



**Superannuation entity model
financial report**

Financial reporting periods ending
on or after 30 June 2024

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The information in this publication is current as of 21 June 2023 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 December reporting periods) and when necessary, also for June. 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.

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.

Superannuation funds are likely to be included in the initial phase of the Federal Government's mandatory climate-related financial disclosures, which may apply from as soon as the 2024-2025 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 might also expect to be included in ASIC's financial reporting surveillance programme, and will need to have robust support for information disclosed in financial reports and directors' reports.

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 produced these model financial statements well in advance of the new requirements becoming effective, to assist in this process. We trust you find this document a useful resource in your transition.

June 2023



“Superannuation funds should grasp the opportunity to improve member communication and embrace imminent mandatory ESG reporting”

Fiona O'Keefe
Partner
Superannuation Services

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 the 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 both¹.

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 9.

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 the annual report, specifically the notice of annual members' meeting
- Other requirements and guidelines, including Australian Securities and Investments Commission (ASIC) Class Orders/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 will report under the *Corporations Act 2001*, the AASB is [expected](#) to remake AASB 1056 *Superannuation Entities* as an legislative instrument under that Act to accommodate this change (at the date of finalisation of this document (21 June 2023) a [fatal flaw draft](#) of the standard is available, but the finalised standard has not been made. Remaking AASB 1056 as a legislative instrument under the Act will not represent any substantive changes from the existing 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 excludes²:

- 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).

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.


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 21 June 2023.

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.

 To assist readers to identify new requirements in the illustrative notice of annual members' meeting that apply for the first time at 30 June 2023, this green colour-coded bar has been used in the left margin.

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

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 <i>Superannuation Entities</i>
ASA	Australian Auditing Standard issued by the Auditing and Assurance Standards Board
ASIC-CO/ ASIC-CI	Australian Securities and Investments Commission Class Order/Corporations Instrument issued pursuant to s.341(1) of the <i>Corporations Act 2001</i>
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	<i>Income Tax Assessment Act 1997</i>
Corporations Act	<i>Corporations Act 2001</i>
Reg	Regulation of the <i>Corporations Regulations 2001</i> or <i>Superannuation Industry (Supervision) Regulations 1994</i> (as the context requires)
RSE(s)	Registrable superannuation entity/entities (as the context requires)
s.	Section of the <i>Corporations Act 2001</i> or <i>Superannuation Industry (Supervision) Act 1993</i> (as the context requires)
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i>
SIS Reg/Regulations	<i>Superannuation Industry (Supervision) Regulations 1994</i>

What's new for June 2024 financial reporting?

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

The information in this section was prepared as of 21 June 2023 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 financial 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, regulated superannuation funds, 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. Comparative information will be required. For more information see section <i>Financial reporting by superannuation funds now governed by the Corporations Act</i> starting on page 9.
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 <i>Accounting policy disclosure changes</i> on page 11.

What's changed?	What needs to be considered?
<p>Other considerations</p> <p>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.</p> <p><i>(Most of these requirements are effective for years of income³ ending on or after 30 June 2023. Although RSEs will apply most of these changes at June 2023, they are included in this document for convenience given the timing of release of this document)</i></p> <p>Entities need to respond to a continuing global push for standardised environmental, social and governance (ESG) reporting and be aware of recent Australian developments exploring how global developments might be implemented in the Australian context.</p> <p>Over time we anticipate that Australia will align mandatory climate-related disclosure requirements with major global markets including New Zealand, the United Kingdom and the European Union and that the IFRS Sustainability Disclosure Standards will become a regulatory requirement.</p> <p>There is an increasing focus on greenwashing from ASIC and investors.</p>	<p>The additional information to be 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.</p> <p>For more information, see <i>New requirements for the notice of annual members' meeting</i> starting on page 12.</p> <p>RSEs are expected to be included in the first phase of entities required to make climate-related financial disclosures under Federal Government policies, possibly from as early as 2024-2025.</p> <p>RSEs will likely be required to explain various ESG policies and strategies and, from the second year of implementation, include information about Scope 3 greenhouse gas emissions, including financed emissions.</p> <p>For more information, see <i>Sustainability reporting developments</i> on page 15.</p> <p>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 its first court proceedings alleging greenwashing in February 2023.</p> <p>For more information, see <i>Greenwashing</i> on page 22.</p>

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 \(2023 Law Improvement Package No. 1\) Bill 2023](#) would repeal the definition of "year of income" in the SIS Act and substitute it with "year of income has the same meaning as in the *Income Tax Assessment Act 1936*". At the date of finalisation of this publication (21 June 2023), the Bill has not yet become law.

Important note regarding ASIC focus areas

This publication has been prepared well in advance of 30 June 2024. ASIC's focus areas are generally announced on the [ASIC website](#) immediately prior to the commencement of each June and December reporting season. At the time of finalising this publication (21 June 2023), ASIC had released its [focus areas for June 2023](#) but not for later periods. In recent times, ASIC's areas of focus have been largely consistent for each reporting period, covering recoverability of assets, classification of debt as current or non-current, adequacy of provisions, solvency and going concern assessments, disclosure of subsequent events and disclosure of material business risks in the operating and financial review (OFR).

As financial reporting by RSEs will be regulated by ASIC for financial years beginning on or after 1 July 2023, these entities should expect scrutiny as part of ASIC's financial reporting surveillance programme. Considering and responding to ASIC's financial reporting focus areas will be an important part of financial reporting due diligence process adopted by RSEs and their trustees on a go forward basis.

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, amending regulations, which at the date of finalisation of this publication (21 June 2023), accompanying changes to the Corporations Regulations and SIS Regulations had been [exposed for comment](#) by Treasury, but had not been made⁴. The regulation changes will 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 will be 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 would move to the Corporations Act. Therefore, the 30 June 2024 annual reporting period will be 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 will need to:

- 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.

RSEs need to prepare for the implementation of these requirements by considering the 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 new requirements are a significant change for the superannuation industry and implementation may present challenges and requires careful attention and planning.

⁴ This publication is based on the draft regulations as [exposed for comment](#) by Treasury. Readers should consult the final regulations once made.

The main differences between new reporting amendments and current reporting requirements are noted below⁵:

New amendments	Previous legislation
Keeping of records	
RSEs ⁶ 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 must provide specified information on the entity's business operations to APRA quarterly and annually.
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 must 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: <ul style="list-style-type: none"> 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.	There is no prescribed format for the trustees' statement unless prescribed by the Fund's governing rules.
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.	
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 must 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.

⁵ This table is based on materials included in the [Explanatory Memorandum](#) accompanying the Bill to implement the financial reporting changes for RSEs.

⁶ 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.345AAC, 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 than 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> in the absence of an Australian Accounting Standard that specifically applies	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

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*.

New requirements for the notice of annual members' meeting



Most of the changes in this section apply to RSEs for the year of income ending 30 June 2023. However, given the timing of publication of this document, 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 will 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 will be applied for the first time by regulated superannuation entities 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
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 will be 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 will be provided for the first time
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 will include 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 will be provided for the first time

Source	Previous requirement (disallowed)	Current requirement	Impact
2.10(1)(h)	No requirement	Itemised list of payments made to related parties (as prescribed)	The itemised information will be provided for the first time
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 will include 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 will include 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 will 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



Information in the section is based on draft regulations, as at the date of finalisation of this document (21 June 2023) final regulations have not been made. Readers should consult the final regulations once made.

