these illustrative disclosures, we have assumed that the Corporations Instrument will be amended to include RSEs. In the event that ASIC does not amend the Corporations Instrument to include RSEs, the auditor's independence declaration would need to be included within the directors' report.

General requirements

s.307C(1), (3)

If an audit firm, audit company or individual auditor conducts an audit or review of the financial report for the financial year, the lead auditor must give the directors of the RSE a written declaration that, to the best of the individual or lead auditor's knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit or review
- No contraventions of any applicable code of professional conduct in relation to the audit or review.

Alternatively, if contraventions have occurred, the auditor is required to set out those contraventions in a written declaration that, and include a statement in the declaration that to the best of the individual or lead auditor's knowledge and belief, those contraventions are the only contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit or review, or
- Any applicable code of professional conduct in relation to the audit or review.

s.307C(5)(a)

The auditor's independence declaration must be given when the audit report is given to the directors of the RSE (other than when the conditions in s.307(5A) are satisfied – see below) and must be signed by the person making the declaration.

Source

General requirements (continued)

s.307C(5A)

A declaration under s.307C(1) or s.307C(3) in relation to financial report for a financial year satisfies the conditions in subsection 307C if:

- The declaration is given to the directors of the RSE before the directors pass a resolution under s.298(2) in relation to the directors' report for the financial year
- A director signs the directors' report within 7 days after the declaration is given to the directors
- The auditor's report on the financial report is made within 7 days after the directors' report is signed
- The auditor's report includes either of the following statements:
    - A statement to the effect that the declaration would be in the same terms if it had been given to the directors at the time that auditor's report was made
    - A statement to the effect that circumstances have changed since the declaration was given to the directors and setting out how the declaration would differ if it had been given to the directors at the time the auditor's report was made.

s.307C(5B)

An individual auditor or lead auditor is not required to give a declaration under s.307C(1) and s.307C(3) in respect of a contravention if:

- The contravention was a contravention by a person of s.324CE(2) or s.324CG(2) (strict liability contravention of specific independence requirements by individual auditor or audit firm), or s.324CF(2) (contravention of independence requirements by members of audit firms)
- The person does not commit an offence because of s.324CE(4), s.324CF(4) or s.324CG(4) (quality control system defence).

Independent auditor's report

Source

An independent auditor's report shall be prepared by the auditor in accordance with Australian Auditing Standards.

Duty to form an opinion

The auditor is required to form an opinion on the following:

s.307(a), s.308(1)
- Whether the financial report is in accordance with the Corporations Act, including:
    - Whether the financial report complies with Australian Accounting Standards
    - Whether the financial report gives a true and fair view of the financial position and performance of the RSE (or the consolidated entity where consolidated financial statements are required)

s.307(aa)
- If the financial report includes additional information under s.295(3)(c) (i.e. information included to give true and fair view of financial position and performance) – whether the inclusion of that additional information was necessary to give the true and fair view required by s.297

s.307(b)
- Whether the auditor has been given all information, explanations and assistance necessary for the conduct of the audit

s.307(c)
- Whether the RSE has kept financial records sufficient to enable financial report to be prepared and audited

s.307(d)
- Whether the RSE has kept other records and registers as required by the Corporations Act.

s.308(3D)
- If the directors' report for the financial year includes an RSE remuneration report, the auditor must also report to members on whether the auditor is of the opinion that the remuneration report complies with section 300C. If not of that opinion, the auditor's report must say why.

s.308(3)(b)
The auditor is required to include in the audit report particulars of any deficiency, failure or shortcoming in respect of any matter referred to in s.307(b), (c) or (d) above (see 'Duty to report' below).

Qualified audit opinions

s.308(2)
Where, in the auditor's opinion, there has been a departure from a particular Australian Accounting Standard, the audit report must, to the extent that is practicable to do so, quantify the effect that non-compliance has on the financial report. If it is not practicable to quantify the effect fully, the report must say why.

Source	
	Duty to report
s.308(3)	The auditor's report must describe:
s.308(3)(a)	• Any defect or irregularity in the financial report
s.308(3)(b)	• Any deficiency, failure or shortcoming in respect of the matters referred to in s.307(b), (c) or (d), i.e.:
s.307(b)	◦ Whether the auditor has been given all information, explanations and assistance necessary for the conduct of the audit
s.307(c)	◦ Whether the RSE has kept financial records sufficient to enable financial report to be prepared and audited
s.307(d)	◦ Whether the RSE has kept other records and registers as required by the Corporations Act.
s.308(3A) s.308(3B)	The audit report must include any statements or disclosures required by the auditing standards. If the financial report includes additional information under s.295(3)(c) (information included to give true and fair view of financial position and performance), the audit report must also include a statement of the auditor's opinion on whether the inclusion of that additional information was necessary to give the true and fair view required by s.297.
	Duty to inform
s.311(1A), (2A), (2D), (3A)	The auditor conducting an audit of an RSE must inform ASIC in writing if the auditor suspects on reasonable grounds that there are circumstances that amount to a contravention of the *Corporations Act 2001*.
s.311(1A), (2A),(2D), (3A)	The auditor is required to notify ASIC in writing of the circumstances of the matters outlined above as soon as practicable and in any case within 28 days, after the auditor forms that suspicion.
ASIC-RG 34	ASIC Regulatory Guide 34 *Auditor's obligations: Reporting to ASIC* provides guidance on the procedures to be followed by registered company auditors in complying with s.311 of the Corporations Act, including specific reference to evidence of a contravention, examples of contraventions and timing of notification.

Directors' declaration

Source

The directors of DNew Superannuation Pty Limited (Trustee), as trustee DNew Superannuation Fund (the Fund), declare that:

s.295(4)(c) (a) in the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

s.295(4)(d) (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

s.295(5) Signed in accordance with a resolution of the directors of the Trustee made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the directors of the Trustee

(Signature)

C.J. Chambers
Director

Sydney, 12 September 2024

Compliance with IFRS Accounting Standards

s.295(4)(ca) The Corporations Act requires that if the RSE has included in the notes to the financial statements, in accordance with Australian Accounting Standards, an explicit and unreserved statement of compliance with International Financial Reporting Standards, the directors' declaration must include a statement that the statement of compliance has been included in the notes to the financial statements.

AASB 1056.BC43 In making AASB 1056 *Superannuation Entities*, the AASB concluded that a superannuation entity should apply the presentation, recognition and measurement requirements in other relevant Australian Accounting Standards, except in relation to:

- Measuring most assets at fair value through profit or loss
- Presenting a statement of changes in members' benefits
- Measuring defined benefit member liabilities
- Measuring liabilities and assets arising from insurance arrangements it might provide to its members.

Because RSEs are required to comply with AASB 1056 *Superannuation Entities*, such entities cannot make a statement of compliance with IFRS Accounting Standards as AASB 1056 is not compliant with IAS 26 *Accounting and Reporting by Retirement Benefit Plans* or other IFRS Accounting Standards. Accordingly, the directors' declaration should not include a statement about a statement of compliance with International Financial Reporting Standards.

Statement of financial position

As at 30 June 2024

Source		Note	30/06/2024 $000s	30/06/2023 $000s
AASB 1056:8(a)				
AASB 101:60	**Assets**			
	Cash and receivables	14		
AASB 101:54(i)	Cash and cash equivalents	11		
AASB 101:54(h)	Other receivables			
	Total cash and receivables			
AASB 101:54(d)	***Investments***			
AASB 1056:AG11-AG12	Listed securities - Domestic	3		
AASB 1056:AG11, AG12	Listed securities – International	3		
AASB 1056:AG11, AG12	Unlisted securities	3		
AASB 1056:AG11, AG12	Other fixed income securities	3		
AASB 1056:AG11, AG12	Other variable income securities	3		
AASB 1056:AG11, AG12	Derivative financial instruments	3		
	Total investments			
	Non-financial assets			
AASB 1056:18	Employer sponsor receivables	10		
AASB 101:55	Other assets			
	Total non-financial assets			
	Total assets			
AASB 101:60	**Liabilities**			
AASB 101:54(m)	Benefits payable	3		
AASB 101:54(m)	Derivative financial instruments	3		
AASB 101:54(n)	Current tax liabilities			
AASB 101:55	Other payables			
AASB 101:54(o)	Deferred tax liabilities	7		
AASB 101:55	***Total liabilities excluding member benefits***			
AASB 101:55	**Net assets available for member benefits**			
AASB 1056:14, 32, AG10	Defined contribution member liabilities	8		
	Defined benefit member liabilities	9		
AASB 101:55	***Total member liabilities***			
	Total net assets/(liabilities)			

Source		Note	30/06/2024 $000s	30/06/2023 $000s
AASB 1056:8(a)				
AASB 101.54(r)	**Equity**			
AASB 1056:AG8	Operational risk financial requirement reserve	13		
AASB 1056:AG8	Investment reserve	13		
AASB 1056:AG8	General reserve	13		
AASB 1056:28	Defined benefit - over/(under) funded	9		
AASB 1056:AG8	Unallocated contributions	13		
	Total equity/(deficit)			

Source	
	Current/non-current distinction and sequencing of items in the statement of financial position
AASB 101:60	An entity presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position in accordance with paragraphs 66-76 of AASB 101 *Presentation of Financial Statements*, except when a presentation based on liquidity provides information that is reliable and more relevant. When that exception applies, all assets and liabilities shall be presented in order of approximate liquidity (ascending or descending).
AASB 101:63	For some entities, such as financial institutions, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and more relevant than a current/non-current presentation because the entity does not supply goods or services within a clearly identifiable operating cycle.
	Consistent with these requirements, superannuation entities generally present the statement of financial position in order of liquidity as it provides information that is reliable and more relevant to members.
	Disaggregated financial information
AASB 1056:32	A superannuation entity shall disclose disaggregated information when it is necessary to explain the risks and benefit arrangements relating to different categories of members.
AASB 1056:AG11	Superannuation entities would be expected to present the various classes of their investments in a meaningful way, consistent with the requirements of AASB 101.
AASB 1056:AG34(a)	A superannuation entity that has material member liabilities relating to different types of members, such as defined contribution members and defined benefit members would need to consider separately presenting line items in the statement of financial position for each of the different membership types in respect of member liabilities.
	Assets and liabilities measured at fair value
AASB 1056:AG23	Assets and liabilities other than member liabilities, tax assets and liabilities, acquired goodwill and insurance assets and liabilities are measured at fair value with fair value changes recognised through the income statement.
AASB 1056:AG24	In determining the fair value measurements and accounting for any transaction costs, a superannuation entity applies the relevant principles and requirements in other applicable Australian Accounting Standards, including in particular AASB 13 *Fair Value Measurement*. Superannuation entities do not apply AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Income statement

For the year ended 30 June 2024

Source		Notes	Year ended 30/06/2024 $000s	Year ended 30/06/2023 $000s
AASB 1056:8(b)				
AASB 1056:22,AG13	**Superannuation activities**			
AASB1056:AG14, AG13, AG29(b)	Net change in the fair value of investments	6		
AASB 1056:AG29(a)	Dividends and distributions	6		
AASB 1056:AG29(a)	Interest	6		
AASB 1056:AG13	Other investment income	6		
AASB 1056:AG13	Other income			
AASB 1056:9(a)	**Total income**			
AASB1056:22, AG13	**Expenses**			
AASB 1056:AG29(e)	Investment expenses			
AASB 1056:AG29(d)	Administration expenses			
	Other operating expenses	15		
AASB 1056:9(b)	**Total expenses**			
AASB 1056.9(e)	**Operating result**			
AASB 1056:9(c)	Net benefits allocated to defined contribution member accounts*	8		
AASB 1056:9(d), AG16	Net change in defined benefit member liabilities*	9		
AASB 1056:9(e)	**Operating result before income tax expense**			
AASB1056:9(f),AG15	Income tax expense attributable to net result*	7		
AASB 1056:9(e)	**Operating result after income tax expense**			

* A number of RSEs present the income tax expense before the allocation of the operating results to member accounts/liabilities. However, in this illustrative income statement we have presented the allocation of the operating results to member accounts/liabilities before the income tax expense.

This presentation approach has been adopted considering:

AASB 1056:9(e),(f)

- AASB 1056 paragraph 9(e)-(f) which require the disclosure of the net result and income tax expense or benefit to that net result
- ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information* which provides guidance on use of financial information where that information is presented other than in accordance with accounting standards (non-IFRS financial information).

AASB 1056.10

Where a superannuation entity acts in the capacity of an insurer in respect of defined contribution members, the income statement or notes to the financial statements is required to separately present insurance premiums, claim expenses, reinsurance expenses, reinsurance recoveries, and the net results from insurance activities.

