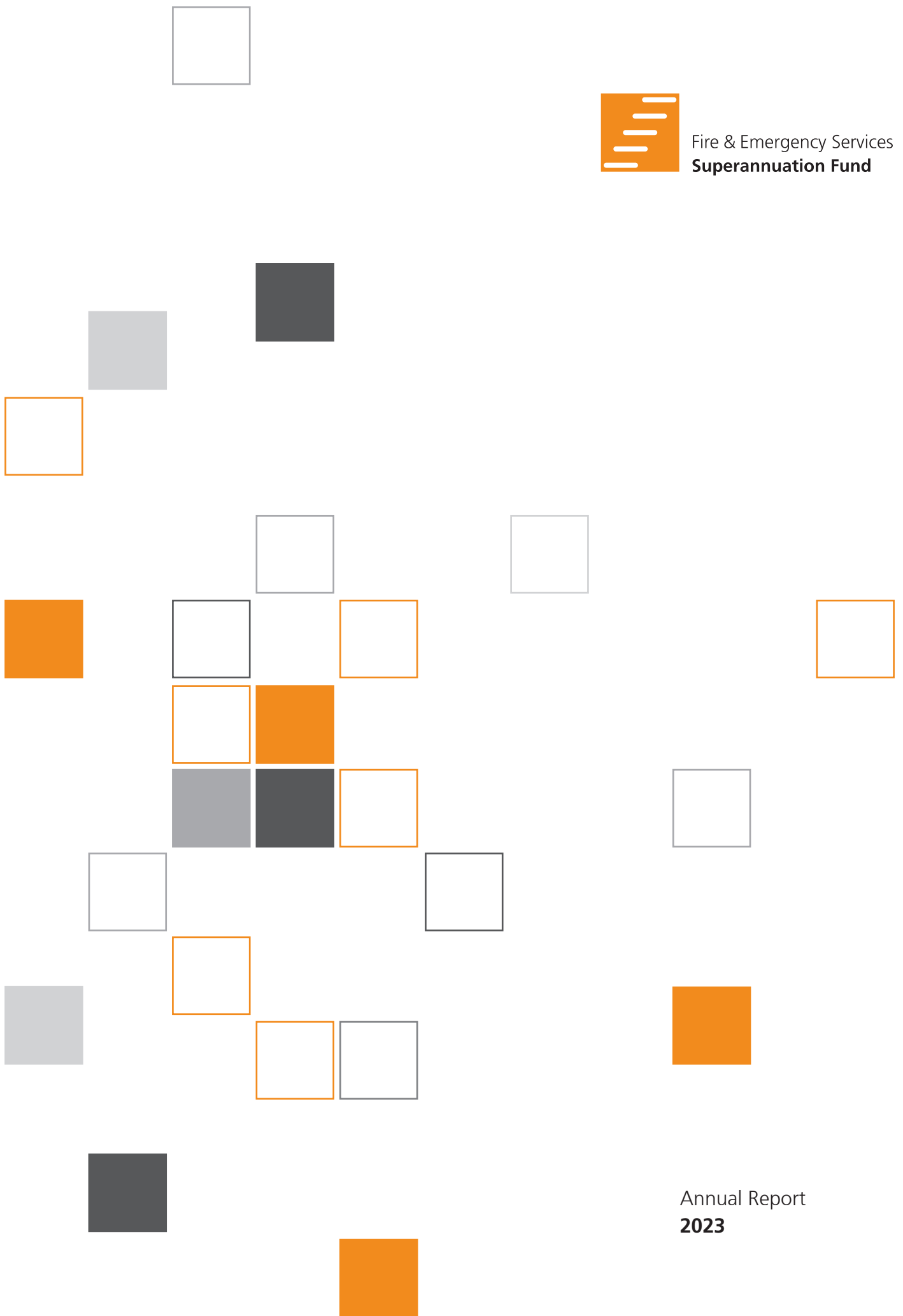




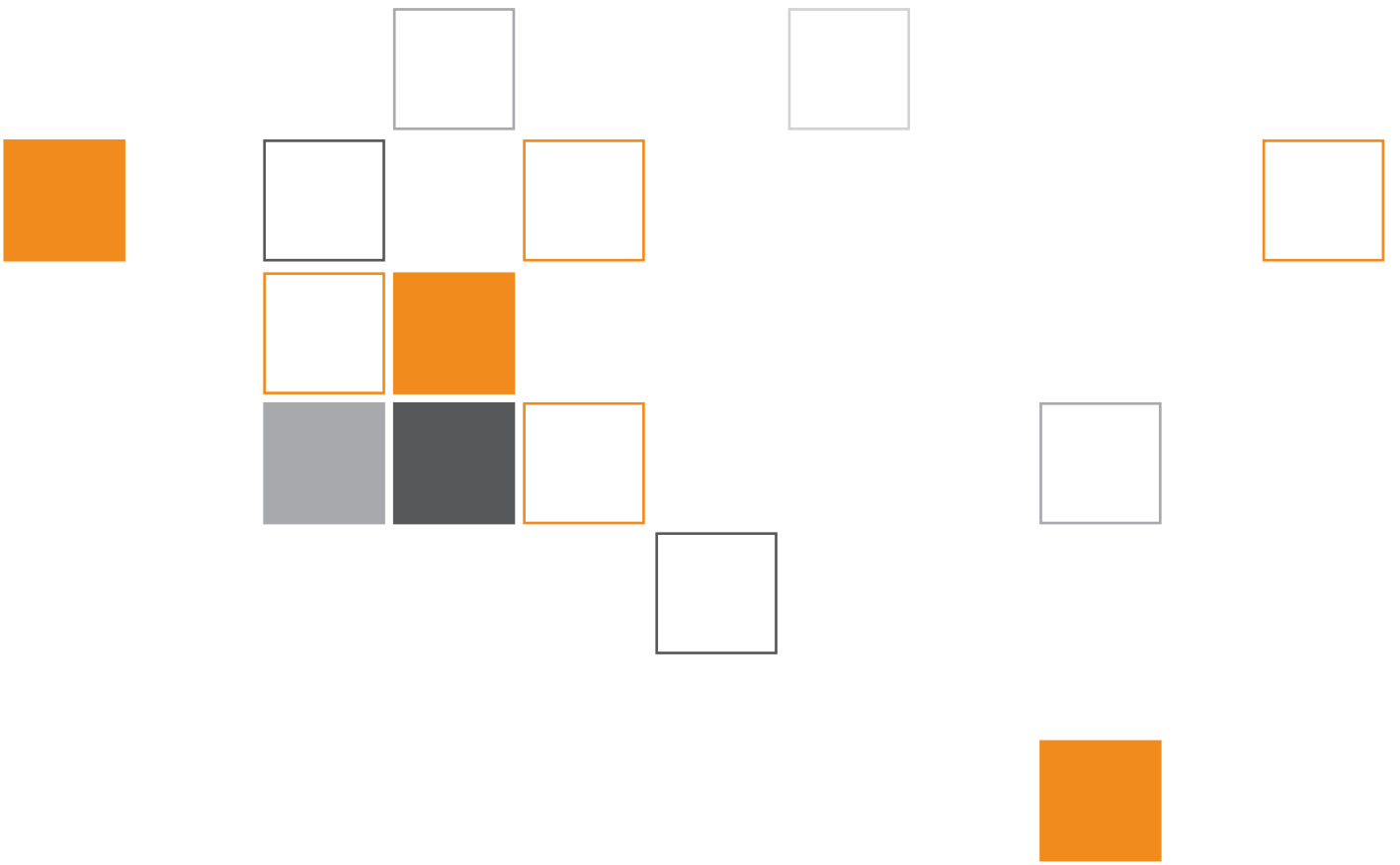
Fire & Emergency Services
Superannuation Fund



Annual Report
2023

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Statement of Compliance

The Honourable Rita Saffioti MLA

Deputy Premier; Treasurer; Minister for Transport; Tourism

In accordance with section 61 of the *Financial Management Act 2006 (FMA)*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Fire and Emergency Services Superannuation Board for the financial year ended 30 June 2023.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and the *Fire and Emergency Services Superannuation Act 1985*.



Boyd Winton

Board Member

18 September 2023



Karen Lamont

Board Member

18 September 2023

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Chair's Report

On behalf of the Board of Trustees of the Fire and Emergency Services Superannuation Fund, it is my pleasure to provide you with our report on the major activities and achievements of the Fund for the year ended 30 June 2023.

Performance and Investments

Market Summary

The financial year ending 30 June 2023 was marked by resilience in global markets despite numerous challenges. High inflation, rising interest rates and geopolitical tensions, including the ongoing conflict in Ukraine, created a volatile environment.