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 make 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 repealed	RSEs will instead be required to prepare a remuneration report (as part of the directors' report). Accordingly, members will be provided with this information in an alternative manner

Source	Requirement	Impact
SIS Reg 2.10(1)(d)(ii)	<p>The most recent periodic fund information report given under Corps Reg. 7.9.32, including the following under Corps Reg 7.9.31A:</p> <ul style="list-style-type: none">• The name and ABN of each outsourced service provider that has provided a service which might affect a material business activity of the entity• 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.	<p>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.</p>



See page 31 for an illustrative example of the notice of annual members meeting (incorporating the above requirements).

Sustainability reporting developments

Global developments

In November 2021, the IFRS Foundation Trustees announced the creation of a new International Sustainability Standards Board (ISSB) to develop a comprehensive global baseline of high-quality sustainability disclosure standards to meet investors' information needs. The ISSB was formed to consolidate global efforts around sustainability reporting and to quickly develop global standards.

In March 2022 the Chair and Vice-Chair of the ISSB published two exposure drafts based on the work (and prototype documents) of the Technical Readiness Working Group formed by the IFRS Foundation to undertake priority work for the ISSB:

- **Exposure Draft IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information** (IFRS S1) – This [exposure draft](#) proposes requiring the disclosure of information about significant sustainability-related risks and opportunities (including, but not limited to, climate change). The exposure draft includes proposals for definitions and requirements that are 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 statements⁷.
- **Exposure Draft IFRS S2 Climate-related Disclosures** (IFRS S2) – This [exposure draft](#) is the first thematic IFRS Sustainability Disclosure Standard covering climate change, incorporates the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and includes metrics tailored to industry classifications derived from the industry-based Sustainability Accounting Standards Board (SASB) (see further discussion below).

Comments on the ISSB proposals closed on 29 July 2022.

A full quorum of the ISSB was formed and began redeliberations during 2022. The ISSB's [February 2023 meeting](#) saw the board finalise its redeliberations on its exposure drafts of IFRS S1 and IFRS S2 but the ISSB held a [supplementary meeting](#) in early April 2023 to consider additional transitional provisions.

At the time of finalisation of this document (21 June 2023), the ISSB is expected to issue the final versions of IFRS S1 and IFRS S2 by the end of June 2023 and the ISSB has decided that the new IFRS Sustainability Disclosure Standards will be effective for annual reporting periods beginning on or after 1 January 2024.

Understanding the climate-related disclosures proposed under IFRS S2

The proposed objective of IFRS S2 is to require an entity to disclose information about its exposure to significant climate-related risks and opportunities, enabling users of an entity's general purpose financial reporting to:

- Assess the effects of significant climate-related risks and opportunities⁸
- Understand how the entity's use of resources, and corresponding inputs, activities, outputs and outcomes support the entity's response to and strategy for managing its significant climate-related risks and opportunities
- Evaluate the entity's ability to adapt its planning, business model and operations to significant climate-related risks and opportunities.





The proposals would apply to climate-related risks that an entity is exposed to, including physical risks and risks associated with the transition to a lower-carbon economy (transition risks), and climate-related opportunities available to the entity.

⁷ Exposure Draft IFRS S1 has not been discussed further in detail as consultations on implementation in the Australian context are still in progress at the time of releasing these model financial statements. Furthermore, the disclosure requirements of IFRS S1 have been deferred by the ISSB for the first year of implementation.

⁸ Draft IFRS S2 proposed as one of its objectives that "to require an entity to disclose information about its exposure to significant climate-related risks and opportunities, enabling users of an entity's general purpose financial reporting to... assess the effects of significant climate-related risks and opportunities on the entity's enterprise value". At its [October 2022 meeting](#), the ISSB decided to amend draft IFRS S1 by removing the definition of 'enterprise value' and the words 'to assess enterprise value' from the objective and description of materiality. Accordingly, it is expected the final version of IFRS S2 would have equivalent amendments.

Core content

The draft IFRS S2 is structured around the TCFD four core elements of governance, strategy, risk management, and metrics and targets, focused on the climate-related risks and opportunities:

 Governance	 Strategy	 Risk management	 Metrics and targets
Objective Disclose information over the governance processes, controls and procedures used to monitor and manage climate-related risks and opportunities.	Objective Disclose information about the entity's strategy for addressing significant climate-related risks and opportunities.	Objective Disclose information about the processes the entity uses to identify, assess and manage climate-related risks.	Objective Disclose information about how the entity measures, monitors and manages its significant climate-related risks and opportunities.
Disclosures <ul style="list-style-type: none"> Information about the governance body or bodies with oversight of climate-related risks and opportunities Information about management's role in those processes. 	Disclosures <ul style="list-style-type: none"> The significant climate-related risks and opportunities that the entity reasonably expects could affect its business model, strategy and cash flows, its access to finance and its cost of capital, over the short, medium or long term The effects of significant climate-related risks and opportunities on the entity's business model and value chain The effects of significant 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 The climate resilience of the entity's strategy (including its business model) to significant physical risks and significant transition risks. 	Disclosures <p>The entity's process or processes used to:</p> <ul style="list-style-type: none"> Identify climate-related risks and opportunities Identify climate-related risks for risk management purposes Identify, assess and prioritise climate-related opportunities Monitor and manage climate-related risks and opportunities, including related policies <p>An entity would also disclose:</p> <ul style="list-style-type: none"> The extent to which and how the climate-related risk identification, assessment and management process, or processes, are integrated into the entity's overall risk management process The extent to which and how the climate-related opportunity identification, assessment and management process, or processes, are integrated into the entity's overall management process. 	Disclosures <ul style="list-style-type: none"> Information relevant to the cross-industry metric categories (discussed below), which are relevant to entities regardless of industry and business model Industry-based metrics which are associated with disclosure topics and relevant to entities that participate within an industry, or whose business models and underlying activities share common features with those of the industry Other metrics used by the board or management to measure progress towards the targets Targets set by the entity to mitigate or adapt to climate-related risks or maximise climate-related opportunities.

Cross-industry metrics

The proposals in IFRS S2 ED would require disclosure of information relevant to following cross-industry metric categories:

Metric	Category	Unit of measure
Greenhouse gas emissions (GHG)		
Absolute gross greenhouse gas emissions generated during the reporting period, measured in accordance with the Greenhouse Gas Protocol Corporate Standard, classified as Scope 1, Scope 2 and Scope 3 emissions ⁹	Quantitative	Metric tonnes of CO ₂ equivalent
Greenhouse gas intensity for each of Scope 1, Scope 2 and Scope 3 emissions	Quantitative	Metric tonnes of CO ₂ equivalent per unit of physical or economic output
Separate disclosure of Scope 1 and Scope 2 emissions for: <ul style="list-style-type: none"> Consolidated accounting group (the parent and its subsidiaries) Associates, joint ventures, unconsolidated subsidiaries or affiliates not included in the consolidated accounting group 	Quantitative	Metric tonnes of CO ₂ equivalent
The approach used (i.e. the equity share or operational control method) to include emissions of associates, joint ventures, unconsolidated subsidiaries or affiliates not included in the consolidated accounting group and the reason or reasons for the entity's choice of approach (including how that relates to the overall objective for metrics and targets in IFRS S2 ED)	Discussion and analysis	n/a
For Scope 3 emissions: <ul style="list-style-type: none"> Include upstream and downstream emissions in the entity's measure Disclose the categories included within its measure of Scope 3 emissions (so that users can understand which Scope 3 emissions have been included or excluded from the Scope 3 emissions reported) When the Scope 3 measure includes information provided by entities in its value chain, the basis for that measurement If an entity excludes greenhouse gas emissions from entities in its value chain, the reason for omitting those emissions (e.g. because it is unable to obtain a faithful measure) 	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
Climate-related 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 greenhouse gas emissions that the entity uses to assess the costs of its emissions	Quantitative	Metric tonnes of CO ₂ equivalent
An explanation of how the entity is applying the carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis)	Discussion and analysis	n/a
Remuneration		
Percentage of executive remuneration recognised in the current period that is linked to climate-related considerations	Quantitative	Percentage
Description of how climate-related considerations are factored into executive remuneration	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 electricity, heat or steam consumed by an entity. Scope 3 emissions are emissions outside of Scope 2 emissions that occur in the value chain of the reporting entity.