Statement of changes in member benefits

For the year ended 30 June 2024

Source

AASB 1056:8(e), AG10

Source		Note	Defined contribution member benefits $000s	Defined benefit member benefits $000s	Total $000s
	Opening balance as at 1 July 2022				
AASB 1056:11(a)	Employer contributions				
AASB 1056:11(b)	Member contributions				
AASB 1056:11(d)	Transfers from other superannuation entities				
	Superannuation co-contributions				
AASB 1056:11(c),12	Taxes on contributions				
	Net after tax contributions				
AASB 1056:11(e)	Benefits to members				
AASB 1056:11(f), AG43(b)	Insurance premiums charged to members' accounts				
AASB 1056:AG43(b)	Death and disability insurance benefits credited to members' accounts				
AASB 1056:11(i)	Reserves transferred to / (from) members:				
AASB 1056:11(i)	- Defined benefits reserve				
AASB 1056:11(i)	- General reserve				
AASB 1056:11(i)	- Operational risk financial requirement reserve				
AASB 1056:11(i)	- Unallocated contribution reserve				
AASB 1056:11(g), AG20	Net benefits allocated comprising:				
AASB 1056:11(g), AG20	- Net investment income				
AASB 1056:11(g), AG20	- Net administration fees				
AASB 1056:11(h)	Net changes to defined benefit member accrued benefits				
	Closing balance as at 30 June 2023	8,9			

Source			Defined contribution member benefits $000s	Defined benefit member benefits $000s	Total $000s
AASB 1056:8(e), AG10					
	Opening balance as at 1 July 2023				
AASB 1056:11(a)	Employer contributions				
AASB 1056:11(b)	Member contributions				
AASB 1056:11(d)	Transfers from other superannuation entities				
	Superannuation co-contributions				
AASB 1056:11(c),12	Taxes on contributions				
	Net after tax contributions				
AASB 1056:11(e)	Benefits to members				
AASB 1056:11(f), AG43(b)	Insurance premiums charged to members’ accounts				
AASB 1056:AG43(b)	Death and disability insurance benefits credited to members' accounts				
AASB 1056:11(i)	Reserves transferred to / (from) members				
AASB 1056:11(i)	- Defined benefits reserve				
AASB 1056:11(i)	- General reserve				
AASB 1056:11(i)	- Operational risk financial requirement reserve				
AASB 1056:11(i)	- Unallocated contribution reserve				
AASB 1056:11(g)	Net benefits allocated, comprising:				
AASB 1056:11(g)	- Net investment income				
AASB 1056:11(g)	- Net administration fees				
AASB 1056:11(h)	Net changes to defined benefit member accrued benefits				
	Closing balance as at 30 June 2024	8,9			

Source

Statement of changes in member benefits

AASB 1056:11

A statement of changes in member benefits presents opening and closing balances for member liabilities and, when applicable, include the following line items for the period:

- Employer contributions
- Member contributions
- Taxes on contributions
- Benefits transferred into the entity from other superannuation entities
- Benefits to members or their beneficiaries
- Insurance premiums charged to defined contribution member accounts
- Net benefits allocated to defined contribution member accounts
- Net changes to defined benefit member accrued benefits
- Amounts allocated to members from reserves.

AASB 1056:12

Current and deferred tax are charged or credited directly to member liabilities and presented in the statement of changes in member benefits when the tax relates to items that are credited or charged, in the same or a different period, directly to member liabilities.

Nature of member benefits

AASB 1056:21

A superannuation entity shall disclose information that provides users with a basis for understanding the benefits the entity provides to members. These disclosures include the types of benefits the superannuation entity provides and, when applicable, whether the superannuation entity can accept new defined benefit members.

Presentation of line items

AASB 1056:AG18

In the context of the line items that might appear in the statement of changes in member benefits in accordance with paragraph 11:

- Employer contributions include both routine contributions and any “top-up” contributions made to fund defined benefit member liabilities
- Net benefits allocated to defined contribution members include the investment returns and fair value movements allocated to these members – the line item might be positive or negative
- Net changes to defined benefit members may include a number of components because the service element for a period might be different from actual contributions for that period and because of the interest cost associated with the liability – the line item might be positive or negative.

Disaggregated financial information

AASB 1056:AG34(b)

A superannuation entity that has material member liabilities relating to different types of members, such as defined contribution members and defined benefit members would need to consider separately presenting either a single statement of changes in member benefits with columns or notes showing the amounts relating to different membership types or separate statements of changes in member benefits for each different type of members.

Statement of cash flows

For the year ended 30 June 2024

[Direct method]

Source		Notes	Year ended 30/06/2024 $000s	Year ended 30/06/2023 $000s
AASB 1056:8(d)				
AASB 107:10, 14	**Cash flows from operating activities**			
	Interest received			
	Dividends and trust distributions received			
AASB 1056:AG43(a)	Insurance premiums from members			
AASB 1056:AG43(a)	Insurance premiums paid to insurers			
	Proceeds received from insurer for members			
	Other general administration expenses			
	Income tax paid on operating results			
	Net cash (used in)/generated by operating activities	14		
AASB 107.10,16	**Cash flows from investing activities**			
	Purchase of investments			
	Proceeds from sale of investments			
	Net cash (used in)/generated by investing activities			
AASB 107.10,17	**Cash flows from financing activities**			
	Employer contributions received	10		
	Member contributions received			
	Benefits paid			
	Transfers to other superannuation funds			
	Transfers from other superannuation funds			
	Successor fund transfers	12		
	Superannuation co-contributions			
	Income taxes paid on contributions			
	Net cash (used in)/from financing activities			
	Net increase in cash and cash equivalents			
	Cash and cash equivalents at beginning of the financial year			
AASB 107.28	Effect of foreign exchange rate changes			
	Cash and cash equivalents at the end of the financial year	14		

Source

Direct method

AASB 107:18 The above illustrates the direct method of reporting cash flows from operating activities. Under the direct method, net cash flow from operating activities is presented by disclosing information about major classes of gross cash receipts and gross cash payments.

In Australia entities commonly adopt the direct method of presentation of the statement of cash flows and in this case are additionally required to provide a reconciliation of the net cash flows from operating activities to profit or loss. See note 14. Cash and cash equivalents for an illustrative disclosure.

Reporting cash flows on a net basis

AASB 107:22 Cash flows arising from the following operating, investing or financing activities may be reported on a net basis:

- Cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity (e.g. the acceptance and repayment of demand deposits with a bank, funds held for customers by an investment entity, and rents collected on behalf of, and paid over to, the owners of properties)
- Cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short (e.g. the purchase and sale of investments).

Statement of changes in equity

For the year ended 30 June 2024

Source

AASB 1056:8(c), AG22

AASB 101:38A, 106(d)

	Operational risk financial requirement reserve $000s	Investment reserve $000s	General reserve $000s	Defined benefit - over/(under) funded $000s	Unallocated contributions $000s	Total equity/ (deficit) $000s
Opening balance at 1 July 2022						
Transfers (to)/from defined contribution member accounts						
Transfers (to)/from defined benefit member accounts						
Benefits from other superannuation entities						
Allocation of net results after income tax expense						
Balance at 30 June 2023						
Transfers (to)/from defined contribution member accounts						
Transfers (to)/from defined benefit member accounts						
Benefits from other superannuation entities						
Allocation of net results after income tax expense						
Balance at 30 June 2024						

Notes to the financial statements

Source

General requirements for the financial statements

Scope

AASB 1056:8(f) A superannuation entity is required to present notes to the financial statements.

Structure

AASB 101:112 The notes:

- Present information about the basis of preparation of the financial statements and the specific accounting policies used
- Disclose the information required by Australian Accounting Standards that is not presented elsewhere in the financial statements
- Provide information that is not presented elsewhere in the financial statements but is relevant to an understanding of any of them.

AASB 101:113 An entity, as far as practicable, presents the notes in a systematic manner. In determining a systematic manner, the entity shall consider the effect on the understandability and comparability of its financial statements. An entity shall cross-reference each item in the statements of financial position and in the statement(s) of profit or loss and other comprehensive income, and in the statements of changes in equity and of cash flows to any related information in the notes.

AASB 101:116 An entity may present notes providing information about the basis of preparation of the financial statements and specific accounting policies as a separate section of the financial statements.

Order

AASB 101:114 Examples of systematic ordering or grouping of the notes include:

- Giving prominence to the areas of its activities that the entity considers to be most relevant to an understanding of its financial performance and financial position, such as grouping together information about particular operating activities
- Grouping together information about items measured similarly such as assets measured at fair value
- Following the order of the line items in the income statement and the statement of financial position, such as:
  - Statement of compliance with IFRSs[39]
  - Significant accounting policies applied
  - Supporting information for items presented in the statements of financial position and in the income statement, and in the statements of changes in reserves and of cash flows, in the order in which each statement and each line item is presented

[39] As noted on page 58, RSEs are unlikely to make a statement of compliance with IFRS Standards, notwithstanding such a statement of compliance is referenced in the Corporations Act.

Source

Order (continued)

- Other disclosures, including:
  - Contingent liabilities (see AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*) and unrecognised contractual commitments
  - Non-financial disclosures, e.g. the entity's financial risk management objectives and policies (see AASB 7 *Financial Instruments: Disclosures*).

In these model financial statements the relevant material accounting policy information and judgements and estimates have been included in the notes to the line items of the financial statements. General notes have been included in a separate section at the beginning of the notes. Further the notes have been grouped according to their nature as investments and investments performance, member liabilities and reserves and other disclosures. This is one way to structure and present the financial statements however, other methods may be acceptable.

Comparative information

AASB 101:38

Except when Australian Accounting Standards permit or require otherwise, an entity presents comparative information in respect of the preceding period for all amounts reported in the current period's financial statements. An entity includes comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.

Materiality and aggregation

AASB 101:29

An entity shall present separately each material class of similar items. An entity shall present separately items of a dissimilar nature or function unless they are immaterial.

Exemption from preparing consolidated financial statements

AASB 1056:AG51

AASB 10 *Consolidated Financial Statements* (specifically as amended by AASB 2013-5 *Amendments to Australian Accounting Standards – Investment Entities*) provides an exception from consolidated financial statements for "investment entities", which could include superannuation entities. The exception applies to all subsidiaries of investment entities, other than subsidiaries that provide services relating to the investment entity's investment activities. A parent must account for its subsidiaries that are subject to the exception at fair value through profit or loss.

Source

Compliance with principles and requirements in other Australian Accounting Standards

AASB 1056:AG3 When the recognition, measurement and disclosure principles and requirements in AASB 1056 address the same items or events as the recognition, measurement and disclosure principles and requirements in other Australian Accounting Standards, a superannuation entity need not apply those other Standards.

AASB 1056:AG4 Additionally, when the measurement principles in AASB 1056 are different from the measurement principles in other Australian Accounting Standards, the disclosure requirements related to the measurement requirements in those other Australian Accounting Standards do not apply.

AASB 1056:AG5 When a superannuation entity applies the recognition and measurement principles and requirements in other Australian Accounting Standards, the entity would also apply any relevant disclosure principles and requirements contained in those other Standards unless they are specifically modified by AASB 1056. Australian Accounting Standards that contain disclosure principles and requirements, some or all of which a superannuation entity would apply, when relevant, include but are not limited to the following:

- AASB 7 *Financial Instruments: Disclosures*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Statement of Cash Flows*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 110 *Events after the Reporting Period*
- AASB 112 *Income Taxes*
- AASB 124 *Related Party Disclosures*.

Source

AASB 1056:8(f)

1. General information

Information about the Fund

AASB 101:138(b)
AASB 1056:21

DNew Superannuation Fund is both a defined contribution and defined benefit superannuation fund constituted by the Trust Deed dated *[date]*. The Fund is managed by DNew Superannuation Pty Limited (ABN 11 004 001 001) (Trustee), which is the trustee of the Fund.

Administration of the Fund is conducted by *[administrator name]*.

AASB 101:138(a)

The addresses of the registered office and principal place of business of the Trustee are as follows:

Registered office of the Trustee
10th Floor
ALD Centre
255 Deloitte Street
SYDNEY NSW 2000
Tel: (02) 5550 7000

Principal place of business of the Trustee
1st Floor
167 Admin Ave
SYDNEY NSW 2000
Tel: (02) 7010 2000

AASB 101:112
AASB 1054:7

Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards, Interpretations, and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), the *Corporations Act 2001* and *Corporations Regulations 2001* and the provisions of the Fund's Trust Deed.