Nevertheless, global share markets delivered strong returns characterised by price gains in a relatively small group of companies. In US markets, just seven companies produced nearly all the gains over the six months to June 2023. This was driven by positive investor sentiment toward technology companies, fuelled by recent advances in artificial intelligence (AI) applications.

The Australian share market returned 14.4% over the year to 30 June 2023 and International shares returned 20.4%. Within International shares, US, Japanese and European share markets made strong gains. Chinese markets struggled, recording a negative return.

From a global perspective, the year was characterised by the highest inflation and fastest rate-hike cycle seen in developed countries for decades. Central banks around the world raised interest rates multiple times to curb inflation. Despite these measures, inflation remained high and economic growth started to slow.

Australia's economy mirrored global trends, with high inflation and rising interest rates posing challenges for investors. The Reserve Bank of Australia raised interest rates 12 times, from 0.1% to 4.1%, over the period May 2022 to June 2023. Despite this, unemployment remained at historical low levels and strong population growth contributed to positive economic growth.

Gross Index Benchmark Returns to 30 June 2023

Asset Class	3 months	6 months	1 year
Australian shares	0.99%	4.36%	14.40%
International shares (AUD)	6.83%	16.07%	20.38%
Australian Listed Property	3.40%	3.94%	8.10%
Australian Fixed Interest	-2.95%	1.51%	1.24%
Cash	0.90%	1.70%	2.89%
Australian Dollar (vs USD)	-0.31%	-2.19%	-3.46%

Membership and Assets

- Overall membership of the Fund increased from 2,506 to 2,535 members.
- During the year the Fund paid out \$57.1m (\$40.8m in 2022) in benefits.
- The Fund received \$47.6m (\$48.9m in 2022) in contributions during the year.
- The Fund's net assets increased from \$844m to \$903m.

Defined Benefit Fund

Each year the Board commissions an actuarial review of the defined benefit fund. I am pleased to report that the review conducted as at 30 June 2023 reported that "the financial position of the Fund was satisfactory", with the Vested Benefits Ratio being 134% (including Supplementary Disablement assets). The Funds target index is 120%.

Governance and Compliance

Audit reports from the Office of the Auditor General which examine the operational risk areas of the Fund reported no material matters of a high risk nature. Each year, the Board reviews the Fund's internal risk management policies and procedures. There were no significant matters raised as a result of the reviews in the past year.

Member Services

During the year the Board conducted a member survey in order to ascertain if members were satisfied with the products and services the fund was providing. The results of the survey indicated that 54% of all active members and 91% of pension and retained benefit members surveyed were satisfied with the service the fund was providing.

Once again, the results of the survey of active members appears to be influenced by a small group of members who have become unsatisfied with their membership of the defined benefit fund.

Board and Staff

Once again, the Fund's staff (led by Adrian Rutter, Fund Secretary) continue to provide an outstanding level of service to members. The Board would like to take this opportunity to thank all staff for their continued hard work in servicing member, Board and Fund requirements throughout the year.

During the year, Frank Sciarrone, Employer Representative, tenure as a Board Member expired. I would like to thank Frank for his stewardship of the Board and his collegiate approach to chairing meetings during a time of great change within the superannuation industry. I wish him all the best for the future.

Mr Greg Penney, Member Representative, resigned from the Board due to personal reasons. I would like to thank Greg for the contribution he made to the Board during his tenure and wish him all the best for the future.

As always, I would like to acknowledge the continuing strong contribution of my fellow Board members who give their time and expertise to ensure that your benefits are managed in a sound and compliant manner.

I commend the 2023 Annual Report of the Fire and Emergency Services Superannuation Board to all interested parties.



Boyd Winton
Chair

Executive Summary

Performance Highlights

- The Fund's Actuary has reported that the "financial position of the Fund was satisfactory", with the Vested Benefits Ratio being 134%. The Fund's target index is 120%.
- The Fire and Emergency Services Superannuation Board declared smoothed earning rates of 10.56% for accumulation accounts and 11.63% for pension accounts.
- Overall membership of the Fire and Emergency Services Superannuation Fund increased from 2,506 to 2,535 members.
- The average member balance increased from \$336,728 to \$356,298.
- During the 2022/23 financial year, the Fund paid out \$57.12m in benefits.
- The Fund received \$47.57m in contributions during the year, which was a decrease of 2.81% on the previous year predominantly due to a decrease in member voluntary contributions into the Fund.
- Due to positive investment market performance, the Fund's net assets increased from \$843.84m to \$903.21m.

Operational Structure

The Fire and Emergency Services Superannuation Board delivers services through the following divisions:

- Investments;
- Administration; and
- Risk and Compliance.

Responsible Minister

The Hon. Rita Saffioti MLA; Deputy Premier; Treasurer; Minister for Transport; Tourism.

Enabling Legislation

The Fire and Emergency Services Superannuation Board was established under section 4 of the *Fire and Emergency Services Superannuation Act 1985* and is subject to the provisions of *Financial Management Act 2006*.

Administered Legislation

The administration of the Fire and Emergency Services Superannuation Fund is established under the *Fire and Emergency Services Superannuation Act 1985* and *Fire and Emergency Services (Superannuation Fund) Regulations 1986*.

Other Key Legislation Impacting on the Fire and Emergency Services Superannuation Board

In the performance of its functions, the Fire and Emergency Services Superannuation Board complies with the following Western Australian legislation:

- Auditor General Act 2006
- Corporations (Western Australia) Act 1990
- Corruption and Crime Commission Act 2003
- Electoral Act 1907
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Fire and Emergency Services Superannuation Act 1985
- Freedom of Information Act 1992
- Industrial Relations Act 1979
- Interpretation Act 1984
- Minimum Conditions of Employment Act 1993
- Occupational Safety and Health Act 1984
- Public Sector Management Act 1994
- Stamp Act 1921
- State Records Act 2000
- State Supply Commission Act 1991
- Trustees Act 1962
- Workers' Compensation and Injury Management Act 1981

In the performance of its functions, the Fire and Emergency Services Superannuation Board also complies with the following Australian Federal legislation:

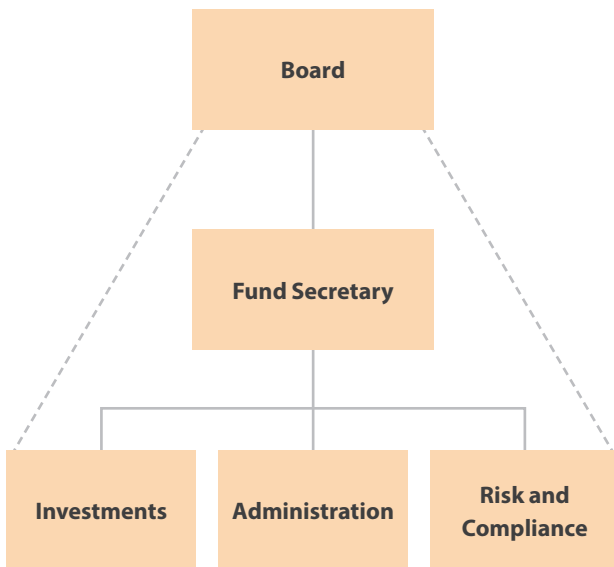
- Anti-Money Laundering and Counter-Terrorism Financing Act 2006
- Australian Prudential Regulation Authority Act 1998
- Corporations Act 2001
- Family Law Act 1975
- Financial Sector (Collection of Data) Act 2001
- Financial Services Reform Act 2001
- Income Tax Assessment Act 1936
- Privacy Act 1988
- Sex Discrimination Act 1984
- Superannuation Contributions Tax (Assessment and Collection) Act 1997
- Superannuation Guarantee (Administration) Act 1992
- Superannuation Guarantee Charge Act 1992
- Superannuation Industry (Supervision) Act 1993
- Superannuation (Resolution of Complaints) Act 1993

Organisational Structure

Vision

To help members achieve financial security in retirement.

Organisational Chart



The Board

The Fire and Emergency Services Superannuation Board (the Board) consists of six (6) Board Members: three (3) are appointed by the Department of Fire and Emergency Services Commissioner and three (3) are elected by members. The Board also has access to a maximum of three (3) Alternate appointed and three (3) Alternate elected members, to stand in for Board Members when required.

As a statutory authority, the Board has powers and functions under the *Fire and Emergency Services Superannuation Act 1985* and is accountable to the Minister. The Board has also made an irrevocable election for the Fund to be regulated under the *Superannuation Industry (Supervision) Act 1993* to qualify for concessional taxation treatment.

In the course of meeting its responsibilities, the Board must act honestly, fairly and diligently and in the best interests of members.

Board Profiles

MR BOYD WINTON (CHAIRMAN)

Mr Winton was appointed to the role of Board Member on 1 July 2020 and his current term expires on 30 June 2026.