Australian developments

Legislative framework

As part of the 2022 Federal Election, the Australian Labor Party announced that in government, as part of its [“Powering Australia” policy](#), it would work with large businesses to provide greater transparency on their climate-related risks and opportunities.

On forming government, the [October 2022 Federal Budget](#) included funding for Treasury and the AASB to develop and introduce climate reporting standards for large businesses and financial institutions in line with international reporting requirements.

Subsequently, Treasury released two 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 make sustainability reporting standards (comments closed on 16 December 2022)
- [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).

The consultations would introduce a standardised and internationally-aligned framework for disclosing sustainability related risks and opportunities, underpinned by four pillars: governance, strategy, risk management, targets and metrics (i.e. consistent with the TCFD and ISSB exposure drafts). At the date of finalisation of this publication (21 June 2023), final policy decisions and implementing legislation and regulations had not been put in place.

Under the proposals, mandatory sustainability reporting would initially be focused on large listed entities and large financial institutions (such as banks, insurers, credit unions and superannuation funds), and may later be extended to other entities and government.

At the date of finalisation of this publication, the timeline and mandatory application date of any Australian sustainability disclosure standards have not been determined. However, the Treasury consultation paper on climate-related financial disclosure suggested a possible commencement date of 2024-2025 financial years.

Standard-setting activities

At its [February 2023](#) meeting, in response to these developments, 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. At the current time, the AASB is aiming to finalise the climate-related financial disclosure standard in the first quarter of 2024.

As part of debate on a draft of its [sustainability reporting standard-setting framework](#), the AASB decided on a number of criteria that could see a departure from IFRS Sustainability Disclosure Standards in Australia, including:

- Where user benefits do not outweigh any undue cost or effort for preparers
- Where the IFRS Sustainability Disclosure Standards will not achieve international alignment or conflict with global sustainability reporting practices
- Where equivalent disclosure requirements already exist in Australia (e.g. the *National Greenhouse and Energy Reporting Act 2007*)
- Where Australia-specific matters are not addressed and diversity in practice warrants Australia-specific requirements or guidance
- Where transition would impose additional costs and/or time, warranting a deferral of application dates.

As a result of these decisions, there remains some uncertainty as to the exact form the mandatory climate-related financial disclosures will take. However, the initial deliberations of the AASB have focused on the requirements of IFRS S2 and what changes should be made in light of the above requirements. For instance, at the AASB's [March 2023 meeting](#), the AASB decided to remove references to SASB Standards from its baseline of IFRS Sustainability Disclosure Standards being used to develop the Australian sustainability disclosure standards, and not to publish industry-based illustrative examples until they have been adapted for international use by the ISSB and undergone the AASB's necessary due process in Australia.

Australian regulatory perspectives

In November 2021, APRA released [Prudential Practice Guide CPG 229](#) *Climate Change Financial Risks*, which covers some of the elements of governance and risk management from TCFD Framework and also required disclosures and scenario analysis.

In November 2022, APRA released for consultation [updated guidance](#) on investment governance for superannuation trustees, to assist trustees in meeting their requirements under Prudential Standard SPS 530 *Investment Governance*. [Prudential Practice Guide Draft SPG 530](#) *Investment Governance*, whilst not directly related to financial information and disclosure, will influence existing governance and stewardship disclosures made by RSEs.

In December 2021 ASIC [welcomed](#) the establishment of the International Sustainability Standards Board 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 TCFD are expected to be well placed to transition to any future standard”. Furthermore, ASIC notes that listed companies should consider the guidance published by the TCFD and are required to prepare an operating and financial review (OFR) and consider ASIC [Regulatory Guide 247](#) *Effective disclosure in an operating and financial review*.

Whilst the requirement for an operating and financial review (OFR) applies to listed entities under s.299A of the Corporations Act, it does not apply to directors' reports prepared by RSEs under the Corporations Act. Nevertheless, 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 include a review of operations, significant changes in state of affairs, likely developments in affairs, and the requirements around the entity's operations being subject to significant environmental regulation in Australia. Furthermore, RSEs should consider the imminent implementation of mandatory climate-related financial disclosures (discussed below) and their other reporting requirements arising under the SIS Act or SIS Regulations (e.g. the need to provide proxy voting information).

Implications for RSEs

Possible timing

Most RSEs would be expected to be included in the initial phase of mandatory sustainability reporting in Australia. Accordingly, registrable superannuation funds may need to have reporting of governance, strategy, risk management, targets and metrics in place in order to report as early as the 2024-2025 financial year.

Transitional relief

The implementation of sustainability-related financial disclosure by RSEs will be assisted by a number of decisions made by the ISSB as part of its redeliberations. In summary, entities applying IFRS Sustainability Disclosure Standards can elect in the first year of application **not** to:

- Provide sustainability-related risks and opportunities other than climate-related information (i.e. only provide the disclosures required by IFRS S2)
- Provide comparative information in their 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 defer the application of 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 greenhouse gas emissions under IFRS S2 (again, for an entity applying this relief, in the second year of applying IFRS S2 the entity would thus not be required to provide comparatives for Scope 3 emissions)
- Use the Greenhouse Gas Protocol to measure emissions (where a different approach is currently being used).

Together, this relief will provide 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.

As noted above, the specifics of implementation of climate-related financial disclosures in Australia are unclear. However, on the likely implementation of a modified version of IFRS S2 in the Australian context, the above transitional provisions will be helpful, as:

- A significant disclosure for RSEs will be Scope 3 greenhouse gas emissions, and the one year deferral of the requirement to disclose Scope 3 emissions will permit more time to implement the necessary processes and systems to collate the necessary data
- The deferral of the requirement to present sustainability-related disclosures at the same time as the financial statements will permit additional time to prepare sustainability reporting information. This will be particularly useful in light of the transition to reporting under the Corporations Act for the 2023-2024 financial year and the subsequent 'bedding down' of the financial reporting requirements in the subsequent year, at the same time as potentially preparing to report climate-related financial information.

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.