AASB 1054:8(b)

The financial statements are the separate financial statements of the Fund. For the purposes of preparing the financial statements, the Fund is a for-profit entity.

AASB 110:17
AASB 1054:8(b)

The financial statements of the Fund for the year ended 30 June 2024 were authorised for issue by the directors on 12 September 2024.

AASB 101:60, 63

The statement of financial position is presented in decreasing order of liquidity as it provides information that is reliable and more relevant to members.

AASB 101:61

Paragraph 61 of AASB 101 *Presentation of Financial* Statements requires the disclosure of the amount expected to be recovered or settled more than 12 months for each asset and liability line item that combines amounts expected to be recovered or settled both within and more than 12 months after the reporting date.

Amounts expected to be recovered or settled after more than twelve months and within twelve months of the reporting period may not be easily determinable for RSEs as inflows or outflows may not be able to be reliably estimated as members may withdraw or contribute in an unpredictable manner. RSEs may wish to make a statement to this effect.

Source

1. General information (continued)

Presentation currency and rounding

AASB 101:51(d)

These financial statements are presented in Aus tralian Dollars ($).

If the entity is of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and consequently the amounts in the directors' report and the financial statements are rounded, that fact must be disclosed in the financial statements or the directors' report.

Where the conditions of the Corporations Instrument are met, entities may round to the nearest dollar, nearest thousand dollars, nearest hundred thousand dollars, or to the nearest million dollars, depending upon the total assets of the entity. The appropriate rounding should be included in the disclosure below:

ASIC-CI 2016/191.5(f)
AASB 101:51(e)

The Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Corporations Instrument amounts the financial report are rounded off to the nearest *[dollar, thousand dollars/ hundred thousand dollars/ million dollars]*, unless otherwise indicated.

Where the Corporations Instrument is applied, certain amounts in the financial statements are required to be rounded to differing levels of precision. It is important to ensure these amounts are shown using the correct level of precision and column headings and narrative information uses the correct level of rounding as required by the Corporations Instrument.

Going concern basis

AASB 101:25

When preparing financial statements, the management of an entity makes an assessment of the entity's ability to continue as a going concern. An entity is a going concern unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

In assessing whether the going concern basis is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the reporting date. When management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, the entity discloses those uncertainties.

When an entity does not prepare financial statements on a going concern basis, it discloses that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

Source

2. Changes in accounting policies and changes in estimates

Changes in accounting policies on initial application of Australian Accounting Standards

AASB 108:28

When initial application of an Australian Accounting Standard has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:

- The title of the Australian Accounting Standard
- When applicable, that the change in accounting policy is made in accordance with its transitional provisions
- The nature of the change in accounting policy
- When applicable, a description of the transitional provisions
- When applicable, the transitional provisions that might have an effect on future periods
- For the current period and each prior period presented, to the extent practicable, the amount of the adjustment:

  - For each financial statement line item affected
  - If AASB 133 *Earnings per Share* applies to the entity for basic and diluted earnings per share[40]

- The amount of the adjustment relating to periods before those presented, to the extent practicable
- If retrospective application required by paragraph 19(a) or (b) is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

Financial statements of subsequent periods need not repeat these disclosures.

The above information would usually be disclosed in the accounting policy note of the relevant item and the relevant note for the item, or in a change in accounting policy note.

[40] AASB 133 *Earnings per Share* is not applicable to superannuation entities as a superannuation entity cannot have ordinary shares or potential ordinary shares that are traded in a public market (see AASB 133:2).

Source

2. Changes in accounting policies and changes in estimates (continued)

Changes in accounting policies on initial application of Australian Accounting Standards (continued)

AASB 108:28(a), (b), (c), (d), (e)

[Describe the nature of the change in accounting policy, describe the transitional provisions (when applicable) and describe the transitional provisions that might have an effect on future periods (when applicable)].

AASB 108:28(f)(i)

The following table summarises the impact of the change in policy on the financial statements of the Fund.

	30/06/2024 $000s	30/06/2023 $000s
Income statement		
[Describe captions affected]		
Increase/(decrease) in operating result before taxation		
Increase/(decrease) in income tax expense		
Increase/(decrease) in operating result after taxation		
Statement of financial position		
[Describe captions affected]		
Increase/(decrease) in net assets		
Statement of changes in member's benefits		
[Describe captions affected]		
Increase/(decrease) in defined contribution/benefit liabilities		

AASB 108:28(g)

There is no impact on the statement of cash flows.

[Describe the amount of the adjustment relating to periods before those presented (to the extent practicable)]

AASB 108:28(h)

[If retrospective application is impracticable for a particular prior period, or for periods before those presented, describe the circumstances that led to the existence of that condition and describe how and from when the change in accounting policy has been applied].

Source

2. Changes in accounting policies and changes in estimates (continued)

AASB 108:42, 45

Prior period errors

AASB 108:42, 43

Except to the extent that it is impracticable to do so, an entity corrects material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

- Restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented

AASB 108:49

Where a material prior period error has been corrected in accordance with these requirements, an entity discloses in the period the error is corrected:

- The nature of the prior period error
- For each prior period presented, to the extent practicable, the amount of the correction:
  - For each financial statement line item affected
  - If AASB 133 applies to the Fund, for basic and diluted earnings per share[41]
- The amount of the correction at the beginning of the earliest prior period presented
- If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

AASB 108:49(a)

[Describe the nature of the prior period error]

AASB 108:49(b)(i)

The following table summarises the impact of the prior period error on the financial statements of the Fund.

	30/06/2024 $000s	30/06/2023 $000s
Income statement		
[Describe captions affected]		
Increase/(decrease) in operating result before taxation		
Increase/(decrease) in income tax expense		
Increase/(decrease) in operating result after taxation		
Statement of financial position		
[Describe captions affected]		
Increase/(decrease) in net assets		
Statement of changes in member's benefits		
[Describe captions affected]		
Increase/(decrease) in defined contribution/benefit liabilities		

AASB 108:49(d)

There is no impact on the statement of cash flows.

[If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected]

[41] AASB 133 *Earnings per Share* is not applicable to superannuation entities as a superannuation entity cannot have ordinary shares or potential ordinary shares that are traded in a public market (see AASB 133:2).

Source

2. Changes in accounting policies and changes in estimates (continued)

2.1 New and amended Australian Accounting Standards that are effective for the current year

AASB 101:31

There is no requirement to present a full listing of mandatorily effective standards. Disclosures should only include Australian Accounting Standards, amendments to Australian Accounting Standards and other pronouncements that:

- Are mandatorily effective for the current period
- Are applicable to the Fund's circumstances
- Have a material impact on the Fund or where the information disclosed is material.

AASB 108:28(a), (b), (c), (d)

The Fund has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023.

Set out below are the new and revised Standards and amendments thereof *[and Interpretations]* effective for the current year that are relevant to the Fund:

Pronouncement	Impact
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*	Requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates. The application of the amendments did not have a material impact on the Fund's financial statements but has changed the disclosure of accounting policy information in the financial statements.
AASB 1056 *Superannuation Entities*	This revised version was required as registrable superannuation entities are required to prepare and lodge audited financial reports under the Corporations Act for financial years ending on or after 30 June 2024. This revised standard does not change the financial reporting requirements applying to superannuation entities but makes the standard a legislative instrument under the C*orporations Act 2001*, which has effect of continuing the overriding of certain requirements in other Australian Accounting Standards by AASB 1056 (which would not have occurred in the absence of reissuance of the standard). Accordingly, the application of the revised standard did not have an impact on the Fund's financial statements.

Source

2. Adoption of new and revised Australian Accounting Standards (continued)

2.1 New and amended Australian Accounting Standards that are effective for the current year (continued)

AASB 108.28

Where the impacts of the initial application of a Standard are material, the requirements of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 28 must be disclosed.

The below mandatorily effective standards for the current year have not been included in the illustrative disclosures above as they are not relevant, or are not material, to the Fund:

- AASB 17 *Insurance Contracts* (as amended)[42]
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules* (see below for more information)
- AASB 2023-4 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures*

[42] Relevant amendments include AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts,* AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (insofar as the Standard relates to editorial corrections that are effective for the current year), AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information* and AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*. The editorial corrections in AASB 2021-7 that apply to annual reporting periods beginning on or after 1 January 2023 relate to AASB 17 *Insurance Contracts*. Therefore, this Standard should only be included where AASB 17 is applicable to the entity.

Source

2. Changes in accounting policies and changes in estimates (continued)

2.1 New and amended Australian Accounting Standards that are effective for the current year (continued)

Pillar Two income taxes

AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules* amends the scope of AASB 112 *Income Taxes* to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in AASB 112, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, an entity is required to disclose that it has applied the exception and disclose separately its current tax expense (income) related to Pillar Two income taxes. Further, in periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect (in any jurisdiction in which an entity operates), an entity is required to disclose known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from that legislation.

The Pillar Two model rules are expected to be substantively enacted in Australia and apply to entities with revenue exceeding €750 million for income years beginning on or after 1 January 2024.

RSEs are not subject to the Pillar Two model rules, even if their revenue exceeds the €750 million threshold to otherwise be included within the scope of Pillar Two. However, unconsolidated subsidiaries of RSEs may be subject to the Pillar Two rules in their own right, although this does not have any direct implications on deferred tax accounting by RSEs. Accordingly, it is unlikely that disclosure about Pillar Two will be material for RSEs.

However, RSEs may wish to include some minimal disclosure in their financial statements in order to provide additional information to users. The example below may be adapted to the circumstances of the entity (this illustrative disclosure assumes the enabling legislation has been implemented in Australia):

"The Fund is not in the scope of the Pillar Two top up tax that applies in Australia for income years beginning on or after 1 January 2024 as it is exempt from the regime, [even though the Fund's revenue exceeds €750 million]. Therefore, although the Fund has applied the exception from the recognition and measurement of deferred taxes arising from Pillar Two taxes introduced by AASB 2023-2 'Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules', the amendments have no impact on the Fund."

More information about the Pillar Two reforms can be found in our Clarity publication *Responding to Pillar Two*.

Source

2. Changes in accounting policies and changes in estimates (continued)

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

Entities are required to disclose in their financial statements the potential impact of new and revised Australian Accounting Standards that have been issued but are not yet effective. The disclosures below reflect a cut-off date of 9 April 2024. The potential impact of the application of any new and revised Australian Accounting Standards issued by the AASB or IASB after 9 April 2024 but before the financial statements are issued should also be considered and disclosed[43].

Having completed assessment of the impact of the various pronouncements in issue but not yet effective, the following example disclosures should be tailored as appropriate. In some cases, the Fund may not yet have determined the impact and therefore may state "*The potential effect of the revised Standards/Interpretations on the Group's financial statements has not yet been determined*."

However, the Fund should consider the expectations of regulators (e.g. ASIC) with regards to having assessed the impact of pronouncements on issue but not yet effective and how detailed the disclosures need to be.

Where Standards or Interpretations in issue but not yet effective will result in changes in recognition or measurement, the following wording should be tailored as appropriate to reflect the amendments affecting the Fund. Where an Accounting Standard is not relevant to the Fund it is not necessary to include explanations about the pronouncement:

A number of Australian Accounting Standards and Interpretations [and IFRS and IFRIC Interpretations] are on issue but are not effective for the current reporting period. The application of these pronouncements by the Fund will not have a material impact on the financial statements of the Fund.

The impact of the application of the new and revised Australian Accounting Standards (see below) is for illustrative purposes only. Funds should analyse the impact based on their specific facts and circumstances

AASB 108:30

When an entity has not applied a new Accounting Standard that has been issued but is not yet effective, the Fund shall disclose:

- This fact
- Known or reasonably estimable information relevant to assessing the possible impact that application of the new Accounting Standard will have on the Fund's financial report in the period of initial application.

AASB 108:31

In complying with the requirements above, an entity considers disclosing:

- The title of the new Accounting Standard
- The nature of the impending change or changes in accounting policy
- The date by which application of the Accounting Standard is required
- The date as at which it plans to apply the Accounting Standard initially
- Either:
    - A discussion of the impact that initial application of the Accounting Standard is expected to have on the Fund's financial report, or
    - If that impact is not known or reasonably estimable, a statement to that effect.

[43] As noted on page 58, RSEs are unlikely to make a statement of compliance with IFRS Standards and accordingly would not strictly need to include disclosure about pronouncements issued by the IASB which have not yet been issued by the AASB (see AASB 1054:17), but could choose to do so. For the purposes of these illustrative disclosures we have included example disclosures of pronouncements issued by the IASB but not by the AASB.