Mr Winton is currently the Managing Director of Australis Solar and is a graduate of the Australian Institute of Company Directors. Mr Winton has a Bachelor of Economics and a Bachelor of Accounting and Finance.

MS KAREN LAMONT

Ms Lamont was first appointed to the Board on 18 October 2013 and her appointment is due to expire on 18 August 2025.

Ms Lamont is a Human Resources consultant and a member of the Australian Institute of Company Directors, the Australian Human Resources Institute and the Australian Institute of Superannuation Trustees.

MR RICHARD BURNELL

Mr Burnell was first appointed to the role of Alternate Board Member on 19 August 2018. Mr Burnell was subsequently appointed as a Board Member on 19 August 2022 and his current appointment expires on 18 August 2025. Mr Burnell was the Executive Director of Corporate Services with the Department of Fire and Emergency Services (retired from DFES on 30 September 2022).

MR MICHAEL BAILEY

Mr Bailey was elected to the Board on 19 August 2021 and his current appointment expires on 18 August 2024. Mr Bailey is a Senior Firefighter with the Department of Fire and Emergency Services.

MR KEVIN LANDWEHR

Mr Landwehr was first elected to the role of Alternate Board Member on 19 August 2020. Mr Landwehr was subsequently elected as a Board Member on 19 August 2021 and his current term expires on 18 August 2025. Mr Landwehr is a Station Officer with the Department of Fire and Emergency Services.

Alternate Board Member

MR TOM NOLAN

Mr Nolan was elected to the role of Alternate Board Member on 19 August 2021 and his current appointment expires on 18 August 2023. Mr Nolan is the Industrial Officer and Assistant Secretary with the United Professional Firefighters Union of Western Australia.

Compensation and Remuneration

Board Members are entitled to remuneration determined by the responsible Minister. Remuneration was paid to Board Members as shown in the following table. Superannuation calculated at 10.5% was paid in addition to the figures shown.

Position	Name	Date of appointment	2022/23 Remuneration
Chairperson	Boyd Winton	July 2020	\$20,031
Board Member	Michael Bailey *	August 2021	Nil
Board Member	Richard Burnell	August 2022	\$10,379
Board Member	Karen Lamont	October 2013	\$13,838
Board Member	Kevin Landwehr *	August 2021	Nil
Alternate Member	Tom Nolan	August 2021	\$6,919

**In accordance with government policy, Board Members who are public sector employees were not paid additional remuneration for sitting on the Board.*

Senior Officer

MR ADRIAN RUTTER

Mr Rutter joined the Management team in 1994 and was appointed Fund Secretary and Chief Finance Officer in May 2001. Mr Rutter is responsible for the day-to-day management of the Fund and reports directly to the Board.

Performance Management Framework

Outcome Based Management Framework

Outcome	Key Effectiveness Indicators	
Improved long-term financial security for members.	➔	1. Member satisfaction with services provided by the Board.
	➔	2. Investment performance against objectives: <ul style="list-style-type: none"> a. Performance of the Defined Benefit section against its investment objective. b. Performance of the Accumulation section options against each investment objective. c. Performance of the Pension section options against each investment objective.
Service	Key Efficiency Indicator	
Superannuation products and resources: The Board provides members with access to superannuation, retirement products and a range of information resources.	➔	1. Average administration cost per member account.
	➔	2. Investment Management Expense Ratio (investment management costs as a percentage of portfolio mean value invested).

Changes to Outcome Based Management Framework

The Board's outcome-based management framework did not change during 2022/23.

Shared Responsibilities with Other Agencies

The Board did not share any responsibilities with other Agencies in 2022/23.

Significant Issues Impacting the Board

Current and emerging issues

From 1 July 2023 the following changes will be made to the superannuation rules.

Increase in Super Guarantee percentage

From 1 July 2023, the percentage rate for the Super Guarantee (SG) increases from 10.5% to 11.0%. Employers are required to contribute additional money into their employees' super accounts in line with the higher SG percentage rate.

The SG rate will continue rising 0.5% each year until it reaches its final rate of 12% on 1 July 2025.

Increase to the transfer balance cap (TBC) from \$1.7 million to \$1.9 million

The limit on the total amount of super that you, as an individual, can transfer to a retirement income stream will increase by \$200,000, meaning you can now transfer up to \$1.9 million, up from \$1.7 million.

Increase to the low rate cap (taxed element) from \$230,000 to \$235,000

If you are between your preservation age and 60, retired, and want to access your super, from 1 July 2023 the amount of taxable super you can withdraw without paying tax will increase from \$230,000 to \$235,000.

Increase to Government co-contributions caps

Super co-contributions are Government contributions made automatically to the super funds of eligible low and middle-income earners to help boost their retirement savings.

From 1 July 2023, if you earn between \$43,445 (previously \$42,016) and \$58,445 (previously \$57,016) and pay extra into your super by making what is known as an after-tax contribution, then you may now be eligible to receive government contributions to your personal super fund.

Economic and social trends

There are no economic and social trends that are currently affecting the Board.

How the increased transfer balance cap may impact your total superannuation balance

Your total super balance is the total amount of super you have with all super funds (not just FES Super) as calculated by the ATO on 30 June each year, based on reports from your super fund(s). Non-concessional (or after-tax) contributions are the payments you can make into your super that come from money that has already had tax deducted, i.e. your take-home pay or savings outside of super.

If your total super balance is equal to or greater than the current transfer balance cap, your non-concessional contribution cap will be zero. This means you won't be able to make any after-tax contributions to super.

From 1 July 2023, the transfer balance cap increases to \$1.9 million. This means that if your total superannuation balance is less than \$1.9 million, you will be able to make non-concessional contributions. Doing so will result in an increase to the total super balance you can have when utilising bring-forward arrangements.

Bring-forward arrangements allow you to contribute three years' worth of non-concessional contributions in less than three years, provided you have completed any previous three-year arrangement. The bring-forward arrangements from 1 July 2023 are:

- If you have a total super balance of \$1.68 million or less, you can make non-concessional contributions of up to \$330,000 by bringing forward the caps over a three-year period.
- If you have a total super balance of more than \$1.68 million but less than \$1.79 million, you can contribute up to \$220,000 by bringing forward the caps over a two-year period.
- If you have a total super balance of more than \$1.79 million but less than \$1.9 million, you can contribute up to \$110,000 (no bring-forward period, as the general non-concessional contributions cap applies).
- But if you have \$1.9 million or more, you're no longer eligible to contribute non-concessional contributions or access the bring-forward rule.

Changes in written law

There were no material changes in any written law that affected the Board during the 2022/23 financial year.

Likely developments

The *Fire and Emergency Services Superannuation Act 1985* and *Fire and Emergency Services (Superannuation Fund) Regulations 1986* are currently under review.

Certification of Financial Statements

The accompanying financial statements of the Fire and Emergency Services Superannuation Board (the Fund) have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records, to present fairly the financial transactions for the financial year ended 30 June 2023, and the financial position as at 30 June 2023.

At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Adrian Rutter

Fund Secretary/Chief Finance Officer
18 September 2023



Boyd Winton

Board Member
18 September 2023



Karen Lamont

Board Member
18 September 2023



Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

Fire and Emergency Services Superannuation Fund

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Fire and Emergency Services Superannuation Fund (the Fund) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Income Statement, Statement of Changes in Member Benefits, Statement of Changes in Reserves and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Fire and Emergency Services Superannuation Fund for the year ended 30 June 2023 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Trustee for the financial statements

The Trustee is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Fund.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Fire and Emergency Services Superannuation Fund. The controls exercised by the Trustee are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Fire and Emergency Services Superannuation Fund are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with the State's financial reporting framework during the year ended 30 June 2023.

The Trustee's responsibilities

The Trustee is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagement ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Fire and Emergency Services Superannuation Fund for the year ended 30 June 2023. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Fire and Emergency Services Superannuation Fund are relevant and appropriate to assist users to assess the Fund's performance and fairly represent indicated performance for the year ended 30 June 2023.