The ISSB's draft IFRS S2 includes an Appendix B of industry-based disclosure requirements, which were closely based on the SASB Standards developed for use in the United States. However, at its [December 2022](#) meeting, the ISSB decided to amend draft IFRS S2 so that the industry-based requirements in Appendix B become part of the illustrative guidance to the standard, rather than a mandatory part of it. This was in response to constituent feedback about the international applicability of some of the disclosure topics and metrics required by the appendix, and to allow time to resolve inconsistencies both within Appendix B and between it and the SASB Standards on which the requirements were based. At its [May 2023 meeting](#), the ISSB decided to ratify consequential amendments to the climate-related SASB Standards to align them IFRS S2, and discussed the due process steps taken.

However, as part of this process, the ISSB decided that the proposed disclosure requirements for 'financed emissions' for the asset management and custody activities, commercial banks and insurance would be moved from Appendix B to instead be part of the application guidance to IFRS S2. As a result, entities in these industries would be required to disclose its financed emissions as part of its Scope 3 greenhouse gas emissions disclosures (i.e. this will be a mandatory requirement, and not part of the illustrative guidance like the remainder of Appendix B).

Financed emissions refers to the portion of gross emissions of an investee attributed to the investments made by the entity on behalf of a third party which falls under in the investments category (category 15) of Scope 3 in accordance with the greenhouse gas protocol corporate value chain (Scope 3) standard.

Appendix B describes the asset management and custody activities industry in the following terms:

The Asset Management & Custody Activities industry is comprised of companies that manage investment portfolios on a commission or fee basis for institutional, retail, and high net-worth investors. In addition, firms 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 include, but are not limited to, equities, fixed income, and hedge fund investments. Specific companies are engaged in venture capital and private equity investments. The industry provides an essential service in assisting 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 and need to meet the requirements being transferred into the application guidance for IFRS S2. However, due to transitional provisions agreed to by the ISSB, the requirement to disclose Scope 3 greenhouse gas emissions (including finance emissions) is only required from the *second* year of compliance.

Set out below is a high-level summary of the requirements for the asset management and custody activities industry from Appendix B, after adjusting for subsequent decisions made by the ISSB as part of its redeliberations of IFRS S2.

Sustainability disclosure topics and metrics

Metric ¹⁰	Category	Unit of measure
Incorporation of environmental, social and governance factors		
Amount of assets under management ¹¹ that employ: <ul style="list-style-type: none"> Integration of environmental, social and governance issues Sustainability themed investing (i.e. investment in themes or assets specifically related to sustainability) Screening (including negative/exclusionary, positive/best in class and norms based screening) 	Quantitative	Presentation currency
Description of the approach to incorporation of environmental, social and governance factors in investment and/or wealth management processes and strategies	Discussion and analysis	n/a
Description of proxy voting and investee engagement policies and procedures	Discussion and analysis	n/a
Transition risk exposure		
Percentage of total assets under management (AUM) included in the financed emissions calculation	Quantitative	Percentage (%)
<ul style="list-style-type: none"> Absolute gross¹²: <ul style="list-style-type: none"> Scope 1 emissions Scope 2 emissions Scope 3 emissions Associated amount of total assets under management (i.e. financed emissions) 	Quantitative	<ul style="list-style-type: none"> Metric tonnes CO2-equivalent Presentation currency
Description of the methodology used to calculate financed emissions	Discussion and analysis	n/a

Activity measures

Activity metric	Category	Unit of measure
Total assets under management (AUM)	Quantitative	Presentation currency
Total assets under custody and supervision	Quantitative	Presentation currency

Each of these requirements is supported by a series of more detailed requirements. For example, in relation to the description of proxy voting and investee engagement policies and procedures, the following information would be disclosed (in summary terms):

- The scope and objectives of the entity's voting activities, and whether they differ between markets
- Whether the entity has a default position of voting in favour of management in particular markets or on particular issues
- Whether and how local regulatory or other requirements influence the entity's approach to voting
- Whether the entity votes by proxy or in person by attending annual general meetings (AGMs), and how it communicated its proxy voting policy to clients and the public

¹⁰ At its [December 2022 meeting](#), the ISSB decided that entities in the asset management and custody activities industry can aggregate disclosures at the level of total assets under management but that that aggregation cannot obscure material information. However, the [staff paper](#) considered at the meeting notes that due to the requirements of draft IFRS S1 that "[i]nformation shall not be aggregated if doing so would obscure information that is material", when a preparer determines that disaggregation by strategy, asset class or any other characteristic is necessary to ensure that material information is not obscured, such disaggregation is required.

¹¹ Assets under management is the total market value, expressed in the entity's presentation currency, of the assets managed by a financial institution on behalf of its clients (IFRS S2, Appendix B, Volume 15, FN-AC-410a.1).

¹² 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.

- The entity's process of making proxy voting decisions (e.g. use of internal research and/or third party service providers, and the review and monitoring process)
- The entity's approach to communicating its voting decisions to company management
- The entity's approach to engagement on environmental and social issues and how the engagement strategy fits into the entity's overall engagement strategy
- How the outcomes of the entity's proxy voting and engagement activities inform its decision making process
- The entity's escalation process for engagements when company dialogue is failing
- Additional quantitative measures related to its proxy voting and engagement activities (optional).

Greenwashing

According to the [World Economic Forum](#), greenwashing refers to 'green' or 'sustainable' practices or products, 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:

1. **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
2. **Symbolic actions:** Drawing attention to minor issues when the action taken is not meaningful. For example, if financial services or professional services 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 should also be making efforts to help clients with a negative sustainability footprint.

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 ethical¹³.

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.

In June 2022, ASIC released [Information Sheet INFO 271](#) *How to avoid greenwashing when offering or promoting sustainability-related products*. ASIC INFO 271 outlines the following factors to consider when preparing communications and disclosures about sustainability:

1. **Not true to label:** Making statements that don't reflect the underlying reality, e.g. a 'no gambling fund' investing in companies with less than 30% of total revenue from gambling activities
2. **Vague terminology:** Using broad, unsubstantiated sustainability-related statements or 'jargon' without clarification, e.g. we will 'contribute towards positive impact for its investors and the world' without additional disclosure about what the positive impacts are or how they will be achieved
3. **Misleading headline claims:** Making 'headline' statements in absolute terms which are qualified or contradicted in later detail
4. **Incorporation of sustainability-related factors into decisions and stewardship:** Disclose and clearly explaining which sustainability-related considerations are taken into account and how they are incorporated into investment decisions and stewardship activities
5. **Investment screening criteria – including exceptions or qualifications:** 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
6. **Influence over benchmark indexes:** Clearly disclosing when a fund manager has a level of influence over composition of a benchmark index
7. **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.

¹³ The guidance in INFO 271 is focused on sustainability-related products issued by funds, but ASIC notes "its principles may apply to other entities that offer or promote financial products that take into account sustainability-related considerations. Examples include companies listed on a securities exchange or entities issuing green bonds".

During the second half of calendar 2022, ASIC media releases announced actions against many entities on greenwashing. Further, in February 2023 ASIC launched its first Court proceedings alleging greenwashing. In its [June 2023 focus areas](#), ASIC also called out auditors to do more to detect and respond to greenwashing.

In conjunction with the release of its [enforcement and regulatory update report \(October to December 2022\)](#), ASIC has reinforced its warning that it will continue to target greenwashing.

The [media release](#) accompanying the report notes that "ASIC will have a strong focus on enforcement activity targeting sustainable finance practices and disclosure of climate risks, financial scams, cyber and operational resilience, and investor harms involving crypto-assets".