Source

2. Changes in accounting policies and changes in estimates (continued)

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 108:30, 31

At the date of authorisation of the financial statements, the Fund has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

AASB 108:31(a), (c), (d)

Standard/amendment	Effective for annual reporting periods beginning on or after	Nature of the change and expected impact
AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*	1 January 2024	Requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains. The Fund does not currently have sale and leaseback arrangements. The Fund will apply the amendments if sale and leaseback arrangements are entered into in the future.
AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*	1 January 2025	Specifies how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. Although the Fund enters into transactions in foreign currencies, the Fund has not entered into transactions in currencies that are not exchangeable in the current and prior reporting periods. The Fund will apply the amendments when they become effective, when it enters into foreign currency transactions to determine whether the currency is exchangeable or not.

Source

2. Changes in accounting policies and changes in estimates (continued)

2.2 New and revised Australian Accounting Standards and Interpretations on issue but not yet effective (continued)

AASB 1054:17 In addition, at the date of authorisation of the financial statements the following IFRS Accounting Standards were on issue for which equivalent Australian Accounting Standards has not been issued:

Standard/amendment	Effective for annual reporting periods beginning on or after	Impact
IFRS 18 *Presentation and Disclosure in Financial Statements*[44]	1 January 2027	This Standard will not change the recognition and measurement of items in the financial statements, but may affect presentation and disclosure in the financial statements, including introducing new categories and subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.

The below standards that have been issued but are not yet effective have not been included in the illustrative disclosures below as they are not relevant to the Fund:

- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (as amended)[45]
- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*[46]
- AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*
- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
- AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements*
- AASB 2023-3 *Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2*
- AASB 2024-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures.*

[44] At the date of finalisation of this publication (9 April 2024), the AASB has not made an equivalent standard, but is expected to do so in due course. If the AASB makes an equivalent standard prior to finalisation of an entity's financial report, disclosures in the financial report should reference the Australian equivalent standard.

[45] AASB 2014-10 has been amended by AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*, AASB 2017-5 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* and AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.*

[46] AASB 2022-6 is applied in conjunction with AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current,* the effective date of which was amended by AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date.* AASB 2020-6, although itself is effective for annual reporting periods beginning on or after 1 January 2022 (the original effective date of AASB 2020-1), had the effect of deferring the effective date of the amendments in AASB 2020-1 to annual reporting periods beginning on or after 1 January 2023. AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* further defers the mandatory application of those amendments to annual reporting periods beginning on or after 1 January 2024, in addition to amending original amendments.

Source

General guidance

AASB 108:30 requires entities to give known or reasonably estimable information relevant to assessing the possible impact that application of any new or revised standard will have on the Fund's financial statements in the period of initial application.

The regulatory requirements in the various jurisdictions may differ as to how detailed the disclosures need to be; some regulators may require both qualitative and quantitative information to be disclosed whereas others may consider that qualitative information (e.g. key areas that may be affected by the new or revised standards) suffices in many circumstances. For this reason, relevant regulatory guidance should also be considered in preparing the disclosure.

This applies to all new or revised Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Early adoption of Accounting Standards

The following disclosure is recommended where an Accounting Standard has been adopted early:

s.334(5) 'The directors of the Trustee have elected under s.334(5) of the *Corporations Act 2001* to apply Accounting Standard AASB XX *[title]* for this financial year, even though the Standard is not required to be applied until annual reporting periods beginning on or after *[date]*.'

Source

Investments and investment performance

3. Investments and derivatives

Below are the fund's investments and derivatives which are classified and measured at fair value through profit or loss.

Source		30/06/2024 $000s	30/06/2023 $000s
AASB 7:6	**Investments**		
	Listed securities – domestic		
	Listed securities – international		
	Unlisted securities		
	- Property		
	- Infrastructure		
	- Private capital		
	- Other *[describe]*		
	Other fixed income securities		
	Other variable income securities		
	Total		
	Derivatives		
	Derivative assets		
	Derivative liabilities		
	Total		

AASB 7:6

When disclosure by class of financial instrument is required by AASB 7, an entity groups financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. An entity shall provide sufficient information to permit reconciliation to the line items presented in the statement of financial position.

Recognition and measurement

AASB 1056:13, AASB 9:3.1.1, AASB 7:B5(c)

The investments, including derivatives of the Fund are recognised at fair value and changes in the fair value are recognised in the income statement in the year they occur. The investments and derivatives of the Fund are recognised on the date the Fund becomes party to the contractual provisions of the instrument, that is, at trade date.

Transaction costs, including brokerage and stamp duty, that are incurred to acquire investment securities are recognised in the income statement as an expense when incurred.

Classes and categories of financial instruments and their fair values

AASB 7:6

The classes of financial assets are determined based on their nature and characteristics being listed securities (domestic and international), unlisted securities, derivative financial assets and liabilities and other fixed and variable securities.

Source

3. Investments and derivatives (continued)

Offsetting of financial assets and liabilities

AASB 101:33, AASB 132:42, AG38A

Derivative financial instruments are offset and the net amount reported in the statement of financial position when and only when the Fund:

- Currently has a legally enforceable right to set off the recognised amounts
- Intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

The table below shows the gross and net positions of derivative financial instruments presented in the statement of financial position (SOFP) that have been offset including amounts that could be offset under netting arrangements if the Fund has a legally enforceable right of setoff:

	Gross financial assets $000s	Gross offsetting financial liabilities $000s	Net amount presented in SOFP $000s	Amounts subject to netting arrangements $000s	Net amount $000s
Derivatives					
Foreign currency forward contracts					
Futures contracts					
Interest rate swaps					

Fair value measurement

AASB 1056:13

DNew measures all investments and derivatives at fair value through profit and loss.

The tables below set out the level of the fair value hierarchy within which the fair value measurements of the Fund are categorised:

AASB 13:91, 92, 93(a), (b), 99

	Level 1 $000s	Level 2 $000s	Level 3 $000s	Total $000s
30 June 2024				
Investments				
Listed securities – domestic				
Listed securities – international				
Unlisted securities				
- Property				
- Infrastructure				
- Private capital				
- Other *[describe]*				
Other fixed income securities				
Other variable income securities				

Source

3. Investments and derivatives (continued)

Fair value measurement (continued)

	Level 1 $000s	Level 2 $000s	Level 3 $000s	Total $000s
30 June 2024 (continued)				
Derivatives				
Foreign currency forward contracts				
Futures contracts				
Financial liabilities				
Derivatives: Interest rate swaps				
Total				

AASB 13:91, 92, 93(a), (b), 99

	Level 1 $000s	Level 2 $000s	Level 3 $000s	Total $000s
30 June 2023				
Investments				
Listed securities – domestic				
Listed securities – international				
Unlisted securities				
- Property				
- Infrastructure				
- Private capital				
- Other [*describe*]				
Other fixed income securities				
Other variable income securities				
Derivatives				
Foreign currency forward contracts				
Futures contracts				
Financial liabilities				
Derivatives: Interest rate swaps				
Total				

The following table shows the movement of transfers between the levels:

AASB 13:93 (c),(h),(g), 99

	Level 1 $000s	Level 2 $000s	Level 3 $000s
30 June 2024			
Opening balance			
Total gains or losses recognised in the income statement			
Purchases			
Redemptions/disposal			
Transfers from level 1			
Transfers from level 2			
Transfers from level 3			
Total			

Source

3. Investments and derivatives (continued)

Reconciliation of level 3 fair value measurements of financial assets

The following table shows the movement in the fair value of investments in level 3:

AASB 13:93(e)

	Unlisted securities				
	Property $000s	**Infrastructure $000s**	**Private capital $000s**	**Other *[describe]* $000s**	**Total $000s**
Balance at 1 July 2022					
Total gains or losses recognised in income statement					
Purchases					
Issues					
Settlements					
Transfers out of Level 3					
Transfers into Level 3					
Balance at 30 June 2023					
Total gains or losses in income statement					
Purchases					
Issues					
Settlements					
Transfers out of Level 3					
Transfers into Level 3					
Balance at 30 June 2024					

AASB 13:93(f) The amount of total unrealised gains or losses for the period included in profit or loss relating to unlisted securities at 30 June 2024 is $ __ (2023: $ __) attributable to balances held at the end of the reporting period.

AASB 13:91 The Fund shall disclose information that helps users of its financial statements assess both of the following:

- For assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements.
- For recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period.

Source

3. Investments and derivatives (continued)

Fair value measurements of investments and derivatives

AASB 13:92

Fair values of financial assets are determined as follows:

- Listed securities, foreign securities quoted on a recognised stock exchange, derivative financial instruments and government and other fixed interest securities are stated at market quotations as at the reporting date.
- Unit trust and managed Fund investments are stated at the redemption price quoted by the trust managers as at the reporting date.
- Unlisted securities are stated at the trustee's valuation based on the advice of the Fund's investment managers as at the reporting date.

Other fixed and variable income securities are stated at the present value based on market rates.

AASB 13:93(d),(g),(h),(i)
AASB 13:IE65(e)

The following table provides information about how the fair values of Fund's financial assets are determined:

Financial asset	Valuation techniques and key inputs	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
Listed securities - domestic	Quoted bid prices in an active market	N/A	N/A
Listed securities - International	Quoted bid prices in an active market	N/A	N/A
Unlisted securities – *[describe]*[47]	Income approach Under this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from __ to __ per cent (2023: __ to__ per cent).	The higher the revenue growth rate, the higher the fair value. If the revenue growth was __ per cent higher/lower while all other variables were held constant, the carrying amount would increase/decrease by $ __ (2023: increase/decrease by $ __).

[47] Provide the relevant disclosures for each category of unlisted securities.

3. Investments and derivatives (continued)

Fair value measurements of investments and derivatives (continued)

Financial asset	Valuation techniques and key inputs	Significant unobservable input(s)	Relationship and sensitivity of unobservable inputs to fair value
Unlisted securities – *[describe]* (continued)	Income approach (continued)	Weighted average cost of capital, determined using a Capital Asset Pricing Model, ranging from __ to __ per cent (2023: __ to __ per cent).	The higher the weighted average cost of capital, the lower the fair value. If the weighted average cost of capital was __ per cent higher/lower while all other variables were held constant, the carrying amount would decrease/ increase by $ __ (2023: decrease/increase by $__).
		Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, ranging from __ to __ per cent (2023: __ to __ per cent).	The higher the discount the lower the fair value. If the discount was __ per cent higher/ lower while all other variables were held constant, the carrying amount would decrease/increase by $ __ (2023: decrease/increase by $ __).
		Long-term pre-tax operating margin taking into account management's experience and knowledge of market conditions of the specific industries, ranging from __ to __ per cent (2023: __ to __ per cent).	The higher the pre-tax operating margin, the higher the fair value. If the pre-tax operating margin was __ per cent higher/lower while all other variables were held constant, the carrying amount would increase/ decrease by $ __ (2023: increase/decrease by $__).
Forward exchange contracts, futures and interest rate swaps	Discounted cash flow Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A

Source

3. Investments and derivatives (continued)

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- Whether regular way purchases or sale of financial assets are recognised and derecognised on a trade date or settlement date basis
- The independent pricing sources/external valuators used to measure fair value
- Valuation technique adopted by management/external valuator, for example, income approach, cost approach, option pricing models
- How fair value measurements of financial assets and derivatives are determined where there is no market price available at the reporting date or where the latest price is not a reliable estimate of the current fair value of the investment, for example, last quoted price or quoted prices of similar assets
- Where external valuators are used, how the external valuator ensured that the values of the relevant financial instruments are comparable with similar market transactions
- Valuation frequency for measuring fair value based on the characteristics of the asset or liability and the relevance and reliability of the inputs used, for example, whether annually or semi-annually. The frequency should ensure that fair value measurements are kept up to date and reflect the most current information available.

Source

4. Financial risk management

AASB 7:31

Credit risk

AASB 7.33

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Trustee of the Fund has adopted the policy of spreading the aggregate value of transactions concluded amongst approved counterparties with appropriate credit qualities, as a means of mitigating the risk of financial loss.

AASB 7:35B(c)

The Fund's exposure and the credit ratings of its counterparties are continuously monitored. Credit risk arising on investments is mitigated by investing primarily in rated instruments or instruments issued by rated counterparties with credit ratings of at least 'AA' or better as determined by Standard and Poor's. Credit risk associated with contributions receivable and other receivables is considered minimal.

AASB 7:B10(b)

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

AASB 7:35B(a)

The Fund does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. It is the opinion of the management of the Fund that the carrying amounts of these financial assets represent the maximum credit risk exposure at the balance sheet date. There were no significant concentrations of credit risk to counterparties. No individual investment exceeds 5% of net assets at either 30 June 2024 or 30 June 2023.