The Trustee's responsibilities for the key performance indicators

The Trustee is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Trustee determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Trustee is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instructions 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Trustee is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

The auditor's report relates to the financial statements and key performance indicators of the Fire and Emergency Services Superannuation Fund for the year ended 30 June 2023 included in the annual report on the Fund's website. The Fund's management is responsible for the integrity of the Fund's website. This audit does not provide assurance on the integrity of the Fund's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate for the Auditor General of Western Australia
Perth, Western Australia
20 September 2023

Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023	2022
		\$'000	\$'000
ASSETS			
Cash and cash equivalents	22(b)	24,846	37,741
Trade and other receivables	16	11,438	20,021
Financial investments	5	789,402	722,741
Other investments	6	76,130	56,465
Investment properties	7	8,040	7,500
Land and buildings	8	1,825	1,780
Plant and equipment		87	82
Deferred tax assets	15(e)	83	394
TOTAL ASSETS		911,851	846,724
LIABILITIES			
Payables	17	407	565
Current tax liabilities	15(d)	3,603	2,154
Provisions	18	206	166
Deferred tax liabilities	15(e)	3,781	-
TOTAL LIABILITIES EXCLUDING MEMBER BENEFITS		7,997	2,885
NET ASSETS AVAILABLE FOR MEMBER BENEFITS		903,854	843,839
MEMBER BENEFITS			
Defined contribution member liabilities	12	436,472	395,276
Defined benefit member liabilities	10	364,015	359,537
TOTAL MEMBER BENEFITS		800,488	754,813
NET ASSETS		103,366	89,026
RESERVES			
Operational risk financial reserve	13	2,681	2,596
SDB reserve	13	41,116	36,955
Defined benefits that are over/(under) funded		59,569	49,475
TOTAL RESERVES		103,366	89,026

This Statement should be read in conjunction with the accompanying notes.

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		\$'000	\$'000
SUPERANNUATION ACTIVITIES REVENUE			
Interest revenue		4,330	1,363
Distributions from unit trusts		43,777	56,337
Net remeasurement changes in fair value		36,329	(75,280)
Net rentals from directly held property	19	264	245
Other income		1,333	1,238
TOTAL SUPERANNUATION ACTIVITIES REVENUE		86,033	(16,097)
EXPENSES			
Investment expenses		593	632
Administration expenses		3,361	3,429
Other operating expenses	20	388	297
TOTAL EXPENSES		4,342	4,358
RESULTS FROM SUPERANNUATION ACTIVITIES BEFORE INCOME TAX EXPENSE			
		81,691	(20,455)
Income tax expense/(benefit)	15(a)(b)	(6,902)	(3,499)
RESULTS FROM SUPERANNUATION ACTIVITIES AFTER INCOME TAX			
		74,789	(16,956)
Net change in defined benefit member liabilities		(16,147)	3,747
Net benefits allocated to defined contribution member accounts		(44,302)	15,614
TOTAL ALLOCATION TO MEMBER BENEFITS		(60,449)	19,361
NET RESULT AFTER INCOME TAX		14,340	2,405

This Statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Defined Contribution Members	Defined Benefit Members	Total
		\$'000	\$'000	\$'000
YEAR ENDED 30 JUNE 2023				
Opening balance at 1 July 2022		395,276	359,537	754,813
CONTRIBUTION REVENUE				
Employer contributions		5,643	28,905	34,548
Member contributions		6,568	177	6,745
Spouse contributions		13	-	13
Government co-contributions		14	-	14
Transfers from other superannuation entities		6,252	-	6,252
Transfers from defined benefit to defined contribution		34,131	(34,131)	-
Total contributions		52,621	(5,049)	47,572
Income tax on contributions	15(c)	(846)	(4,336)	(5,182)
Net after tax contributions		51,775	(9,385)	42,390
BENEFITS PAID				
Transfers to other superannuation entities		(17,346)	-	(17,346)
Cash benefit payments		(21,394)	-	(21,394)
Pension payments		(18,377)	-	(18,377)
Net benefits paid		(57,117)	-	(57,117)
INSURANCE				
Insurance premiums charged to member accounts		(8)	(13)	(21)
Income tax benefit on insurance premiums	15(c)	1	2	3
Insurance premiums charged to defined benefit calculation		-	(2,674)	(2,674)
Income tax benefit on insurance premiums credited to defined benefit calculation	15(c)	-	401	401
Death and disability benefits credited to members accounts		2,243	-	2,243
Net Insurance (cost)/benefit		2,236	(2,284)	(48)
INCOME AND EXPENSES				
Reserve transfers to/(from) members:				
Investment reserves		-	-	-
Net benefits allocated to members' accounts comprising:				
Net investment income		44,302	-	44,302
Net change in defined benefit member benefits		-	16,147	16,147
Net income/(expenses)		44,302	16,147	60,449
Closing Balance at 30 June 2023	10,12	436,472	364,015	800,488

This Statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Defined Contribution Members \$'000	Defined Benefit Members \$'000	Total \$'000
YEAR ENDED 30 JUNE 2022				
Opening balance at 1 July 2021		393,517	363,457	756,974
CONTRIBUTION REVENUE				
Employer contributions		5,261	29,699	34,960
Member contributions		8,233	206	8,439
Spouse contributions		237	-	237
Government co-contributions		6	-	6
Transfers from other superannuation entities		5,306	-	5,306
Transfers from defined benefit to defined contribution		37,249	(37,249)	-
Total contributions		56,292	(7,344)	48,948
Income tax on contributions	15(c)	(852)	(4,455)	(5,307)
Net after tax contributions		55,440	(11,799)	43,641
BENEFITS PAID				
Transfers to other superannuation entities		(14,475)	-	(14,475)
Cash benefit payments		(14,876)	-	(14,876)
Pension payments		(11,422)	-	(11,422)
Net benefits paid		(40,773)	-	(40,773)
INSURANCE				
Insurance premiums charged to member accounts		(2)	(20)	(22)
Income tax benefit on insurance premiums	15(c)	-	3	3
Insurance premiums charged to defined benefit calculation		-	(2,691)	(2,691)
Income tax benefit on insurance premiums credited to defined benefit calculation	15(c)	-	404	404
Death and disability benefits credited to members accounts		2,708	-	2,708
Net Insurance (cost)/benefit		2,706	(2,304)	402
INCOME AND EXPENSES				
Reserve transfers to/(from) members:				
Investment reserves		-	13,930	13,930
Net benefits allocated to members' accounts comprising:				
Net investment income		(15,614)	-	(15,614)
Net change in defined benefit member benefits		-	(3,747)	(3,747)
Net income/(expenses)		(15,614)	10,183	(5,431)
Closing Balance at 30 June 2022	10,12	395,276	359,537	754,813

This Statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30 JUNE 2023

	Operational Risk Financial Reserve	Supplementary Disability benefits over/ (under) funded	Smoothed Option Investment Fluctuation Reserve	Defined Benefit Investment Reserve	Defined Benefit over/(under) funded	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
YEAR ENDED 30 JUNE 2023						
Opening balance as at 1 July 2022	2,596	36,955	-	-	49,475	89,026
Amount allocated from defined contribution members	-	-	-	-	-	-
Amount allocated from/(to) defined benefit members	-	-	-	-	-	-
Net result	85	4,161	-	-	10,094	14,340
Closing balance as at 30 June 2023	2,681	41,116	-	-	59,569	103,366
YEAR ENDED 30 JUNE 2022						
Opening balance as at 1 July 2021	2,339	35,916	-	-	62,296	100,551
Amount allocated from defined contribution members	-	-	-	-	-	-
Amount allocated from/(to) defined benefit members	-	-	-	-	(13,930)	(13,930)
Net result	257	1,039	-	-	1,109	2,405
Closing balance as at 30 June 2022	2,596	36,955	-	-	49,475	89,026

This Statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023	2022
		\$'000	\$'000
Cash flows from operating activities			
Interest received		3,744	1,249
Unit trust distributions		18,484	25,191
Rental income		713	589
Rental property expenses		(403)	(303)
Fee rebates and other income		16	38
Investment expenses		(162)	(156)
Administration expenses		(3,921)	(3,478)
Income tax paid		(199)	(2,675)
Net cash inflows from operating activities	22(a)	18,272	20,455
Cash flows from investing activities			
Proceeds from sale of investments		173,178	178,662
Payments for purchase of investments		(188,386)	(189,659)
Purchase of plant and equipment		(23)	(20)
Net cash inflows from investing activities		(15,231)	(11,017)
Cash flows from member activities			
Employer contributions		34,548	34,960
Member contributions		6,745	8,439
Spouse contributions		13	237
Government co-contributions		14	6
Transfers from other superannuation funds		6,252	5,306
Transfers to other superannuation funds		(17,346)	(14,475)
Cash benefit payments		(21,394)	(14,876)
Pension payments		(18,377)	(11,422)
Insurance recoveries		2,243	2,708
Insurance premiums outwards		(2,695)	(2,713)
Tax paid on contributions		(5,939)	(7,446)
Net cash inflows from member activities		(15,936)	724
Net increase in cash and cash equivalents		(12,895)	10,162
Cash and cash equivalents at beginning of year		37,741	27,579
Cash and cash equivalents at end of the financial year	22(b)	24,846	37,741

This Statement should be read in conjunction with the accompanying notes.