In a [joint press media release](#) after an investor roundtable held in April 2023, the Federal Government announced measures to boost the integrity of green investments, including the co-funding the initial development phase of an Australian Sustainable Finance Taxonomy and providing ASIC with an extra \$4.3 million in funding to crack down on businesses making misleading claims about the sustainability or efficiency of their products. The media release notes a "strong and proactive regulatory approach will reduce the risk of greenwashing, supporting investor sentiment towards Australia as a destination for green capital".

It is clear that ASIC and the Federal Government are taking greenwashing seriously, requiring a significant and careful response. RSEs should carefully consider ASIC's guidance and Federal Government policy and respond appropriately in both their annual financial reporting and more broadly.

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 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> 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 <i>Interpretation of Standards</i>) 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 <i>Presentation of Financial Statements</i> 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. See our *Tier 1 models and reporting considerations* publication for the year ended 30 June 2023 (or 30 June 2024 when available) 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.¹⁴

Date issued	Pronouncement	Effective for annual reporting periods beginning on or after
March 2021	AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023
June 2021	AASB 2021-5 <i>Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
December 2021	AASB 2021-6 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies; Tier 2 and Other Australian Accounting Standards</i>	1 January 2023
Various	Editorial corrections in AASB 2017-5 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i> and AASB 2021-7 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	1 January 2023 ¹⁵
December 2022	AASB 2022-7 <i>Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards</i>	1 January 2023
(To be determined)	AASB 2023-Y <i>Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules</i> ¹⁶	1 January 2023



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.

¹⁴ This table is included for completeness, as many of the pronouncements listed will not apply to RSEs. In addition, 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.

¹⁵ 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 for 30 June 2024 full year financial statements.

¹⁶ At the date of finalisation of this publication (21 June 2023), the IASB had issued *International Tax Reform – Pillar Two Model Rules*, and the AASB was [expected](#) to release an [equivalent pronouncement](#). This expected pronouncement has been cited as “AASB 2023-Y” for the purposes of inclusion in this table. The correct citation should be used once the AASB pronouncement has been issued.

Pronouncements not yet effective

The table below summarises the amended reporting requirements that are not effective for financial years ending 30 June 2024. See Note 2 *Changes in accounting policies and changes in estimates* of this publication for illustrative disclosures.¹⁴

Date issued	Pronouncement	Effective for annual reporting periods beginning on or after
Various	AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> , AASB 2015-10 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128</i> , AASB 2017-5 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i> and AASB 2021-7 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	1 January 2025 ¹⁵
March 2020 / August 2020 / (October 2022)	AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> , AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i> and AASB 2022-6 <i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i>	1 January 2024
November 2022	AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	1 January 2024
May 2023	AASB 2023-X <i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i> ¹⁷	1 January 2024

¹⁷ At the date of finalisation of this publication (21 June 2023), the IASB had issued *Supplier Finance Arrangements*, and the AASB was [expected](#) to release an equivalent pronouncement. This expected pronouncement has been cited as “AASB 2023-X” for the purposes of inclusion in this table. The correct citation should be used once the AASB pronouncement has been issued.

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 ¹⁸	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 requirements¹⁹		
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 ²⁰
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 of the trustee for the previous financial year of the entity 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 period 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

¹⁸ 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)).

¹⁹ 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).

²⁰ 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 \(2023 Law Improvement Package No. 1\) Bill 2023](#) would repeal the definition of "year of income" in the SIS Act and substitute it with "year of income has the same meaning as in the *Income Tax Assessment Act 1936*". At the date of finalisation of this publication (21 June 2023), the Bill has not yet become law.

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

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Notice of 2024 annual members' meeting



Information in the section is based on draft regulations, as at the date of finalisation of this document (21 June 2023) final regulations have not been made. Readers should consult the final regulations once made.

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)²¹.

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.

SIS Reg 2.10(2)(a)

For years of income beginning before 1 July 2023, in addition to the information below, the entity is required to include aggregate remuneration expenditure in the short-form expenditure summary. For periods beginning on or after 1 July 2023, RSEs are required to prepare a remuneration report as part of the directors' report (see page 46) and accordingly, this requirement is repealed with effect from that date.

Payments made during the
2023-2024 year of income
\$

- 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 33).

²¹ 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 \(2023 Law Improvement Package No.1\) Bill 2023](#) would repeal the definition of "year of income" in the SIS Act and substitute it with "year of income has the same meaning as in the *Income Tax Assessment Act 1936*". At the date of finalisation of this publication (21 June 2023), the Bill has not yet become law.

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

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

The meeting will also be broadcast live on the Fund's website at www.dnew.org/amm2024. Register by [date] at [registration website address] to attend the live broadcast.

Agenda

[time] [agenda item 1]

[time] [agenda item 2]

Annual report

The Fund's [annual report](#) for the period ending 30 June 2024 is available at the Fund's website at www.dnew.org/amm2024. The annual report includes the financial report, directors' report and auditor's report on the financial report.

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

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

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

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

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)	<p>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.</p> <p>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.</p>
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 <i>Superannuation Industry (Supervision) Regulations 2014</i> 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)(iii)	<p>The SIS Regulations require the notice of meeting to include remuneration details referred to in SIS Regulation 2.37 that, at the time the notice is given, are required to be made publicly available under s.29QB(1) of the SIS Act in relation to the entity.</p> <p><i>Treasury Laws Amendment (2022 Measures No. 4) Act 2023</i> repealed s.29QB of the SIS Act and <i>Treasury Laws Amendment (Financial reporting and auditing of registrable superannuation entities) Regulations 2023</i> repealed SIS Regulation 2.37, both with effect from years of income commencing on or after 1 July 2023. Accordingly, the retention of the references to this information appears to be an oversight, or alternatively, the information now required in the remuneration report may be intended to be referenced.</p> <p>In this latter case, we have illustrated below some example wording that might be included or referenced in the notice of meeting.</p>
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 46).

Source

SIS Reg 2.10(1)(e)

Promotion, marketing, or sponsorship expenditure

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)

SIS Reg 2.10(1)(e)(ii), (iii)

		Total payments to be made under the contract \$	Payments made during the 2023-2024 year of income \$
Entity	Contract term		
Reach Advertising Pty Limited	2 years commencing on 1 January 2024 and ending on 31 December 2026		
[Describe]	[Describe]		
Total			

SIS Reg 2.10(1)(e)(i)

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.

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

Source

SIS Reg 2.10(1)(g),

Industrial body payments

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)
- SIS Reg 2.10(1)(h)(ii)
- SIS Reg 2.10(1)(h)(iii)
- SIS Reg 2.10(1)(h)(iv)
- SIS Reg 2.10(1)(h)(v)
- SIS Reg 2.10(1)(h)(vi)

- A connected entity (i.e. a subsidiary) of the RSE licensee (i.e. the trustee)
- An associated entity of another entity (third party) if the third party is a connected entity of the trustee of the fund
- An entity over whom the trustee of the fund has significant influence
- An entity that has significant influence over the trustee of the fund
- An entity whose key management personnel include the trustee, or an executive officer of the trustee, of the fund
- 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:

- 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
- 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).

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.

Periodic statement and periodic fund information report

The notice of meeting must also contain:

- The most recent periodic statement (if any) given to the member under s.1017D of the Corporations Act
- The most recent periodic fund information report given under Reg. 7.9.32 of the Corporations Regulations to holders of interests in the entity.