AASB 7:7, 31, 36(a)

The table below shows the maximum exposure to credit risk at the reporting date:

	30/06/2024 $000s	**30/06/2023 $000s**
Cash and cash equivalents		
Listed securities – domestic		
Listed securities – international		
Unlisted securities		
- *[Describe]*		
Other fixed income securities		
Other variable income securities		
Derivatives (FECs, futures and swaps)		
Contributions receivable		
Other financial assets		
Total		

For all financial instruments within the scope of AASB 7 *Financial Instruments: Disclosures*, but to which the impairment requirements in AASB 9 *Financial Instruments* are not applied, AASB 7:36(a) requires an entity to disclose by class of financial instrument the amount that best represents the entity's maximum credit risk exposure at the end of the reporting period, excluding the effect of any collateral and other amounts that do not qualify for offset in accordance with AASB 132 *Financial Instruments: Presentation*. Examples of financial instruments that are within the scope of AASB 7 but that are not subject to the AASB 9 impairment requirements include financial assets and derivatives measured at FVTPL.

Equity investments, even though they are measured at fair value through profit or loss in accordance with AASB 1056, are also in the scope of AASB 7 but not subject to the AASB 9 impairment requirements. However, they do not give rise to an exposure to credit risk and therefore are not subject to the AASB 7 credit risk disclosures.

Source

4. Financial risk management (continued)

Liquidity risk

AASB 7.33, 39(c), AASB 1056:AG31

The Fund's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities. The Fund allows members to withdraw benefits and it is therefore exposed to the liquidity risk of meeting member's withdrawals at any time. The Fund's listed securities and unit trust investments are considered to be readily realisable. The Fund's financial instruments include investments in unlisted securities and private equity which are not traded in an organised market and which may be illiquid. As a result, there is a risk that the Fund may not be able to liquidate all of these investments at their fair value in order to meet its liquidity requirements.

AASB 7.33, 39(c)

The Fund's liquidity risk exposure is managed in accordance with the Fund's investment strategy. The Fund has a high level of net inward cash flows (through new contributions) which provides capacity to manage liquidity risk. The Fund also manages liquidity risk by maintaining adequate banking facilities and through the continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As a further risk mitigation strategy, it is the Trustee's policy that the Fund cannot have an exposure of less than 50% of assets invested in liquid asset classes at any one point in time. The Fund's overall strategy to liquidity risk management remains unchanged from 2023.

AASB 7.33, 39(a),(b)

The following tables summaries the maturity profile of the Fund's financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay. The tables include both interest and principal cash flows.

AASB 7.33, 39(a),(b)

	Less than 3 months $000s	3 months – 1 year $000s	1 – 5 years $000s	5+ years $000s	Total $000s
30 June 2024					
Accrued benefits					
Other					
- Benefits payable					
- Accounts payable					
Net settled derivatives					
- Foreign currency forwards					
- Interest rate swaps					
Gross settled derivatives					
Cross currency interest rate swaps					

AASB 7.33, 39(a),(b)

	Less than 3 months $000s	3 months – 1 year $000s	1 – 5 years $000s	5+ years $000s	Total $000s
30 June 2023					
Accrued benefits					
Other					
- Benefits payable					
- Accounts payable					
Net settled derivatives					
- Foreign currency forwards					
- Interest rate swaps					
Gross settled derivatives:					
Cross currency interest rate swaps					

AASB 7:34(c)

The Fund has no significant concentration of liquidity risk.

Source

4. Financial risk management (continued)

Interest rate risk management

AASB 7:33

The Fund's activities expose it to the financial risk of changes in interest rates. Floating rate instruments expose the Fund to cash flow risk and fixed interest rate instruments expose the Fund to fair value interest rate risk. The Fund monitors its exposures to interest rate risk.

The tables below have been drawn up based on the expected maturities of the financial assets including interest that will be earned on those assets except where the Fund anticipates that the cash flow will occur in a different period. The tables show the extent to which the Fund is exposed to interest rate risk and the use of interest rate swap contracts to manage and mitigate this risk.

30 June 2024	Weighted average interest rate %	Less than 3 months $000s	3 months – 1 year $000s	1 – 5 years $000s	5+ years $000s	Total $000s
Non-interest bearing[i]						
Cash on hand						
Contributions receivable						
Other debtors and prepayments						
Variable interest rate instruments:						
Cash at bank						
Interest rate swaps						
Fixed interest securities:						
Other fixed interest securities						
30 June 2023						
Non-interest bearing[i]						
Cash on hand						
Contributions receivable						
Other debtors and prepayments						
Variable interest rate instruments:						
Cash at bank						
Interest rate swaps						
Fixed interest securities:						
Other fixed interest securities						

(i) Shares in listed corporations, units in unit trusts and pooled superannuation trusts and derivative financial assets have been excluded from this analysis, as they are either exposed to market risks other than interest or, in the case of derivatives have been disclosed separately below.

Source

4. Financial risk management (continued)

Interest rate risk management (continued)

AASB 7:33(c) The Fund's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments and the increase in interest rate swaps to swap floating rate debt to fixed rate debt.

Interest rate swap contracts

AASB 7:33 Under interest rate swap contracts, the Fund agrees to exchange fixed for floating interest rate amounts at future dates. Such contracts enable the Fund to mitigate the risk of adverse movements in interest rates.

The following table details the interest rate swaps outstanding as at reporting date:

Outstanding contracts	Weighted average interest rate		Notional amount		Fair value	
	2024	2023	2024	2023	2024	2023
	%	%	$000s	$000s	$000s	$000s
Less than 1 year						

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A ___ basis point increase or decrease is used when reporting interest rate risk internally to the Trustee and represents the Trustee's assessment of the possible change in interest rates.

AASB 7:40(a) The following table illustrates the effect on net assets and changes in net assets from possible changes in market risk that were reasonably possible based on the risk the Fund was exposed to at reporting date

		Effect on			
	Changes in variable	Changes in net assets		Net assets available to pay benefits	
		2024	2023	2024	2023
	+/-	$000s	$000s	$000s	$000s
Interest rate risk					
Interest rate risk					

AASB 7:40(b) There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

Source

4. Financial risk management (continued)

AASB 7:33-34(a), (b)

Foreign currency risk

The Fund has international investments denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts in line with the investment policies and risk management framework.

AASB 7:34(c)

The overall strategy in foreign currency risk management remains unchanged from 2023.

The following table details the foreign currency forward contracts outstanding at the reporting date:

AASB 7:34(a)

Outstanding contracts	Average exchange rate		Foreign currency		Notional amount		Fair value	
	2024	2023	2024 $000s	2023 $000s	2024 $000s	2023 $000s	2024 $000s	2023 $000s
Buy *[Currency A]*								
Less than 3 months								
3 – 6 months								
Sell *[Currency A]*								
Less than 3 months								
3 – 6 months								
Sell *[Currency B]*								
Less than 3 months								
3 – 6 months								
Other financial assets								
Other financial liabilities								

Cross currency interest rate swaps

Under currency swap contracts, the Fund agrees to exchange specified principal and interest foreign currency amounts at an agreed future date at a specified exchange rate. Such contracts enable the Fund to mitigate the risk of adverse movements in foreign exchange rates.

The following table details the currency swaps outstanding as at the reporting date:

Outstanding contracts	Average interest rate		Average exchange rate		Notional amount		Fair value	
	2024	2023	2024	2023	2024 $000s	2023 $000s	2024 $000s	2023 $000s
Pay *[Currency A]* / Receive AUD$								
Less than 1 year								

Source

4. Financial risk management (continued)

AASB 7:33-34(a), (b)

Foreign currency risk (continued)

Cross currency interest rate swaps (continued)

AASB 7.34(a) The Fund's total exposure to fluctuations in foreign currency exchange at the reporting date was as follows (excluding derivative contracts):

	Liabilities Fair value		Assets Fair value	
	2024 $000s	2023 $000s	2024 $000s	2023 $000s
[Currency A]				
[Currency B]				

Foreign currency sensitivity

AASB 7:40(a) The following table details the Fund's sensitivity to a __% increase and decrease in the Australian Dollar against the relevant foreign currencies. __% is the sensitivity rate used when reporting foreign currency risk internally to the Trustee and represents management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a __% change in foreign currency rates. A positive number indicates an increase in net assets.

AASB 7:40(a)

	***[Currency A]* impact**		***[Currency B]* impact**	
	30/06/2024 $000s	30/06/2023 $000s	30/06/2024 $000s	30/06/2023 $000s
Increase in net assets				
Net assets available to pay benefits				

The Fund's sensitivity to foreign currency risk has decreased during the current period mainly due to the decrease in foreign currency investments.

Market risk

AASB 7:33 Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). The Fund's policies and procedures put in place to mitigate the Fund's exposure to market risk are detailed in the Trustee's investment policies and the Fund's risk management framework. There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Source

4. Financial risk management (continued)

Price risk

AASB 7:33, 34

The Fund has investments which expose it to price risk. In addition, the Fund holds equity instruments which expose it to equity price risk. As the financial instruments of the Fund are carried at fair value with changes in fair value recognised in the income statement, all changes in market conditions will directly affect investment income. Price risk is mitigated by the Fund's investment manager by constructing a diversified portfolio of instruments traded on various markets.

The following table illustrates the fair value of financial assets and derivatives exposed to price risk:

	30/06/2024 $000s	30/06/2023 $000s
Listed securities - domestic		
Listed securities - international		
Unlisted securities/ private capital		
Derivatives		
Net exposure to price risk after impact of derivatives		

AASB 7:33(c)

The Fund's sensitivity to price risk has increased during the current period mainly due to the increase in equity investments.

Financial instruments management

AASB 7:31

APRA Prudential Practice Guide SPG 231 *Outsourcing* identifies that a significant risk arising from custody agreements is the risk of the custodian failing to adequately safeguard an RSE's assets. ARPA expects an RSE licensee to set the policy framework for outsourced services and that this framework will be consistent with the governing rules of its RSE, disclosure material and any other relevant documentation and practices of the RSE licensee. Accordingly, RSEs may consider that the disclosure of qualitative disclosures about the risks arising from custodial arrangements is appropriate to include in the financial statements. An example of the disclosures is set out below[48].

The Fund has appointed various fund managers who manage the investments of the Fund in accordance with the Fund's investment strategy and specific instructions of the Trustee. The fund managers are chosen based on industry, sectoral, and geographical expertise and are formally appointed after a due diligence review. The relationship is managed and monitored through a written fund management agreement which requires the fund manager to operate in accordance with Fund's investment strategy as set by the Trustee. *[Custodian name]* has been appointed as master custodian and the Trustee has implemented appropriate processes to obtain assurance over the custodian's internal control framework and to manage the appointment of any sub-custodians. The custodian provides services such as the custody and safeguarding of assets, settlement of trades, collection of income and valuation.

[48] Registrable superannuation entities may include other areas where the Trustees considered it relevant to provide additional risk disclosures.

Source

4. Financial risk management (continued)

Member liabilities

AASB 1056:AG30

Paragraph 24(a) requires a superannuation entity to treat its defined contribution member liabilities as being within the scope of AASB 7 for the purposes of disclosing information about credit risk, market risk and liquidity risk. The fair value disclosure requirements of AASB 7 need not be applied in respect of member liabilities.

Financial instruments

AASB 1056:AG36

For the purposes of applying the disclosure principles and requirements of AASB 7, an entity would consider financial assets and any financial liabilities to be measured at fair value through profit or loss and, accordingly, the fair value disclosure requirements of AASB 7 need not be applied to these assets and liabilities.

AASB 1056:AG37

For the purposes of applying the disclosure principles and requirements of AASB 7, an entity would read references in AASB 7 to 'statement of comprehensive income' to mean 'income statement'.

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- Factors affecting sensitivity analysis on the different risks and the extent of sensitivity analysis, for example, percentage of sensitivity analysis

Source

5. Unconsolidated subsidiaries

AASB 12.19A DNew Superannuation Fund meets the definition of an investment entity in AASB 10 *Consolidated Financial Statements* and in accordance with the consolidation exemption for investment entities in AASB 10, the Fund measures its investment in its subsidiaries at fair value through profit or loss in accordance with AASB 9 *Financial Instruments.*

The Fund's unconsolidated subsidiaries are disclosed in the table below.