Notes of the Financial Statements

1. REPORTING ENTITY

The Fire and Emergency Services Superannuation Fund ("The Fund") is a hybrid fund providing defined benefits as well as defined contribution benefits. The objective of the Board is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. The Fund is domiciled in Australia. The registered office of the Fire and Emergency Services Superannuation Fund is:

242 Rokeby Road
Subiaco WA 6008

The Fund was established under the Fire and Emergency Services Superannuation Act 1985 as amended. The Fund primarily is involved in providing retirement benefits to its members.

The Trustee of the Fund is the Fire and Emergency Services Superannuation Board (RSE No L0001700).

The financial statements were approved by the Fire and Emergency Services Superannuation Board on 18 September 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless covered in other notes to the financial statements, the principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(A) BASIS OF PREPARATION

The Fire and Emergency Services Superannuation Fund is a not-for-profit reporting entity. The financial statements constitute general purpose statements which have been prepared in accordance with Australian Accounting Standards including AASB 1056 *Superannuation Entities*, other applicable Accounting Standards, as applied by the Treasurer's Instructions (TI) and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations ("SIS").

The *Financial Management Act 2006* and the TI are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect, are disclosed in the notes to these financial statements.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

(B) NEW AND AMENDED STANDARDS ADOPTED DURING THE YEAR

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior or current periods or that will affect future periods.

(C) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Fund. None of these are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(D) INVESTMENTS

Investments of the Fund are initially recognised at cost, representing fair value. After initial recognition, investments are measured at fair value through the income statement.

Fair Values have been determined as follows:

Interest bearing investments

Interest bearing investments are carried at face value which materially represents fair value. Interest accrued on these investments is included as a receivable at balance date in accordance with Note 2(j).

Non-market quoted investments

Investments for which market quotations are not readily available are valued at fair value determined by the Fund with reference to recent arm's length transactions, current market value of another instrument substantially the same or discounted cash flows.

Shares in unlisted companies

The fair value is determined on the basis of cost for those investments purchased within the current financial year subject to no significant transactions occurring which will impact the fair value. In subsequent periods, the fair value is determined by reference to fair value of the underlying investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Preference shares in unlisted companies

The fair value of preference shares acquired in the year is determined as cost of the investment plus accrued dividends which the Fund has determined to approximate fair value, in subsequent periods, a fair value model is applied to determine the fair value.

Mortgage loan to unlisted companies

In the year the loan is advanced, the fair value is based on the face value of the loan together with accrued interest which is considered to materially approximate fair value, in subsequent periods, a fair value model is applied to determine the fair value.

Market quoted investments

The fair value of securities in listed entities for which there is a readily available market quotation is determined as the last quoted sale price at the close of business on reporting date.

Units in unlisted unit trusts

The fair value is based on the redemption price or the net asset value at reporting date quoted by the investment managers which are based on the fair value of the underlying investments. Unit values denominated in foreign currency are translated to Australian dollars at the current exchange rates.

Mortgages

Mortgage investments with a term period of 12 months or less are recognised at cost and accrued interest which is considered to approximate fair value. A fair valuation model is applied for investments with a term period greater than 12 months.

Investment properties

Investment properties comprise investment interests in land and buildings (including integral plant and equipment). Investment properties are initially recorded at cost of acquisition at the date of acquisition.

The carrying amount of an investment property is the fair value of the property which is determined using the capitalisation of net rental income and the discounted cash flow methods and also having regard to recent market transactions for similar properties in the same location as the Fund's investment property. Generally, the fair value is determined by a registered independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

Direct operating expenses arising from investment properties are included in net rentals from directly held property.

(E) FINANCIAL INSTRUMENTS

(a) Classification

The Fund's financial assets which include investments in fixed interest securities, securities in listed entities, units in unlisted unit trusts, mortgage investments, shares in unlisted corporations and preference shares in unlisted corporations are classified as at fair value through profit or loss.

These investments are managed and their performance is evaluated on a fair value basis in accordance with the Fund's investment strategy.

Financial liabilities, which include payables and provisions, are valued as at fair value through profit or loss.

(b) Recognition

The Fund recognises financial assets and financial liabilities on the date the Fund becomes a party to the contractual provisions of the instrument. Financial assets are recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or liabilities are recorded in the Income Statement.

(c) Measurement

Financial instruments are initially measured at cost, being the fair value of the consideration given. Subsequent to initial recognition all financial instruments are valued at fair value.

(d) Derecognition of Financial Assets and Liabilities

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Fund transfers substantially all the risks and rewards of ownership of the asset. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(F) CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits.

Cash equivalents are short term, highly liquid investments that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(G) REVENUE RECOGNITION AND MEASUREMENT

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Net remeasurement changes in fair value

Changes in fair value of investments are recognised as revenue and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value at the prior year end or cost (if the investment was acquired during the year).

Interest revenue

Interest revenue is recognised in the income statement as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest revenue includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. If interest is not received at reporting date it is reflected in the Statement of Financial Position as a receivable.

Distributions from unit trusts

Distributions from units in unit trusts are recognised on the date the unit value is quoted ex-distribution and the Fund is entitled to receive the distribution. If not received at reporting date, the distribution receivable is reflected in the Statement of Financial Position as a receivable at fair value.

Rent

Rental revenue from investment property is recognised on an accrual basis over the term of the lease and if not received at reporting date is reflected in the Statement of Financial Position as a receivable at fair value. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(H) FOREIGN CURRENCY

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences are recognised in the income statement.

(I) INCOME TAX

The Fund is a complying superannuation fund within the provisions of the Income Tax Assessment Act and accordingly the concessional tax rate of 15% has been applied.

Current tax

Current tax is the expected tax payable on the estimated table income for the current year based on the applicable tax rate adjusted for instalment payments made to the ATO during the year and by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(J) RECEIVABLES AND PAYABLES

Receivables and payables are carried at nominal amounts accrued or due at reporting date, which approximate fair value.

Accrued interest represents accrued interest revenue from interest bearing investments, government securities, other fixed interest securities, money market securities and derivatives.

(K) LAND & BUILDINGS

Land and Buildings are initially recorded at cost of acquisition at the date of acquisition.

The carrying amount of the land and buildings is the fair value of the property which is determined using the direct comparison approach having regard to recent market transactions for similar properties in the same location as the Fund's investment property. The fair value is determined by a registered independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(L) FINANCIAL LIABILITIES

The Fund recognises financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Payables are payable on demand or over short time frames of less than 60 days.

The Fund recognises financial liabilities at fair value as at reporting date with any change in fair values since the beginning of the reporting period included in the income statement.

(M) CONTRIBUTIONS REVENUE AND TRANSFERS FROM OTHER FUNDS

Contributions revenue and transfers from other funds are recognised in the Statement of Changes in Member Benefits when control and benefits have transferred to the Fund and are recorded gross of any tax.

(N) BENEFITS

Benefits paid are recognised in the Statement of Changes in Member Benefits when the Fund has received a valid withdrawal notice from the member and it has been approved by the Fund in accordance with the Fund's regulations.

(O) USE OF ESTIMATES AND JUDGEMENTS

In the application of Accounting Standards, management is required to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period only, or in the period and future periods if the revision affects both current and future periods.

There are no significant critical accounting estimates, assumptions and judgements contained in these financial statements other than those used to determine the liability for accrued benefits as detailed in Note 10 and the fair value of financial instruments (Notes 3, 4 and 6) investment properties (Note 7) and land and buildings (Note 8).

(P) FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Australian dollars, which is the functional currency of the Fund.

(Q) ROUNDING OF AMOUNTS

Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

(R) COMPARATIVES

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year information and other disclosures.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Estimation

Fair value reflects the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted prices are used to determine fair value where an active market exists. If the market for a financial asset or liability is not active, fair values are estimated using discounted cash flow or other valuation techniques, using inputs based on market conditions prevailing on the measurement date.

The Fund's financial assets and liabilities are carried at fair value. The major methods and assumptions used in determining the fair value of financial instruments is disclosed in Note 2(d).

The table below shows financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: valuation technique for which the lowest level input that is significant to the fair value measurement is not observable.