Requirements for the periodic statement

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 periodic fund information report

In addition 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 periodic fund information report must include the following information:

- The name and ABN of each outsourced service provider that has provided a service which may affect a material activity of the RSE
- Information about each of the key management personnel of the entity:
 - The person's name and qualifications
 - 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
- 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).

The periodic fund information report must be provided as soon as practicable after the end of the reporting period to which it relates, and in any event, within three months after the end of the reporting period.

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. However, this information must now be incorporated into the periodic fund information report.

Source

Reg 7.9.32(6)

The periodic fund information report 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 additional information to be included in the periodic fund information report.

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
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

Source

Information about key management personnel (continued)

Reg 7.9.31A(b)

Name	Qualifications	Period of service
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

SIS Reg
2.10(1)(b)(iii)

Recent amendments applicable for reporting periods beginning before 1 July 2023

The following provision is applicable for reporting periods beginning before 1 July 2023. It has however been repealed as it duplicates the existing requirement in SIS Reg 2.10(1)(d)(ii) for the trustee to include the most recent periodic fund information report given under regulation 7.9.32 of the Corporations Regulations to product holders of the entity. Therefore it is not applicable for reporting periods beginning on or after 1 July 2023.

If the trustee or trustees of the RSE produce an annual report for the entity for the year of income, a link to that report is required to be included in the notice of annual members' meeting.

SIS Reg 2.11(2)

How the notice of annual members' meeting is to be given to members

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 2.11²²

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.

²² 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.345AAC(1)

For the purposes of the financial reporting and audit requirements contained in Chapter 2M of the Corporations, 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 2001*.

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 misleading²³.

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' exemptionASIC 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.

²³ Non-IFRS financial information is financial information presented other than in accordance with all relevant accounting standards.

Source

s.299(1)(f)

ASIC-RG 68.74

Environmental regulations

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 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.

s.300C(4), (5), (6), (7), (8)

Non-audit services

The Corporations Act s.300C(4) to (8) 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 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) 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.

s.300C(6)

Details of amounts paid or payable to the auditor 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]		

Source

Non-audit services (continued)

	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.

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.

Source

s.300C(8)

Non-audit services (continued)

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.

s.300C(9)

Audit

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.

s.298(1AA)(c)

Auditor's independence declaration²⁴

The auditor's independence declaration is included on page 53.

s.297(a), 298(1A)

True and fair view

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.

²⁴ 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

	<p>At the date of this publication (21 June 2023, ASIC had not extended <i>ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191</i>, dated 24 March 2016 to apply to RSEs that are within the scope of Chapter 2M of the Corporations Act. We however expect that ASIC CI-2016/191 will be extended to RSEs and have therefore provided the below illustrative disclosures.</p> <p>If the entity is of a kind referred to in <i>ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191</i>, dated 24 March 2016, 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.</p> <p>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:</p>
ASIC-CI 2016/191	<p>DNew Superannuation Fund is an entity of the kind referred to in <i>ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191</i>, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest <i>[dollar/thousand dollars / hundred thousand dollars/ million dollars]</i>, unless otherwise indicated.</p>
ASIC-CI 2016/191	<p>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.</p>

Source

s.300C(2)

Remuneration report



Information in the section is based on draft regulations, as at the date of finalisation of this document (21 June 2023) final regulations have not been made. Readers should consult the final regulations once made.

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.

Reporting periods beginning before 1 July 2023

For reporting periods beginning before 1 July 2023, SIS Act s.29QB required an RSE licensee of an RSE to make publicly available and keep up to date on the entity's website the remuneration details set out in SIS Regulation 2.37 for executive officers of the RSE licensee or trustees of an RSE.

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.

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).

A further difference is that SIS Reg 2.37 required the trustee to report remuneration provided by a 'related entity' of the RSE. To provide clarification (without substantially modifying previous requirements) Corporations Act Regulation 2M.3.04 replaces the reference to a 'related entity' with 'related party' defined in AASB 124 *Related Party Disclosures*.

SIS Reg 2.37

s.300C(1)
s.314AA

Reg 7.9.07ZC

Source

s.9,
AASB 124:9

s.9

s.300C(1)(c),
Reg 2M.3.04

Reg 2M.3.04(2)

Reg 2M.3.04(4)

Reg 2M.3.04(5)

Defined terms

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.

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

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

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

The requirements of Reg 2M.3.04 are to be determined in accordance with the requirements of any relevant Australian Accounting Standards.

If an expression used in the table in Reg 2M.3.04, is defined in a relevant Australian Accounting Standard, the expression has the meaning given by the standard.

Source

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

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

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 if 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

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

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

Source

s.300C(1)(a)(b)
Reg 2M.3.04(1)
(Item 5-8)

Remuneration of key management personnel

	Short-term employee benefits				Post-employment benefits	Long-term employee benefits	Termination benefits	Total
	Salary & fees	Cash bonus	Non-monetary	Other	Super-annuation	Long service leave		
2024	\$	\$	\$	\$	\$	\$	\$	\$
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.

Source

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

Remuneration of key management personnel (continued)

	Short-term employee benefits				Post-employment benefits	Long-term employee benefits	Termination benefits	
	Salary & fees	Cash bonus	Non-monetary	Other	Super-annuation	Long service leave		Total
2023	\$	\$	\$	\$	\$	\$		\$
Directors of the Trustee								
C.J. Chambers								
F.R. Ridley								
W.K. Flinders								
S.M. Saunders								
Other key management personnel								
P.H. Taylor								
L.J. Jackson								
C.V. Kruger								
B.M. Stavrinidis								
O.H O'Brien								
K.N. Naicker								
J.B. Singh								
Total								

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 benefitsReg 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 two most recently completed financial years 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 two most recently completed financial years, 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

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

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

Source

Reg 2M.3.04(1)
(Item 7)Reg 2M.3.04(1)
(Item 8)Reg 2M.3.04(1)
(Item 9)Reg 2M.3.04(1)
(Item 10)Reg 2M.3.04(1)
(Item 11)Reg 2M.3.04(1)
(Item 11)**Payments and benefits (continued)**

- 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 two most recently completed financial years, separately identifying any amount attributable to a long-term incentive plan
- The person's termination benefit where the person's position as a member of the key management personnel was terminated during the current financial year
- 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
- Share-based payments made to the person (during the two most recently completed financial years), 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**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

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

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

Key terms of employment contracts

If during the current 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.

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Sydney NSW 2000
Tel: +61 2 9322 7000
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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 statements 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
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely
DELOITTE TOUCHE TOHMATSU

T.L. Green
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Source

ASIC-CI 2016/188

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

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 (21 June 2023), 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.

s.307C(1), (3)

General requirements

If an audit firm, audit company or individual auditor conducts an audit or review of the financial statements 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

s.307C(5A)

General requirements (continued)

A declaration under s.307C(1) or s.307C(3) in relation to financial statements 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 statements 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 statements are in accordance with the Corporations Act, including:
 - Whether the financial statements comply with Australian Accounting Standards
 - Whether the financial statements give 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 statements include 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 statements 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(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 statements. If it is not practicable to quantify the effect fully, the report must say why.