AASB 12.19B

Subsidiary name	Principal place of business and country of incorporation*	Ownership interest and voting rights*	
		30/06/2024 %	30/06/2023 %
Subsidiary A Limited	*[A Land]*		
Subsidiary B Limited	*[A Land]*		
Subsidiary C LLP	*[B Land]*		
Subsidiary D Plc	*[C Land]*		
Subsidiary E trust	*[D Land]*		
Subsidiary F LP	*[E Land]*		

AASB 12.19B * The country of incorporation and proportion of voting rights held is only required to be disclosed if different from the principal place of business and proportion of ownership interest held by the investment entity respectively.

AASB 12.19C If an investment entity is the parent of another investment entity, the parent also provides the disclosures in paragraph 19B(a)–(c) of AASB 12 *Disclosure of Interests in Other Entities* for investments that are controlled by its investment entity subsidiary. The disclosure may be provided by including, in the financial statements of the parent, the financial statements of the subsidiary (or subsidiaries) that contain this information.

Significant restrictions

AASB 12:19D(a) There are no significant restrictions on the ability of any of the unconsolidated subsidiaries to transfer funds to the Fund.

AASB 12:19D(a) When there are significant restrictions on the ability of an unconsolidated subsidiary to transfer funds to the investment entity in form of cash dividends, or to repay loans or advances made to the unconsolidated subsidiary by the investment entity, the by the investment entity should disclose the nature and extent of significant restrictions in the financial statements.

Financial and other support

AASB 12:19D(b) When an investment entity has current commitments or intentions to provide financial or other support to an unconsolidated structured entity, including commitments or intentions to assist the subsidiary in obtaining financial support, the nature and extent (including the type and amount of support provided) should be disclosed in the financial statements.

AASB 12:19D(b) On [*date*] the Fund committed to be a guarantor of Subsidiary F LP for its three year loan ending 30 June 2027 obtained from [*lender's name*] on market related terms and conditions amounting to $__ million. Subsidiary F LP is currently in its growth phase and needed borrowings to support its growth projects which will increase the value of the members' investments. The Fund does not have any other material commitments or intentions to provide financial or other support to any unconsolidated structured entity.

AASB 12:19E Further, the Fund did not provide any financial or other support to an any of its unconsolidated subsidiaries during the reporting period.

Source

5. Unconsolidated subsidiaries (continued)

Financial and other support (continued)

AASB 12:19E

If, during the reporting period, an investment entity or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to an unconsolidated subsidiary (e.g. purchasing assets of, or instruments issued by, the subsidiary or assisting the subsidiary in obtaining financial support), the entity discloses:

- The type and amount of support provided to each unconsolidated subsidiary
- The reasons for providing the support.

AASB 12:19F

An investment entity discloses the terms of any contractual arrangements that could require the entity or its unconsolidated subsidiaries to provide financial support to an unconsolidated, controlled, structured entity, including events or circumstances that could expose the reporting entity to a loss (e.g. liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or to provide financial support).

AASB 12:19G

If during the reporting period an investment entity or any of its unconsolidated subsidiaries has, without having a contractual obligation to do so, provided financial or other support to an unconsolidated, structured entity that the investment entity did not control, and if that provision of support resulted in the investment entity controlling the structured entity, the investment entity discloses an explanation of the relevant factors in reaching the decision to provide that support.

Source

6. Revenue

Interest revenue

The table below shows interest revenue received from bank deposits and fixed interest securities.

	30/06/2024 $000s	30/06/2023 $000s
Bank term deposits		
Fixed interest securities		

Dividend revenue

AASB 1056:AG29(a) Revenue from dividends is recognised on the date the shares are quoted ex-dividend. If the dividend is not received at reporting date, the balance is reflected in the Statement of Financial Position as a receivable.

Changes in fair value of investments and derivatives

AASB 1056:13 Changes in the fair value of financial assets and financial liabilities are recognised as revenue (or expense) and are determined as the difference between the fair value at year end or consideration paid (if settled during the year) and the fair value as at the prior year end or amount originally incurred (if the financial assets or financial liabilities were incurred during the period).

AASB 7:20(a)(i) The table below shows the changes in the fair value of investments:

Movement in investments and derivatives held at reporting date:

Investments		
Listed securities - domestic		
Listed securities – international		
Unlisted securities		
- Property		
- Infrastructure		
- Private capital		
- Other [*describe*]		
Other fixed income securities		
Other variable income securities		
Derivatives		
Derivative financial assets		
Derivative financial liabilities		

Distributions from unit trusts

AASB 9:5.7.1A Distribution income is recognised on a receivable basis on the date the unit value is quoted ex-distribution. Where the distribution is not received at reporting date, the balance is reflected in the statement of financial position.

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- Timing of revenue recognition, for example, dividends from investments.

Source

AASB 1056:9(f), 11, 12

7. Income taxes

Income taxes applicable to the fund

The example below illustrates material accounting policy information (and other some disclosure requirements) in respect of income taxes. Each fund should reflect its own material accounting policy information in respect of current and deferred taxes (as relevant).

AASB 112:81(c)
AASB 101:117

The Fund is a complying superannuation entity for Australian income tax purposes. Accordingly, the earnings of the Fund are taxed at a 15% rate (2023: 15%). However, in respect of capital gains, the Fund is entitled to a capital gains tax discount of $33^1/_3$%, resulting in a tax rate of 10% on the disposal of investments and other items held on capital account for tax purposes. Furthermore, in respect of members' accounts that are in the pension phase, there is no tax on income earned, including capital gains.

In calculating deferred taxes, the Fund uses the rate that reflects the current status of members' accounts and the nature of the underlying investments. The transition to a pension account is treated as a change in tax status, and the impact of the reversal of deferred taxes previously recognised while in the accumulation phase is reflected at that time.

AASB 1056:AG15

In addition, certain contributions to the Fund are taxed at a rate of 15%. These taxes are not reflected in income tax expense, but are instead included in the statement of changes in member benefits and impact on the benefits allocated to members.

Current and deferred tax for the period

AASB 1056: AG15

Income tax expense/(benefit) comprises:

Source		30/06/2024 $000s	30/06/2023 $000s
AASB 112:79	***Current tax expense (income):***		
AASB 112:80(a)	Current year		
AASB 112:80(b)	Prior period adjustments related to current taxes		
	Deferred tax expense (income) relating to:		
AASB 112:80(c)	Movement in temporary differences		
AASB 112:80(d)	Changes in tax rates and the imposition of new taxes		
AASB 112:80(f)	Previously unrecognised deferred tax assets now recognised		
AASB112:80(g)	Changes in previously recognised deferred tax assets		
AASB 112:80(h)	Changes in accounting policies and errors included in profit or loss		
	Prior period adjustments related to deferred taxes		
	Total income tax expense/(benefit)		

Source

7. Income taxes (continued)

		30/06/2024 $000s	30/06/2023 $000s
	Income tax payables		
	Current tax liabilities are attributable to the following:		
	- Income tax payable		
	- Other *[describe]*		

AASB 112:81(c)	**Reconciliation of prima-facie income tax expense on pre-tax changes in net assets to income tax expense in the financial statement**		
	Operating result before income tax		
	Income tax expense calculated at 15% (2023: 15%)		
	Tax effect of:		
	Benefits allocated to defined contribution members during the year		
	Change in defined benefit members' benefits		
	Non-deductible general administration expenses		
	Unused tax losses and tax offsets not recognised as deferred tax assets		
	Non-taxable group life proceeds		
	Non-taxable member contributions and transfers-in		
	Non-deductible benefit payments		
	Capital gains tax concession		
	Imputation credits and other tax credits		
	Net exempt pension income		
AASB 112:80(b)	Adjustments in the current year in relation to the current tax of prior years		
	Other *[describe]*		
	Income tax expense		

AASB 112:81(c)

AASB 112 requires an explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms:

- A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed, or
- A numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed.

Source

7. Income taxes (continued)

Reconciliation of taxes on contributions recognised in the statement of changes in members' benefits

AASB 112:81(a),(b),(c) The reconciliation below is not strictly required, but is considered best practice, as the recognition of income taxes in the statement of changes in members benefits is akin to the recognition of income taxes outside of profit or loss. Consistent with the requirements of AASB 112 *Income Taxes,* such amounts should be separately disclosed, or alternatively, the relationship between the tax amount and related accounting measure on which it is based should be explained.

	30/06/2024 $000s	30/06/2023 $000s
Total contributions shown in the statement of changes in members' benefits		
Income tax on contributions at 15% (2023: 15%)		
Tax effect of:		
Non-concessional contributions received		
Transfers from other superannuation funds		
Government co-contributions on low income earner contributions		
Other changes *[describe]*		
Income tax on contributions recognised in the statement of changes in members' benefits		

Recognised deferred tax assets and liabilities

	30/06/2024 $000s	30/06/2023 $000s
Deferred tax assets and liabilities are attributable to the following:		
Deferred tax assets:		
- Tax losses – revenue		
- Tax losses – capital		
- Temporary differences		
- Other *[describe]*		
Deferred tax liabilities:		
- Temporary differences		
Net deferred tax asset (liability)		

Source

7. Income taxes (continued)

AASB 112:81(g) The following table shows a breakdown of deferred tax:

AASB 112:81(e)

	Opening balance $000s	Charged to income $000s	Closing balance $000s
30 June 2024			
Gross deferred tax liabilities:			
Unrealised taxable capital gains			
Contributions receivable			
Other			
Gross deferred tax assets:			
Accounts payable			
Other			
Net deferred tax liabilities			
30 June 2023			
Gross deferred tax liabilities:			
Unrealised taxable capital gains			
Contributions receivable			
Other			
Gross deferred tax assets:			
Accounts payable			
Other			
Net deferred tax liabilities			

AASB 112:80(e),(f) If the Fund has deferred tax assets that have not been recognised, unrecognised deferred tax assets would be disclosed.

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- Uncertainties in tax treatments (i.e. where there is uncertainty over whether the relevant tax authority will accept a particular tax treatment under tax law)
- How deferred taxes are determined in relation to investments attributable to members who are eligible to retire (having reached their preservation age) where the investments may be realised on a tax free basis in the pension phase.

Source

Member liabilities and reserves

8. Defined contribution member liabilities

AASB 1056:16

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

The liabilities of the plan include income tax liabilities, sundry liabilities and liabilities arising from forfeited benefits which have not been designated for the benefit of existing plan members at the reporting date. The accrued benefits will comprise those benefits allocated to members' accounts and those not yet allocated.

AASB 1056:14, 23

Defined contribution members bear the investment risk relating to the underlying assets and unit prices used to measure defined contribution member liabilities. Unit prices are updated on a *[daily/week/monthly]* basis for movements in investment markets. The Fund's management of investment market risks is disclosed at note 4.

Defined contribution members' liabilities are fully vested as at 30 June 2024 and 30 June 2023.

9. Defined benefit member liabilities

AASB 1056:14, 17

Obligations relating to member entitlements under the Fund's defined benefit plans are recognised as member liabilities.

The accrued benefits are determined, using actuarial assumptions and valuations where appropriate, as the present value of expected future payments arising from membership of the plan up to measurement date.

The present value of expected future benefit payments are determined by discounting the gross benefit payments at current, market-determined, risk-adjusted discount rates appropriate to the plan. This rate would generally reflect the discounted rate of return required to meet accrued benefits as they fall due.

AASB 1056:25(a)(i)

The Fund engages qualified actuaries on an annual basis to measure defined benefit member liabilities.

AASB 1056:23

The Fund has adjusted the assumptions in respect to discount rate, salary adjustment rate, resignations and mortality to current market rates and based on the latest available information during the reporting period.

AASB 1056:25(a)(iii)
AASB 101:125

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

AASB 1056:25(a)(i), (ii)

The assumed discount rate has been determined by reference to the investment returns expected on the investment portfolio that reflects the opportunities reasonably available to the Fund in the investment markets. The assumed annual salary adjustment has been determined by reference to relevant industry based information from the Wage Price Index produced by the Australian Bureau of Statistics and in consultation with the relevant experts.

AASB 1056.25(a)(ii)

The other variables about which assumptions have been made in measuring defined benefit member liabilities and for which changes are not considered reasonably possible, or for which reasonably possible changes would not be expected to have a material effect, include resignations and mortality rates.

Source

9. Defined benefit member liabilities (continued)

AASB 1056:25(a)(iii) The following are sensitivity calculations on a univariate basis for the discount rate and rate of salary adjustment assumptions for the defined benefit superannuation fund.

Key assumptions	Assumed at reporting date	Reasonable possible change	(Increase)/decrease in benefit liability $000s
30 June 2024			
Discount rate			
Salary adjustment			
30 June 2023			
Discount rate			
Salary adjustment			

AASB 1056:25(d) The actuary's estimate of when funds will be withdrawn by members is used to manage the liquidity risk in respect of the Fund's obligation to pay member liabilities.