	Level 1	Level 2	Level 3	Total
30 June 2023	\$'000	\$'000	\$'000	\$'000
Financial and other assets at fair value through profit or loss				
<i>(i) Listed and unlisted securities</i>				
- Securities in listed entities	2,580	-	-	2,580
- Units in unlisted unit trusts	-	729,050	-	729,050
- Shares in unlisted companies	-	-	37,098	37,098
<i>(ii) Interest bearing securities</i>				
- Deposits	22,174	-	-	22,174
- Fixed interest securities	-	35,598	-	35,598
- Loans	-	-	39,032	39,032
	24,754	764,648	76,130	865,532

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

	Mortgages	Shares in Unlisted Companies	Total
30 June 2023	\$'000	\$'000	\$'000
Opening Balance	44,327	12,138	56,465
Total gains and losses in profit or loss	2,690	(1,578)	1,112
Transfers in	-	-	-
Purchases	3,061	26,538	29,599
Repayments	(11,046)	-	(11,046)
Closing Balance	39,032	37,098	76,130

Gains or losses included in the Income Statement are presented in net remeasurement changes in fair value as follows:

30 June 2023	\$'000
Total gains/(losses) included in income statement for the period	1,112
Total gains/(losses) included in income statement for the period for assets held at the end of the reporting period	1,112

The table below sets out information about significant unobservable inputs used at 30 June 2023 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type	Level 3 \$'000	Valuation approach	Key unobservable input	Inter-relationship between key unobservable inputs and fair value measurement
Mortgages	39,032	Discounted cash flow methodology	Discount rate	Higher the discount rate, lower the valuation
Ordinary Shares in Unlisted Companies	3,761	Waterfall calculation based on the fair value of the net assets of the unlisted entity less the fair value allocated to the mortgage loan and preference shares.	Status of the development of the underlying property	N/A
Preference Shares in Unlisted Companies	8,337	Discounted cash flow methodology	Discount rate	Higher the discount rate, lower the valuation
Shares in Unlisted Companies	25,000	Valued at purchase price as purchased at year end in accordance with Fund's investment policy	Cost	N/A
	76,130			

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Level 1	Level 2	Level 3	Total
30 June 2022	\$'000	\$'000	\$'000	\$'000
Financial and other assets at fair value through profit or loss				
<i>(i) Listed and unlisted securities</i>				
- Securities in listed entities	2,550	-	-	2,550
- Units in unlisted unit trusts	-	663,712	-	663,712
- Shares in unlisted companies	-	-	12,138	12,138
<i>(ii) Interest bearing securities</i>				
- Deposits	21,888	-	-	21,888
- Fixed interest securities	-	34,591	-	34,591
- Loans	-	-	44,327	44,327
	24,438	698,303	56,465	779,206

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

	Mortgages	Shares in Unlisted Companies	Total
30 June 2022	\$'000	\$'000	\$'000
Opening Balance	35,854	10,571	46,425
Total gains and losses in profit or loss	2,873	1,567	4,440
Transfers in	-	-	-
Purchases	5,600	-	5,600
Sales	-	-	-
Closing Balance	44,327	12,138	56,465

Gains or losses included in the Income Statement are presented in net remeasurement changes in fair value as follows:

30 June 2022	\$'000
Total gains/(losses) included in income statement for the period	4,440
Total gains/(losses) included in income statement for the period for assets held at the end of the reporting period	4,440

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The table below sets out information about significant unobservable inputs used at 30 June 2022 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type	Level 3 \$'000	Valuation approach	Key unobservable input	Inter-relationship between key unobservable inputs and fair value measurement
Mortgages	44,327	Discounted cash flow methodology	Discount rate	Higher the discount rate, lower the valuation
Ordinary Shares in Unlisted Companies	4,827	Waterfall calculation based on the fair value of the net assets of the unlisted entity less the fair value allocated to the mortgage loan and preference shares.	Status of the development of the underlying property	N/A
Preference Shares in Unlisted Companies	7,311	Discounted cash flow methodology	Discount rate	Higher the discount rate, lower the valuation
	56,465			

4. FINANCIAL RISK MANAGEMENT

The Fund's assets principally consist of financial instruments which comprise units in unlisted trusts, interest bearing investments, fixed interest securities, securities in listed entities, mortgage securities and investment in joint venture. It holds these investment assets in accordance with the Board's investment governance policy.

The allocation of assets between the various types of financial instruments is determined by the Board who manages the Fund's portfolio of assets to achieve the Fund's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Fund on at least a quarterly basis.

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

- market risk
- credit risk
- liquidity risk

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

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

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

In managing and monitoring the risks the Board investment strategy is considered at three levels.

On a quarterly basis the Fund's Asset Consultant reports to the Board on each investment manager and related fund performance compared to the various indices and performance targets agreed to with the managers.

4. FINANCIAL RISK MANAGEMENT (continued)

On a quarterly basis, in conjunction with the Fund's Asset Consultant, the performance of each of the Fund's investment options is reviewed against its investment objectives. This review includes review of performance of each investment option over the short and long term against relevant benchmarks, recommendations of changes to strategy, notable investment manager developments, and check of compliance against policy.

The Board appoints the Asset Consultant to complete independent reviews of the Fund's investments when it considers it necessary.

Every three years the total investment strategy and the performance of all investment managers are formally reviewed by the Board.

The Board oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

FAIR VALUE ESTIMATION

The assets and liabilities of the Fund are recognised at fair value as at reporting date. Changes in fair value are recognised through the Income Statement.

MARKET RISK

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

CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund invests in Australian domiciled investments where the underlying investments may include overseas equities. These investments are all denominated in Australian dollars. The investment managers are charged with recognising changes in market conditions and adjusting their investment strategies in accordance with market conditions.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest-bearing financial assets and interest bearing financial liabilities mature or re-price due to market changes. As a result, the Fund is subject to exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents of the Fund are invested in cash management trusts. Investments in debt securities are fixed rate instruments with various terms to maturity. The Fund also invests in Australian domiciled unit trusts where the underlying investments are in fixed interest securities. The investment managers are charged with recognising changes in market conditions and adjusting their investment strategies in accordance with market conditions. The Fund has adopted an investment strategy that includes diversification across investments, markets and geographic regions.

At the reporting date, the interest rate profile of the Fund's interest-bearing financial instruments was:

	Fair Value	Fair Value
	2023	2022
	\$'000	\$'000
Interest bearing financial instruments		
Cash and Term deposits	47,020	59,629
Fixed interest securities	35,598	34,591
Mortgages	39,032	44,327
	121,650	138,547

4. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis

The Fund accounts for fixed interest securities at fair value as determined by the investment manager through the Income Statement.

The investment manager advised that the fair value of the fixed interest securities owned by the Fund are not significantly affected by movements in interest rates as they are "floating rate notes" whose coupon is re-set every three months in line with prevailing market interest rates. Their value is determined primarily by the credit margins of the underlying securities together with other market factors such as liquidity. Should there be a positive or negative movement in interest rates for the interest bearing financial instruments by

75 basis points the net result after tax and net assets available for member benefits would have increased/decreased by \$775,513 (2022: \$883,239).

OTHER PRICE RISK

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

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

Sensitivity analysis

The Board has determined that the standard deviation of the rate of return for each asset class will provide a reasonably possible change in the prices of the investments that comprise each asset class. The five year average standard deviation of rates of return for each asset class has been determined by the Fund based on the relevant indices' for that investment option. The following table illustrates the effect on net result after tax and net assets available for member benefits from possible changes in market price risk.

30 June 2023 Investment	5 Year Standard Deviation	Net result after tax	Net assets available for member benefits
		\$'000	\$'000
Interest bearing investments	0.30%	±67	±67
Fixed interest securities	1.70%	±605	±605
Securities in listed entities	1.70%	±44	±44
Units in unlisted unit trusts	16.40%	±63,539	±63,539
Mortgages	10.10%	±2,067	±2,067
Shares in unlisted companies	5.30%	±1,966	±1,966
Investment properties	6.40%	±515	±515
Land and buildings	6.40%	±117	±117
Total		±68,920	±68,920

4. FINANCIAL RISK MANAGEMENT (continued)

30 June 2022 Investment	5 Year Standard Deviation	Net result after tax	Net assets available for member benefits
		\$'000	\$'000
Interest bearing investments	0.20%	±44	±44
Fixed interest securities	3.50%	±1,211	±1,211
Securities in listed entities	3.50%	±89	±89
Units in unlisted unit trusts	8.51%	±56,576	±56,576
Mortgages	3.50%	±1,551	±1,551
Shares in unlisted companies	5.30%	±643	±643
Investment properties	6.40%	±480	±480
Land and buildings	6.40%	±114	±114
Total		±60,708	±60,708

A positive or negative rate of return equal to the standard deviations above would have an equal but opposite effect on the Fund's investment revenue, on the basis that all other variables remain constant.

Standard deviation is a useful historical measure of the variability of return earned by an investment portfolio. The standard deviations above provide a reasonable sensitivity variable to estimate each investment option's expected return in future years.

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

CREDIT RISK

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

The fair value of financial assets included in the Statement of Financial Position represents the Fund's maximum exposure to credit risk in relation to those assets. The Fund does not have any significant exposure to any individual counter party or industry. The credit risk is monitored by the Board by quarterly reporting from its investment manager.

Credit risk arising on investments is mitigated by investing primarily in rated instruments or instruments issued by rated counterparties of credit ratings of at least 'AA' or better as determined by Standard and Poor's. Credit risk associated with receivables is considered minimal.