Source

s.308(3)

s.308(3)(a)

s.308(3)(b)

s.307(b)

s.307(c)

s.307(d)

s.308(3A)

s.308(3B)

s.308(3D)

s.311(1A), (2A), (2D),
(3A)

s.311(1A), (2A),(2D),
(3A)

Duty to report

The auditor's report must describe:

- Any defect or irregularity in the financial report
- Any deficiency, failure or shortcoming in respect of the matters referred to in s.307(b), (c) or (d), i.e.:
 - Whether the auditor has been given all information, explanations and assistance necessary for the conduct of the audit
 - Whether the RSE has kept financial records sufficient to enable financial report to be prepared and audited
 - Whether the RSE has kept other records and registers as required by the Corporations Act.

The audit report must include any statements or disclosures required by the auditing standards.

If the financial statements include 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.

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 s.300C. If not of that opinion, the auditor's report must say why.

Duty to inform

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*.

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.

Directors' declaration

Source

s.295(4)(c)

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

s.295(4)(d)

- (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
- (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

s.295(4)(ca)

Compliance with IFRS Accounting Standards

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	30/06/2023
			\$000s	\$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

AASB 101:60

Current/non-current distinction and sequencing of items in the statement of financial position

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

AASB 1056:8(b)

		Notes	Year ended 30/06/2024 \$000s	Year ended 30/06/2023 \$000s
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.

We have presented it as such considering:

- 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

		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

AASB 1056:8(e), AG10

		Defined contribution member benefits \$000s	Defined benefit member benefits \$000s	Total \$000s
	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

AASB 1056:11

Statement of changes in member benefits

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.

AASB 1056:21

Nature of member benefits

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.

AASB 1056:AG18

Presentation of line items

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.

AASB 1056:AG34(b)

Disaggregated financial information

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

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

Notes

Year ended
30/06/2024
\$000s

Year ended
30/06/2023
\$000s

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

Member contributions received

Benefits paid

Transfers to other superannuation funds

Transfers from other superannuation funds

Successor fund transfers

Superannuation co-contributions

Income taxes paid on contributions

Net cash (used in)/from financing activities

10

12

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

AASB 107:18

Direct method

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.

AASB 107:22

Reporting cash flows on a net basis

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 IFRSs²⁵
 - 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
 -

²⁵ 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) and unrecognised contractual commitments
 - Non-financial disclosures, e.g. the entity's financial risk management objectives and policies (see AASB 7).

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, it is not the only way.

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 AASB 2013-5 amendments) provide 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

AASB 1056:AG3

Compliance with principles and requirements in other Australian Accounting Standards

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)

AASB 101:138(b)
AASB 1056:21

1. General information
Information about the Fund

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 Australian Dollars (\$).

At the date of this publication (21 June 2023, ASIC had not extended *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016 to apply to RSEs that are within the scope of Chapter 2M of the Corporations Act. We expect that ASIC CI-2016/191 will be extended to RSEs and have therefore provided the below illustrative disclosures.

If the entity is of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, 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 Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, 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.

For the purposes of the above disclosure, it is assumed that ASIC will extend *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191* to RSEs.

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 share²⁶
- 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.

²⁶ 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	30/06/2023
	\$000s	\$000s
Income statement		
<i>[Describe captions affected]</i>		
Increase/(decrease) in operating result before taxation		
Increase/(decrease) in income tax expense		
Increase/(decrease) in operating result after taxation		
Statement of financial position		
<i>[Describe captions affected]</i>		
Increase/(decrease) in net assets		
Statement of changes in member's benefits		
<i>[Describe captions affected]</i>		
Increase/(decrease) in defined contribution/benefit liabilities		
There is no impact on the statement of cash flows.		
<i>[Describe the amount of the adjustment relating to periods before those presented (to the extent practicable)]</i>		
<i>[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].</i>		

Source

AASB 108:42, 45
AASB 108:42, 43

AASB 108:49

AASB 108:49(a)

AASB 108:49(b)(i)

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

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

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 share²⁷
- 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.

[Describe the nature of the prior period error]

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

	30/06/2024	30/06/2023
	\$000s	\$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]

²⁷ 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.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Fund are:

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- AASB 2023-Y *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules*²⁸.

There have been no material impacts of adopting the Standards listed above.

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 (i.e. for the financial year ending 30 June 2024) have not been included in the illustrative disclosures below as they are not relevant to the Fund:

- AASB 17 *Insurance Contracts*, AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts*, 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 and the editorial corrections in respect of AASB 17 Insurance Contracts* which are effective for annual periods beginning on or after 1 January 2023
- AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*.

²⁸ At the date of finalisation of this publication (21 June 2023), the IASB had issued *International Tax Reform – Pillar Two Model Rules*, and the AASB was [expected](#) to release an [equivalent pronouncement](#). This expected pronouncement has been cited as “AASB 2023-Y” for the purposes of inclusion in this table. The correct citation should be used once the AASB pronouncement has been issued.

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

Pillar Two income taxes

On 23 May 2023, the IASB issued *International Tax Reform – Pillar Two Model Rules* to provide a temporary exemption from the recognition and disclosure of deferred taxes arising from the OECD 'Pillar Two' reforms. At the date of finalisation of this publication (21 June 2023), the AASB was [expected](#) to release an [equivalent pronouncement](#).

The amendments introducing the exemption from the recognition and disclosure of Pillar Two deferred taxes apply immediately on issue. Additional disclosures about the likely impact of Pillar Two on the entity is required for annual reporting periods beginning on or after 1 January 2023 where the entity operates in any jurisdiction that has substantively enacted Pillar Two enabling legislation, and that legislation is not yet effective.

More information about the Pillar Two reforms can be found in our [Clarity publication](#) *Responding to Pillar Two*.

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.

As 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-Y 'Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules', the amendments have no impact on the Fund."*

* The actual citation of the AASB pronouncement should be used once it is issued 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

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 21 June 2023. The potential impact of the application of any new and revised Australian Accounting Standards issued by the AASB or IASB after 21 June 2023 but before the financial statements are issued should also be considered and disclosed²⁹.

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.

²⁹ 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
AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	1 January 2024
AASB 2023-X Amendments to Australian Accounting Standards – Supplier Finance Arrangements ³⁰	1 January 2024

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, 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
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants³¹
- 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-X Amendments to Australian Accounting Standards – Supplier Finance Arrangements

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.

³⁰ At the date of finalisation of this publication (21 June 2023), the IASB had issued *Supplier Finance Arrangements*, and the AASB was [expected](#) to release an equivalent pronouncement. This expected pronouncement has been cited as “AASB 2023-X” for the purposes of inclusion in this table. The correct citation should be used once the AASB pronouncement has been issued.

³¹ 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), AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* defers the mandatory application of those amendments to annual reporting periods beginning on or after 1 January 2024.

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

Where the future application of a new or revised Australian Accounting Standard could have a material impact on the financial statements, disclosure should be made of any known or reasonably estimable information relevant to assessing the possible impact on the entity's financial statements. The illustrative example below provides an outline of one approach to meeting these requirements.

AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

AASB 108:30

Amends AASB 16 *Leases* by adding subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 *Revenue from Contracts with Customers* to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease.

Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

The Fund currently does not have sale-and-leaseback arrangements. The directors of the Trustee of the Fund do not anticipate that the application of the amendments in the future will have a material impact on the Fund's financial statements.

The amendments apply to annual reporting periods beginning on or after 1 January 2024.

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.

	30/06/2024	30/06/2023
	\$000s	\$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.