AASB 1056:25(b) Vested benefits are benefits which are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their fund membership as at the reporting date. The amount of vested benefits within the defined benefit sub-plan is disclosed in the table below.

	30/06/2024 $000s	30/06/2023 $000s
DNew Superannuation Fund – defined benefit sub-plan:		
Vested benefits as at 30 June		
Net assets as at 30 June		

AASB 1056:28, 29 Consistent with the actuary's recommendation, the employer sponsor of the defined benefit sub-plan intends to increase its contribution for a period of three financial years to a level that is projected, based on current assumptions, to result in member liabilities being fully funded by the end of those three years.

AASB 1056:25(c) Employer contributions to the defined benefit plan are consistent with the actuary's recommendations.

AASB 1056:25(e) Where the entity's actual investment portfolio differs from the portfolio used in measuring defined benefit member liabilities, an explanation of why that is the case is disclosed.

AASB 1056:AG25 The amount of defined benefit member liabilities is a present value based on a portfolio of investments estimated to yield future net cash inflows that would be sufficient to meet accrued benefit payments when they are expected to fall due.

Defined benefit plan that is over/(under) funded

AASB 1056.28 The Fund's defined benefit sub plan is *[over/(under)]* funded as disclosed below.

	30/06/2024 $000s	30/06/2023 $000s
Net assets for defined benefit sub-plan		
Accrued benefits for defined benefit sub-plan		
Defined benefit plan over/(under) funded		

Source

9. Defined benefit member liabilities (continued)

AASB 1056:28, 29

Consistent with the actuary's recommendation, the employer sponsor of defined benefit sub-plan intends to increase its contribution for a period of three financial years to a level that is projected based on current assumption, to result in member liabilities being fully funded by the end of those three years.

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- Measurement of defined benefit obligation, for example, assumptions for discount rate and future salary increases that will affect the measurement of the defined benefit obligation
- For valuation of the liability, the eligibility criteria for employees to participate in the plan.

10. Employer sponsor receivables

This is an illustrative example and this is not common. Where a receivable is recognised it arises from a statutory or contractual obligation.

	30/06/2024 $000s	30/06/2023 $000s
Defined benefit member liabilities		
Fair value of net assets		

AASB 1056:26, 27, 28, 29, AG27

Under the [*name of legislation*] legislation the employer sponsor has a statutory obligation to fund the shortfall/ deficit when the defined benefit member liabilities exceed the fair value of assets. The employer sponsor of the defined benefit member liabilities is DNew Limited. The employer sponsor covers the actual shortfall calculated by the actuary. The employer sponsor will increase its contribution for [*period*] financial years to a level that is projected, based on current assumptions, to result in member liabilities being fully funded by the end of those [*period*] years. If the Fund results in a surplus whereby the fair value of assets exceed the defined member liabilities, this surplus will be retained in the Fund.

AASB 1056:18

To the extent that there is a difference between a defined benefit member liability and the fair value of assets available to meet that liability and the employer sponsor has a legal obligation under its contractual arrangement to fund the difference, an asset relating to an employer sponsor receivable shall be recognised subject to meeting the definition and recognition criteria for an asset in the *Conceptual Framework for Financial Reporting*.

AASB 1056:19

An asset recognised is measured consistently with the measurement of defined benefit member liabilities less the relevant amount of the other recognised assets held to meet those liabilities.

AASB 1056:AG28

A receivable meeting the definition and recognition criteria for an asset in the *Conceptual Framework for Financial Reporting* is measured at its intrinsic value. That is, the difference between the defined benefit member liabilities and the amount of the other recognised assets held to meet those liabilities, unless the amount of the receivable is capped in some manner.

Source

11. Insurance arrangements

Application of AASB 1056 *Superannuation Entities* for accounting for insurance arrangements

AASB 1057:6A

As per paragraph 6A of AASB 1057 *Application of Australian Accounting Standards,* AASB 17 does not apply to a superannuation entity applying AASB 1056. Therefore superannuation entities should apply AASB 1056 *Superannuation Entities* and not AASB 17 *Insurance Contracts* for accounting for insurance arrangements.

AASB 17:AusBC20

When issuing AASB 17 *Insurance Contracts* (effective for reporting periods beginning on or after 1 January 2023) the AASB was aware that a superannuation entity acting in the capacity of an insurer would apply the insurance requirements of AASB 1056 *Superannuation Entities* and not those of AASB 17 because AASB 1056 effectively overrides AASB 17 for a superannuation entity acting in the capacity of an insurer.

The AASB noted this would mean superannuation entities could not claim compliance with IFRS. However, the AASB noted that superannuation entities could not claim IFRS compliance anyway because AASB 1056 does not incorporate the corresponding IASB Standard. Accordingly, the AASB decided that no amendments were necessary to the insurance requirements of AASB 1056 as IFRS compliance is not an objective in this limited circumstance.

For the avoidance of doubt, the AASB also decided to prevent superannuation entities from applying AASB 17 through an amendment to AASB 1057 *Application of Australian Accounting Standards.* Consequently, the AASB deleted a cross reference to IAS 26 from paragraph 7(b) of AASB 17 instead of replacing it with a cross-reference to AASB 1056.

AASB 17:AusBC21

The AASB also considered groups where the consolidated financial statements of a superannuation entity include an insurance subsidiary that applies AASB 17. On this issue the AASB noted that no significant issues were brought to its attention during the development of either AASB 1056 or AASB 17, nor since.

AASB 17:AusBC22

Accordingly, the AASB decided to issue AASB 17 without any consequential amendments to the insurance requirements of AASB 1056 in relation to this matter. However, the AASB decided that it would add a specific matter for comment on this matter to its forthcoming ED on Australian-specific issues arising from AASB 17.

Superannuation entity - insurer or agent?

AASB 1056:AG41

In determining whether a superannuation entity is acting as an insurer or an agent in respect of insurance arrangement, trustees should include consideration of the following factors which might indicate the superannuation entity is acting as an agent:

- Members (or their beneficiaries) will only receive insurance benefits if the external insurer/reinsurer pays claims
- Insurance premiums are only paid through the superannuation entity for administrative reasons
- Insurance premiums are effectively set directly by reference to premiums set by an external insurer.

Superannuation entity acts in the capacity of an agent

AASB 1056:AG43

Where a superannuation entity acts in the capacity of an agent, premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities and reinsurance assets. However, the impacts on the financial statements could include:

- Premium cash inflows collected from members and premium cash outflows paid to insurers in the statement of cashflows
- Premiums charged to member accounts and insurance benefits paid to members via the superannuation entity in the statement of changes in member benefits.

Source

11. Insurance arrangements (continued)

Superannuation entity - insurer or agent? (continued)

Superannuation entity acts in the capacity of an insurer

AASB 1056:AG44

Where a superannuation entity acts in the capacity of an insurer the impacts on the financial statements could include:

- Insurance contract revenue, incurred claims expense, reinsurance expense and reinsurance recoveries recognised in the income statement
- Insurance contract liabilities and reinsurance contract assets recognised in the statement of financial position
- Insurance contract cash inflows, reinsurance contract cash outflows, claims cash outflows and reinsurance recoveries cash inflows recognised in the statement of cash flows.

Below are illustrative disclosures where the Fund acts in capacity of agent.

AASB 1056:AG40, AG43

The Fund has death and disability insurance arrangements in place with external insurance providers for members.

AASB 1056:AG41
AASB 101:122

The following factors indicate that the Fund is not exposed to material insurance risk and therefore acts as an agent for the external insurance providers:

- Members (or their beneficiaries) only receive insurance benefits if the external insurer/reinsurer pays claims
- Insurance premiums are only paid through the Fund for administrative purposes
- Insurance premiums are set by the external insurers.

Insurance premiums charged to member accounts and insurance benefits paid to members or their beneficiaries are recognised in the statement of changes in member benefits. The related cashflows are recognised in the statement of cash flows.

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- The nature of arrangements with insurers and whether the Fund is acting as principal or agent
- Insurers that the fund is acting on behalf of including details of the arrangements with the insurers.

Source

AASB 1056:11(d)

12. Successor fund transfers

Basis of these disclosures

The disclosures below are based on treating successor fund transfers as akin to business combinations under AASB 3 *Business Combinations* which are likely to be material for an understanding of the transaction.

The disclosures illustrated below should also be made for business combinations (mergers) occurring after the end of the reporting period but before the financial statements are authorised for issue unless the initial accounting for the acquisition is incomplete at the time the financial statements are authorised for issue. In such circumstances, the entity is required to describe which disclosures could not be made and the reasons why they could not be made.

Successor fund transfer by Major Superentity Fund into the Fund

AASB 3:B64(a)-(d)

Effective 31 October 2023, there was a successor fund transfer by Major Superentity Fund into the Fund. The purpose of the merger was to achieve better outcomes for members.

AASB 3:B64(i)
AASB 107:40(d)

Other than deferred taxes, members benefits and reserves, the items detailed below were transferred from Major Superentity Fund to the Fund at their fair values:

	31/10/2023 $000s
Assets	
Investments and derivatives	
Employer receivables	
Other assets	
Liabilities	
Members benefits payable	
Derivative liabilities	
Deferred tax liabilities	
Other payables	
Net assets	
Equity	
Operational financial requirement reserve	
Investment reserve	
Defined benefit over/(under) funded	

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- The Fund's accounting policy for accounting for successor fund transfers (mergers)
- Movements in member liabilities and reserves of the Fund as a result of successor fund transfers.

Source

13. Reserves

	30/06/2024 $000s	30/06/2023 $000s
Operational risk financial requirement reserve		
Investment reserve		
General reserve		
Defined benefit - over/(under) funded		
Unallocated contributions		
Total		

Operational risk financial requirement reserve

AASB 1056:AG9 The Fund has assessed a reserve of approximately 0.25% of funds under management as being appropriate for the Fund in respect of both defined contribution and defined benefit member interests.

AASB 101:79(b) The operational risk financial requirement reserve is operated in accordance with the operational risk reserve policy. The purpose of the reserve is to provide funding for incidents where material losses may arise from operational risk (as opposed to investment risk) relating to the Fund. The level of reserve is determined by the Board based on as assessment of the risks faced by the Fund.

Investment reserve

AASB 101:79(b) The investment reserve comprises the difference between the cumulative amount of investment income (net of investment expenses) allocated to members' accounts and the cumulative investment income (net of investment expenses) earned.

General reserve

AASB 101:79(b) The Fund established a general reserve to meet both current and future liabilities and losses not covered by the operational risk financial requirement reserve.

Defined benefit - over/(under) funded

AASB 101:79(b) The defined benefit – over/(under) reserve shows the defined benefit assets in excess of the member liabilities where it is overfunded and defined benefit assets in deficit to fund member liabilities where it is underfunded.

Unallocated contributions

SIS Reg s.7.08(2) The unallocated contribution reserve entitles the trustee to keep contributions for up to 28 days after the end of the month in which the contribution was made.

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- How the percentage rate used to calculate the amount of the operational risk reserve has been determined.

Source

Other information

14. Cash and cash equivalents

Cash and cash equivalents

Source		30/06/2024 $000s	30/06/2023 $000s
AASB 107:45	Cash and bank balances		
	Call deposits		
	Money market deposits		

AASB 107:7, 46

Cash and cash equivalents comprise cash at bank, deposits held at call with financial institutions and money market deposits.

AASB 1054:16

Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities

	30/06/2024 $000s	30/06/2023 $000s
Operating result after income tax		
Net change in defined benefit member accounts		
Net change in defined contribution member accounts		
Increase in fair value of investments		
Direct investment fees		
(Increase)/decrease in other financial assets		
(Increase)/decrease in other debtors and prepayments		
Increase/(decrease) in benefits payable		
Increase /(decrease) in other accounts payable		
Increase in other financial liabilities		
Increase/(decrease) in provision for income tax		
Increase in provision for deferred income tax		
Net inflows from of cash from operating activities		

AASB 107:48

A Fund shall disclose, together with commentary, the amount of significant cash and cash equivalent balances held by the fund that are not available for use.

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- How cash and cash equivalents have been distinguished from other financial instruments such as term money market deposits.

Source			
AASB 1056:22	**15. Other operating expenses**		
		30/06/2024 $000s	**30/06/2023 $000s**
AASB 1056:22	Staff costs		
AASB 1056:22	Legal fees		
AASB 1056:AG29(f)	Actuarial fees		
AASB 1056:AG29(g)	Audit fees		
AASB 1056:AG29(h)	Commissions paid directly by the Fund		
AASB 1056:AG29(i)	Trustee fees and reimbursements		
AASB 1056:AG29(j)	Sponsorship and advertising expenses		
AASB 1056:22	Sundry expenses		

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- The timing of recognition of expenses
- Whether expenses are classified by nature or function.