The Fund does not have any significant credit risk exposure (i.e. greater than 10% of funds invested) to any single counterparty or any group of counterparties having similar characteristics. The table below shows the maximum exposure to credit risk at the reporting date. It is the opinion of the Board that the carrying amounts of these financial assets represent the maximum credit risk exposure at the reporting date. There were no significant concentrations of credit risk to counterparties.

4. FINANCIAL RISK MANAGEMENT (continued)

	2023	2022
	\$'000	\$'000
Cash and cash equivalents	24,846	37,741
Interest bearing investments	22,174	21,888
Fixed interest securities	35,598	34,591
Securities in listed entities	2,580	2,550
Units in unlisted unit trusts	729,050	663,711
Mortgages	39,032	44,327
Shares in unlisted companies	37,098	12,138
Distributions receivable	10,588	17,828
Other receivables	222	2,083
Accrued interest	626	108
	901,814	836,965

LIQUIDITY RISK

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

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

To manage liquidity risk the Board:

- manages, monitors and reports on its liquidity position at each Board meeting;
- conducts regular planning and budgeting exercises to monitor and control these risks;
- conducts annual planning and budgeting in advance to control cash flows and fees;
- provides regular reporting and monitoring of actual cash flows against budget cash flows; and
- conducts regular actuarial monitoring and reporting.

4. FINANCIAL RISK MANAGEMENT (continued)

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

30 June 2023	Less than 3 months	3 Months to 1 year	Total Contractual Cash Flows	Carrying Amount (Asset)/Liabilities
	\$'000	\$'000	\$'000	\$'000
Payables	407	-	407	407
Provisions	-	206	206	206
Current tax liabilities	2,863	740	3,603	3,603
Vested benefits	782,527	-	782,527	782,527
Total	785,797	946	786,743	786,743

30 June 2022	Less than 3 months	3 Months to 1 year	Total Contractual Cash Flows	Carrying Amount (Asset)/Liabilities
	\$'000	\$'000	\$'000	\$'000
Payables	565	-	565	565
Provisions	-	166	166	166
Current tax liabilities	3,930	(1,776)	2,154	2,154
Vested benefits	745,821	-	745,821	745,821
Total	750,316	(1,610)	748,706	748,706

Vested benefits have been included in the less than 3 months column, as this is the amount that members could call upon as at year-end. This is the earliest date on which the Fund can be required to pay members' vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

5. FINANCIAL INVESTMENTS

	2023	2022
	\$'000	\$'000
Interest bearing investments	22,174	21,888
Fixed interest securities	35,598	34,591
Securities in listed entities	2,580	2,550
Units in unlisted unit trusts	729,050	663,712
	789,402	722,741

6. OTHER INVESTMENTS

	2023	2022
	\$'000	\$'000
Fresh Fields Projects (WA) No 1		
Class A Ordinary Shares	3,761	4,827
Class B Shares	4,901	4,290
Class D Redeemable Preference Shares	3,436	3,021
	12,098	12,138
Mortgage loan	8,742	8,752
Total Fresh Fields Projects (WA) No 1	20,840	20,890
Cottesloe Living Health & Aged Care Pty Ltd		
Ordinary Shares	12,000	-
Class A Redeemable Preference Shares	13,000	-
	25,000	-
Karingal Green Aged and Community Care (WA) Pty Ltd		
Mortgage loan	3,936	14,897
Kogarah Health Aged and Community Care (NSW) Pty Ltd		
Mortgage loan – A	15,896	13,626
Mortgage loan – B	5,087	4,413
	20,983	18,039
Kings Square Master Trust		
KS Loan Notes	5,371	2,639
Total	76,130	56,465

6. OTHER INVESTMENTS (continued)

Fresh Fields Projects (WA) No 1 Pty Ltd

Fresh Fields Projects (WA) No 1 Pty Ltd (Fresh Fields) is a Joint Venture entity incorporated in March 2018 to acquire land to develop and operate a new residential aged care facility in WA. The Joint Venture entity also acquired and will operate the Freshwater Bay Nursing Home with the intention of transferring the residents, staff and 46 licences to the new aged care facility when it is completed.

The Fund has a 50% interest in the ordinary share capital of Fresh Fields Projects (WA) No 1 Pty Ltd. The Fund also holds Class B and D redeemable preference shares and has advanced a secured loan facility of \$8.8 million (2022: \$8.8 million), with a drawn balance of \$8.8 million (2022: \$8.8 million) as at reporting date.

The Fund has determined that Fresh Fields is an investment entity under Australian Accounting Standards as it meets the following criteria:

1. the Fund obtains funds from members for the purpose of providing those members with investment management services; and
2. the Fund commits to its members that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and the Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

As a consequence, the Fund has elected under paragraph 18 of AASB 128 Investments in Associates and Joint Ventures to report its investments in Fresh Fields at fair value, with fair value being determined on the basis of each of the instruments held in the joint venture. The fair value for each of the instruments has been determined as follows.

The Board has engaged Grant Thornton, an independent expert not related to the Fund, to provide a fair value estimation of the investment with each of the components valued as follows.

Ordinary shares in Fresh Fields

The fair value of the shares is based on the fair value of the net assets of the JV Entity less the allocation to the Class D and B Preference shares. The net assets of Fresh Fields are based on the fair value of the assets held in Fresh Fields as at 30 June 2023. The fair value of certain of these assets has been determined by reference to an independent valuation.

Preference shares in Fresh Fields

The fair value has been determined using the discounted cash flow method. Each of the payments under the terms of the preference shares was discounted to the valuation date using a discount rate of 15.0% - 16.0% (2022: 14.5% - 15.5%) for B Class shares and 14.5% - 15.5% (2022: 14.0% - 15.0%) for the D Class shares, the midpoint value was used for the valuation.

Mortgage loan to Fresh Fields

The fair value of the loan has been based on a discounted cash flow valuation which is considered to materially represent its fair value. A discount rate of between 5.5% - 6.5% (2022: 5.0% - 6.0%) was applied to the future cash flows for the mortgage loan.

Cottesloe Living Health & Aged Care Pty Ltd

The Fund entered into a joint venture ("JV") with Freshfields (WA) No 4 Pty Ltd in June 2023 to purchase a property in Cottesloe WA.

The Fund's investment in the JV comprises the following:

- 12,000,002 Ordinary Shares in Cottesloe Living Health & Aged Care Pty Ltd
- 13,000,000 Class A shares in Cottesloe Living Health & Aged Care Pty Ltd

The Class A Shares are redeemable preference shares, they rank in preference to ordinary equity, are entitled to a fixed return of 7.5% p.a. cumulative, capitalised annually in arrears and paid on redemption or otherwise as a coupon payment as the JV may elect. There is no maturity date and they can be redeemed at a time the board of the JV elects.

The investment was settled in June 2023 and as per the Board's valuation policy is carried at cost.

Karingal Green Aged and Community Care (WA) Pty Ltd – Mortgage Loan

The Fund has lent \$3,936,000 (2022: \$14,897,000) to Karingal Green Aged and Community Care (WA) Pty Ltd for an aged care development in High Wycombe in WA.

On 26 May 2022 the Fund entered into a new debt agreement with Karingal, to refinance the subordinated loan entered into on 17 August 2016. At 1 July 2022 it was converted to a senior facility on the following key terms:

Loan Type:	First mortgage
Interest Rate:	5% p.a. paid monthly in arrears
Term:	18 months
Security:	1st ranking mortgage over all assets of the borrower plus various guarantees

During the year, repayments were made on the loan, reducing the value of the funds invested from \$14,897,000 to \$3,936,000 at 30 June 2023.

The Board engaged Grant Thornton, an independent expert not related to the Fund, to provide a fair value estimation of the mortgage at 30 June 2023, the value was determined using the discounted cash flow method. Each payment under the terms of the mortgage was discounted to the valuation date using a discount rate of 5.5% - 6.5% and the midpoint value was used for the valuation.

Kogarah Health Aged and Community Care (NSW) Pty Ltd – Mortgage Loan A

The Fund has lent \$15,896,000 (2022: \$13,626,000) to Kogarah Health Aged and Community Care (NSW) Pty Ltd for an aged care development in Penshurst in NSW.

The key terms of the loan are as follows:

Loan Type:	Second mortgage
Interest Rate:	16% p.a. capitalised quarterly in arrears
Term:	5 years from initial drawdown – 22 March 2024
Security:	2nd ranking mortgage over all assets of the borrower plus various guarantees

The Board engaged Grant Thornton, an independent expert not related to the Fund, to provide a fair value estimation of the mortgage at 30 June 2023 using the discounted cash flow method. Each payment under the terms of the mortgage was discounted to the valuation date using a discount rate of 14.5% - 15.5% (2022: 13.5% - 14.5%) and the midpoint value was used for the valuation.