AASB:1056.13, AASB 9:3.1.1, AASB 7:B5(c)

Recognition and measurement

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.

AASB 7:6

Classes and categories of financial instruments and their fair values

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

AASB 101:33,
AASB 132:42,
AG38A

3. Investments and derivatives (continued)

Offsetting of financial assets and liabilities

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 (SOF) 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					

AASB 1056:13

Fair value measurement

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:

	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s	Total \$000s
--	-------------------	-------------------	-------------------	-----------------

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

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

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:

	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			

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

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	Infrastructure	Private capital	Other [describe]	Total
	\$000s	\$000s	\$000s	\$000s	\$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

AASB 13:92

3. Investments and derivatives (continued)
Fair value measurements of investments and derivatives

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] ³²	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 \$ __).

³² 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 – <i>[describe]</i> (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 valuers 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 valuers 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

AASB 7:31

AASB 7:33

AASB 7:35B(c)

AASB 7:B10(b)

AASB 7:35B(a)

AASB 7:7, 31, 36(a)

4. Financial risk management

Credit risk

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.

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.

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.

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.

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

	30/06/2024	30/06/2023
	\$000s	\$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

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

4. Financial risk management (continued)

Liquidity risk

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.

		Less than 3 months \$000s	3 months – 1 year \$000s	1 – 5 years \$000s	5+ years \$000s	Total \$000s
AASB 7.33, 39(a),(b)	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)	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

AASB 7:33

4. Financial risk management (continued)

Interest rate risk management

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.

	Weighted average interest rate %	Less than 3 months \$000s	3 months – 1 year \$000s	1 – 5 years \$000s	5+ years \$000s	Total \$000s
30 June 2024						
Non-interest bearingⁱ						
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 bearingⁱ						
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

Changes in variable	Effect on			
	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

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

4. Financial risk management (continued)

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	2023	2024	2023	2024	2023
			\$000s	\$000s	\$000s	\$000s	\$000s	\$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	2023	2024	2023
					\$000s	\$000s	\$000s	\$000s
Pay [Currency A] / Receive AUD\$								
Less than 1 year								

Source

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

AASB 7.34(a)

4. Financial risk management (continued)

Foreign currency risk (continued)

Cross currency interest rate swaps (continued)

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

Liabilities		Assets	
Fair value		Fair value	
2024	2023	2024	2023
\$000s	\$000s	\$000s	\$000s

[Currency A]

[Currency B]

AASB 7:40(a)

Foreign currency sensitivity

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	30/06/2023	30/06/2024	30/06/2023
\$000s	\$000s	\$000s	\$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.

AASB 7:33

Market risk

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

AASB 7:33, 34

4. Financial risk management (continued)
Price risk

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	30/06/2023
	\$000s	\$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.

AASB 7:31

Financial instruments management

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 below³³.

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.

³³ 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

AASB 12.19A

5. Unconsolidated subsidiaries

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, where judgement is required to determine when control of the services is transferred.

Source

AASB 1056:9(f), 11,
12

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).

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 33¹/₃%, 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.

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

Income tax expense/(benefit) comprises:

AASB 112:81(c)
AASB 101:117

AASB 1056:AG15

AASB 1056: AG15

AASB 112:79

AASB 112:80(a)

AASB 112:80(b)

AASB 112:80(c)

AASB 112:80(d)

AASB 112:80(f)

AASB112:80(g)

AASB 112:80(h)

Current tax expense (income):

Current year

Prior period adjustments related to current taxes

Deferred tax expense (income) relating to:

Movement in temporary differences

Changes in tax rates and the imposition of new taxes

Previously unrecognised deferred tax assets now recognised

Changes in previously recognised deferred tax assets

Changes in accounting policies and errors included in profit or loss

Prior period adjustments related to deferred taxes

Total income tax expense/(benefit)

30/06/2024
\$000s

30/06/2023
\$000s

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 <i>[describe]</i>		
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		
<i>Income tax expense calculated at 15% (2023: 15%)</i>		
<i>Tax effect of:</i>		
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		
Adjustments in the current year in relation to the current tax of prior years		
Other <i>[describe]</i>		
Income tax expense		
AASB 112 requires an explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms:		
<ul style="list-style-type: none"> 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	30/06/2023
	\$000s	\$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 <i>[describe]</i>		
Income tax on contributions recognised in the statement of changes in members' benefits		
Recognised deferred tax assets and liabilities		
	30/06/2024	30/06/2023
	\$000s	\$000s
Deferred tax assets and liabilities are attributable to the following:		
Deferred tax assets:		
- Tax losses – revenue		
- Tax losses – capital		
- Temporary differences		
- Other <i>[describe]</i>		
Deferred tax liabilities:		
- Temporary differences		
Net deferred tax asset (liability)		

Source

AASB 112:81(g)

AASB 112:81(e)

7. Income taxes (continued)

The following table shows a breakdown of deferred tax:

	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

AASB 1056:25(a)(iii)

9. Defined benefit member liabilities (continued)

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

AASB 1056:28, 29

9. Defined benefit member liabilities (continued)

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	30/06/2023
	\$000s	\$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.

AASB 3:B64(a)-(d)

Successor fund transfer by Major Superentity Fund into the Fund

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
- Movements in member liabilities and reserves of the Fund as a result of the successor fund transfer.

Source

13. Reserves

	30/06/2024	30/06/2023
	\$000s	\$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

		30/06/2024	30/06/2023
		\$000s	\$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.

		30/06/2024	30/06/2023
		\$000s	\$000s
AASB 1054:16	Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities		
	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.

As noted in the Directors' report, at the date of this publication (21 June 2023), ASIC had not extended *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016 to apply to RSEs that are within the scope of Chapter 2M of the Corporations Act. We however expect that ASIC CI-2016/191 will be extended to RSEs.

		30/06/2024 \$000s	30/06/2023 \$000s
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)

		30/06/2024 \$000s	30/06/2023 \$000s
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 International GAAP Holdings Limited 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

AASB 1054:11

16. Remuneration of auditors (continued)

Additional guidance

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 290.13-24 of APES 110.

s.300C(4)-(8)
AASB 1054.10

Disclosure of non-audit services in the Directors' report

The Corporations Act s.300C(4) to (8) requires disclosures relating to non-audit services in the Directors' report. This is in addition to the disclosures on audit fees 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) to (8).

Source

ASIC-CI 2016/191

17. Related parties

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.

As noted in the Directors' report at the date of this publication (21 June 2023), ASIC had not extended *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016 to apply to RSEs that are within the scope of Chapter 2M of the Corporations Act. We however expect that ASIC CI-2016/191 will be extended to RSEs.

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.345AAC

Under s.345AAC 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*.

		30/06/2024	30/06/2023
		\$000s	\$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 35). 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

AASB 10:32

s.295(2), (3),
Reg2M.3.01

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.

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.

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	30/06/2023
	\$000s	\$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	<p>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:</p> <ul style="list-style-type: none">• The nature of the event• An estimate of its financial effect, or a statement that such an estimate cannot be made.
AASB 110:22	<p>The following are examples of non-adjusting events after the end of the reporting period that would generally result in disclosure:</p> <ul style="list-style-type: none">• A major business combination after the reporting period (AASB 3 <i>Business Combinations</i> 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 <i>Non-current Assets Held for Sale and Discontinued Operations</i>, 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 <i>Income Taxes</i>)• 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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