16. Remuneration of auditors

ASIC-CI 2016/191 — In making the following disclosure, entities must consider the extent to which *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* permits information about the remuneration of auditors to be rounded.

AASB 1054:BC8 — Disclosures are made in the context of the scope of the entity reporting. Accordingly, in the case of a group, disclosures made in accordance with paragraph 10 would include fees paid by the parent and its subsidiaries for each of the parent and its subsidiaries.

Source		**30/06/2024 $**	**30/06/2023 $**
AASB 1054:10, 11	**Deloitte and related network firms***		
AASB 1054:10(a)	Audit or review of financial reports:		
	- Group**		
	- Subsidiary**		
	Statutory assurance services required by legislation to be provided by the auditor		
	Other assurance and agreed-upon procedures under other legislation or contractual arrangements		
AASB 1054:10(b)	Other services:		
	- Tax compliance services#		
	- Consulting services#		
	- Other *[describe]*		

Source

16. Remuneration of auditors (continued)

Source		30/06/2024 $	30/06/2023 $
AASB 1054:10, 11	**Other auditors and their related network firms**		
AASB 1054:10(a)	Audit or review of financial reports:		
	- Group**		
	- Subsidiary**		
	Statutory assurance services required by legislation to be provided by the auditor		
	Other assurance and agreed-upon procedures under other legislation or contractual arrangements		
AASB 1054:10(b)	Other services:		
	- Tax compliance services#		
	- Consulting services#		
	- Other *[describe]*		

*The auditor of the Fund is Deloitte Touche Tohmatsu

** This breakdown will be applicable where the entity consolidates subsidiaries in accordance with AASB 10 *Consolidated Financial Statements* e.g. subsidiaries that are not themselves investment entities and whose main purpose and activities are providing services that relate to the (parent) investment entity's investment activities

 # These line items are provided by way of example only. The disclosures should provide sufficient detail of the amounts paid or payable to the auditor for each non-audit service.

Suggested presentation of disclosures

In November 2020, the Federal Parliamentary Joint Committee on Corporations and Financial Services released *Regulation of Auditing in Australia: Final Report* (available at parlinfo.aph.gov.au). Included in this final report is a recommendation to establish defined categories and associated fee disclosure requirements in relation to audit and non-audit services. This recommendation was directed primarily at the Financial Reporting Council (FRC) and the AASB has a project on audit fee disclosure in progress.

In the meantime, we encourage entities to provide transparent and expanded disclosures in their financial reports at 30 June 2024. Potential categories of disclosure may include:

- Fees to group auditor for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities (including joint operations)
- Fees for assurance services that are required by legislation to be provided by the auditor
- Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements (e.g. comfort letters or agreed-upon procedures on other reports) when there is discretion as to whether the service is provided by the auditor or another firm
- Fees for other services (e.g. tax compliance).

Source

16. Remuneration of auditors (continued)

Additional guidance

AASB 1054:11

Remuneration of international associates of Deloitte Touche Tohmatsu Australia are disclosed under 'Fees to Deloitte and related network firm'.

'Network firm' is defined in APES 110 *Code of Ethics for Professional Accountants* as 'a Firm or entity that belongs to a Network'.

Firm is defined in APES 110 as:

- A sole practitioner, partnership, corporation or other entity of professional accountants
- An entity that controls such parties through ownership, management or other means
- An entity controlled by such parties through ownership, management or other means, or
- An Auditor-General's office or department.

'Network' is defined in APES 110 as:

A larger structure:

- That is aimed at co-operation, and
- That is clearly aimed at profit or cost sharing or shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand-name, or a significant part of professional resources.

The definition of 'Network' is to be read in the context of the guidance provided in paragraphs 400.50 A1 to 400.54 A1 of APES 110.

APES 110:R410.31(b)

Subject to limited exceptions[49], a public interest entity must publicly disclose fees for non-audit services. This includes fees charged to the entity (client) and its related entities over which the entity (client) has direct or indirect control that are consolidated in the financial statements on which the auditor expresses an opinion.

'Related entities' which an RSE entity controls and consolidates (in accordance with AASB 10 *Consolidated Financial Statements*) will typically be subsidiaries that are not themselves investment entities and whose main purpose and activities are providing services that relate to the (parent) investment entity's investment activities.

Disclosure of non-audit services in the Directors' report

s.300C(4)(a), (6)

The Corporations Act s.300C(4)(a), (5) and (6) requires disclosures relating to non-audit services in the Directors' report. RSEs must disclose details of the amounts paid or payable to each auditor for non-audit services provided during the year by the auditor (or by another person or firm on the auditor's behalf). For the purposes of this requirement, the details required are the name of the auditor, and the dollar amount that the RSE or RSE licensee for the RSE paid or is liable to pay, for each of those non-audit services.

AASB 1054:10

These disclosures, required by the Corporations Act, are in addition to the disclosures on audit fees and other (non-audit) services required in the financial statements under AASB 1054 *Australian Additional Disclosures.*

See the Directors' report for illustrative disclosures required by the Corporations Act s.300C(4)(a), (5) and (6).

[49] For more detail see APES 110 R410:32.

Source

17. Related parties

ASIC-CI 2016/191 — An entity considers the extent to which *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* permits information about related parties to be rounded.

AASB 124.9 — A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Trustee

AASB 1056.AG39 — A trustee of a superannuation entity is a related party of the entity for the purpose of applying AASB 124.

AASB 1056.AG39 — The trustee of the DNew Superannuation Fund is DNew Superannuation Pty Limited (ABN 11 004 001 001).

AASB 124.18A — The remuneration received by the Trustee in respect of services rendered to the Fund, is $__ (2023: $__) and is disclosed in note *15. Other operating expenses*.

Employer sponsor of defined benefit sub-fund

AASB 124:9(b)(v) — The sponsoring employer of a post-employment benefit plan is a related party of that plan.

AASB 124:18 — DNew Limited is the employer sponsor of the defined benefit sub-fund. There have been no transactions between the employer sponsor and the Fund other than the employer contributions disclosed in the Statement of changes in member benefits and a reimbursement by the Fund to the employer sponsor for the Fund's administration costs incurred by the sponsor. Such fees amounted to nil in the current year and prior year.

Disclosure should also include such items, as costs paid by the company on behalf of the fund that are not reimbursed.

Remuneration of key management personnel

AASB 124.9 — Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

s.9AC(3) — Under s.9AC(3) of the Corporations Act, a director of a RSE means a director of the trustee of the entity that is the RSE licensee for the RSE, or each individual forming part of a group of individual trustees of the RSE licensee. Furthermore, under s.345AAD, officers of an RSE include officers of the RSE licensee (i.e. the trustee where a body corporate) or each individual trustee forming part of the group of individual trustees of the RSE licensee. Accordingly, for the purposes of key management personnel disclosures under AASB 124, the key management personnel will include the same key management personnel as disclosed in the remuneration report (being key management personnel of the trustee or of the fund itself).

Source

17. Related parties (continued)

Remuneration of key management personnel (continued)

Key management personnel include persons who were directors of the Trustee, and other executives at any time during the reporting period.

The remuneration of key management personnel in relation to services to the Fund, is set out below in aggregate for each of the categories specified in AASB 124 *Related Party Disclosures*.

Source		30/06/2024 $000s	30/06/2023 $000s
AASB 124:17(a)	Short-term employee benefits		
AASB 124:17(b)	Post-employment benefits		
AASB 124:17(c)	Other long-term benefits		
AASB 124:17(d)	Termination benefits		
AASB 124:17(e)	Share-based payments		

Contributions and retirement benefits of key management personnel

AASB 124:18 Certain key management personnel of the Trustee paid member contributions into the Fund. These were in accordance with the normal terms and conditions of the Trust Deed.

Other related party disclosures

AASB 124:18 During the financial year, there were no retirement benefits paid to directors or relatives of key management personnel (including their related parties) who were members of the Fund (2023: nil).

Depending on the nature of the fund, sponsoring entities may be identified as related parties. Many industry funds have sponsors who have ownership interests in the fund's trustee. Those sponsors may be identified as related parties for the purpose of related party disclosure under AASB 124, which may not necessarily be the same parties for which information is included in the notice of annual members' meeting (see *Related party payments* on page 49). Where sponsors are identified as related parties, transactions and balances required under AASB 124 should be disclosed.

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- How related parties are identified, for example, whether sponsoring entities of the Fund are considered to be related parties
- For recognition and measurement of related party transactions, the substance of related party transactions should be considered.

Source

18. Parent entity information

Where an RSE is required to prepare consolidated financial statements, the notes to the financial statements must provide additional information about the parent entity.

Superannuation entities would meet the definition of an investment entity under AASB 10 *Consolidated Financial Statements*, and accordingly would not be required to prepare consolidated financial statements and so not be required to provide the above disclosures.

AASB 10:32

However, if an RSE has a subsidiary that is not itself an investment entity and whose main purpose and activities are providing services that relate to the superannuation entity's investment activities, it would be required to consolidate that subsidiary. In these circumstances, the additional information about the parent entity would be required in order to meet the requirements of the Corporations Act.

s.295(2), (3), Reg2M.3.01

In accordance with Reg 2M.3.01, the following disclosures are required in the notes to the financial statements of the consolidated entity:

- Current assets of the parent entity
- Total assets of the parent entity
- Current liabilities of the parent entity
- Total liabilities of the parent entity
- Shareholders' equity in the parent entity separately showing issued capital and each reserve
- Profit or loss of the parent entity
- Total comprehensive income of the parent company
- Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries
- Details of any contingent liabilities of the parent entity
- Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment
- Comparative information for the previous period for each of the above items.

These financial statements do not provide illustrative disclosures of the above requirements. Where superannuation entities are preparing consolidated financial statements, they may wish to refer to our *Tier 1 models and reporting considerations* publication, which includes illustrative disclosures. This publication is available at www.deloitte.com/au/models.

19. Contingent liabilities and contingent assets

Contingent liabilities

AASB 137:86(a), (b)

During the reporting period, a customer of the Fund instigated proceedings against the Fund for an alleged shortfall of retirement payments during the period *[date]*. Total losses to the customer have been estimated at $ ____ (2023: nil) and this amount is being claimed from the Fund.

The lawyers acting on behalf of the Fund have advised that they do not consider that the claim has merit, and they have recommended that it be contested. No provision has been made in these financial statements as the Fund's management does not consider that there is any probable loss.

Contingent assets

AASB 137:89

There is a claim outstanding of $ ____ (2023: nil) against an insurance company in relation to a life insurance claim. Based on negotiations to date the trustee believes that it is probable that the Fund will recover this amount.

Material accounting policy information

The following are areas where material accounting policy information may need to be disclosed:

- How amounts disclosed in relation to contingent liabilities have been measured.

Source

20. Commitments

At 30 June 2024 the Fund had the following commitments for investment contracts that have not yet been recognised in the financial statements:

	30/06/2024 $000s	30/06/2023 $000s
DInvestments Trust		

21. Events after the reporting period

AASB 110:21 There were no events after the end of the reporting period affecting the financial statements, operations or future state of affairs of the Fund.

AASB 110:8 An entity shall adjust the amounts recognised in its financial statements to reflect adjusting events after the reporting period.

AASB 110:21 If non-adjusting events after the reporting period are material, non-disclosure could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period:

- The nature of the event
- An estimate of its financial effect, or a statement that such an estimate cannot be made.

AASB 110:22 The following are examples of non-adjusting events after the end of the reporting period that would generally result in disclosure:

- A major business combination after the reporting period (AASB 3 *Business Combinations* requires specific disclosures in such cases) or disposing of a major subsidiary
- Announcing a plan to discontinue an operation
- Major purchases of assets, classification of assets as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, other disposals of assets, or expropriation of major assets by government
- Announcing, or commencing the implementation of, a major restructuring (see AASB 137)
- Abnormally large changes after the reporting period in asset prices or foreign exchange rates
- Changes in tax rates or tax laws enacted or announced after the reporting period that have a significant effect on current and deferred tax assets and liabilities (see AASB 112 *Income Taxes*)
- Entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees
- Commencing major litigation arising solely out of events that occurred after the reporting period.

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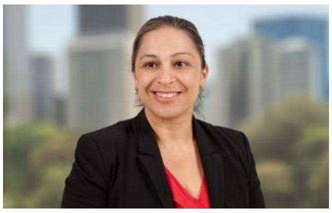

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