Kogarah Health Aged and Community Care (NSW) Pty Ltd – Mortgage Loan B

The Fund has lent \$5,087,000 (2022: \$4,413,000) to Kogarah Health Aged and Community Care (NSW) Pty Ltd for an aged care development in Penshurst in NSW.

The key terms of the loan are as follows:

Loan Type:	Second mortgage
Interest Rate:	14% p.a. capitalised on every 6 month anniversary of each drawdown in arrears
Term:	3 years from initial drawdown – 31 May 2024
Security:	2nd ranking mortgage over all assets of the borrower plus various guarantees

The Board engaged Grant Thornton, an independent expert not related to the Fund, to provide a fair value estimation of the mortgage at 30 June 2023 using the discounted cash flow method. Each payment under the terms of the mortgage was discounted to the valuation date using a discount rate of 14.5% - 15.5% (2022: 13.5% - 14.5%) and the midpoint value was used for the valuation.

Kings Square Master Trust

The Fund has lent \$5,371,000 (2022: \$2,639,000) to Kings Square Master Trust to fund the completion of the project's retail precinct and transaction costs associated with refinancing of the existing loan facility.

The key terms of the loan are as follows:

Loan Type:	Loan Notes
Interest Rate:	25% internal rate of return payable at Maturity
Term:	Upon sale of the Kings Square Property or a refinance event
Security:	Unsecured

On 22 March 2023 the Fund provided an additional \$3,061,136 in unsecured loan notes, the key terms of these new loan notes are:

Loan Type:	Loan Notes
Interest Rate:	15% internal rate of return payable at Maturity
Term:	Upon sale of the Kings Square Property or a refinance event
Security:	Unsecured

There is current uncertainty around the valuation of these notes so the Fund has determined that the value of the loan notes, including accrued interest be discounted by 25%.

7. INVESTMENT PROPERTIES

	2023	2022
	\$'000	\$'000
Howe Street, Osborne Park	8,040	7,500
	8,040	7,500
Movement in investment properties		
Opening balance as at 1 July	7,500	6,750
Additions	-	220
Movement in fair value	540	530
	8,040	7,500

The fair value of the Howe Street property has been arrived at on the basis of a valuation as at 30 June 2023 carried out by McGees Property (2022: Cushman & Wakefield), an independent valuer not related to the Fund. The valuation was prepared in accordance with Australian Property Institute's valuation standards and the API guidelines. Fair values were determined using the Direct Comparison and Income Capitalisation approaches with regard to recent market transactions for similar properties in the same location as the Fund's property. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

8. LAND AND BUILDINGS

	2023	2022
	\$'000	\$'000
Rokeby Road, Subiaco	1,825	1,780
Movement in land and buildings:		
Opening balance as at 1 July	1,780	1,780
Movement in fair value	45	-
	1,825	1,780

The fair value of the Fund's land and buildings has been arrived at on the basis of a valuation as at 30 June 2023 carried out by McGees Property (2022: Cushman & Wakefield), independent valuers not related to the Fund. The valuation is prepared in accordance with Australian Property Institute's valuation standards and the API guidelines. Fair value was determined using a direct comparison approach with regard to recent market transactions for similar properties in the same vicinity as the Fund's land and buildings. In estimating the fair value of the property, the highest and best use of the property was their current use.

9. FUNDING ARRANGEMENTS

The funding policy adopted in respect of the Fund is directed at ensuring that benefits accruing to members and beneficiaries are fully funded as the benefits fall due. As such, in determining employer and member contribution rates, the actuary has considered long-term trends in such factors as Fund membership, salary growth, investment returns and average fair value of Fund's assets.

The employer has contributed to the Fund in 2023 at a standard rate of 11.75% (2022: 11.75%) of the salaries of those permanent employees who are defined benefit members of the Fund. The employer has also made additional contributions at the rate of 1% (2022: 1%) to fund the supplementary disablement benefits. Defined Benefit members of the Fund contributed at a minimum rate of 6.25% of salary for 2023 (2022: 6.25%).

For those members of the Fund who have not elected, or are unable, to become defined benefit members, the employer contributed at the rate of 10.5% salaries for 2023 (2022: 10.0%).

The Fund also received salary sacrifice contributions from members during the year ended 30 June 2023. Members make additional voluntary contributions at variable amounts.

10. MEMBER LIABILITIES

(a) Defined contribution member liabilities

Defined contribution members bear the investment risk relating to the underlying assets of the Fund and crediting rates used to measure the member liabilities. The crediting rates are determined on a monthly basis based on movements in the value of investments during the month. Defined contribution member liabilities are measured as the amount of member account balances as at reporting date. The Fund's management of investment risks is as disclosed in Note 4.

Defined contributions members' liabilities are fully vested as at 30 June 2023.

(b) Defined benefit member liabilities

Defined benefit member liabilities are measured annually by a qualified actuary. The actuarial valuation of member liabilities reflects the actuarial assessment of the benefits accrued to the reporting date. The amount of accrued benefits are valued using the amount of a portfolio of investments that would be made at reporting date to yield future net cash inflows that would meet accrued benefits when they are expected to fall due. The valuation of accrued benefits is in respect of past service only and there is no account taken of benefits arising from future services. The accrued benefits are not subject to a minimum of the vested benefits.

The valuation of accrued benefits was undertaken by the Fund's appointed actuary as part of a comprehensive actuarial review dated 30 June 2023 (previously 30 June 2022).

The main assumptions used to determine the actuarial value of accrued benefits at the last review date were:

- The future rate of investment return earned on the Fund's investments would be 4.5% (2022: 4.5%). The future rate of investment return is based on the expected investment return after taking into account the Fund's investment strategy for the assets backing its defined benefit liabilities as at the reporting date.
- The future rate of salary increases is assumed to be 3.5% p.a. for the next three years and then 2.5% p.a. thereafter (2022: 1.0% p.a. for the first two years and then 2.5% p.a. thereafter) for base salary increases plus an additional age based promotional scale which ranges from 3% at age 25 gradually reducing to 0% at age 55 (2022: no change). The assumption for base salary increases is set in line with the current Enterprise Bargaining Agreement (EBA) and reverts to the long term expectation thereafter.

These assumptions are based on the history of Fund's investment returns and history of salary increases. Historically the Fund has achieved a return of 5.2% per annum (2022: 5.0%) over the last 5 years and 8.3% over the last year (2022: -0.01%). The employer traditionally has a high degree of control over the salaries and the assumption is consistent with past experience.

The Fund's actuary considers the key risks faced by the Fund and employer are investment risk and higher than expected salary increases. Movements in the main assumptions used to determine the values of accrued benefits are reasonably possible for the 2023 reporting period.

- The future rate of investment return $\pm 1\%$ (2022: $\pm 1\%$).
- The future rate of salary increases $\pm 1\%$ (2022: $\pm 1\%$).

10. MEMBER LIABILITIES (continued)

The impact of the reasonably possible changes in these key assumptions are shown below:

Key Assumptions	Assumed at reporting date	Reasonable Possible Change	(Increase)/Decrease DB member benefit liability \$'000
30 JUNE 2023			
Future investment return	4.5%	+1%	(17,521)
		-1%	20,170
Future rate of salary increase	2.5% + aged based promotional increases ¹	+1%	20,161
		-1%	(17,835)
30 JUNE 2022			
Future investment return	4.5%	+1%	(16,788)
		-1%	19,322
Future rate of salary increase	2.5% + aged based promotional increases ¹	+1%	19,404
		-1%	(17,167)

¹ There is an additional age based promotional scale which ranges from 6% at age 25 gradually reducing to 0% at age 55. This averages to 1.5%.

The Fund's actuary and the Board continue to monitor the Fund's funding position on a regular basis and do not have any reason to believe that the Fund will not continue to meet its funding commitments to the defined benefit section.

The liability for accrued benefits at 30 June is as follows:

	2023	2022
	\$'000	\$'000
Defined benefit liability for accrued benefits	364,015	359,537
Defined benefit assets (excluding investment fluctuation reserve)	423,585	409,011

The actuary stated the Fund was in a satisfactory financial position at 30 June 2023 (2022: satisfactory) measured by the coverage of vested benefits by assets.

The amount of vested benefits attributable to defined benefit members at 30 June 2023 is \$346,052,725 (2022: \$350,544,601).

11. GUARANTEED BENEFITS

No guarantees have been made in respect of any part of the liability for accrued benefits.

12. VESTED BENEFITS

Vested benefits are benefits that 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.

	2023	2022
	\$'000	\$'000
Defined Contribution Vested Benefits		
Defined Benefit Members	76,046	71,326
Defined Contribution Benefit Members	55,648	51,621
Non-Member Spouse Benefits	3,810	3,348
Spouse Accounts	26,094	22,222
Allocated Pensioners	118,589	101,882
Transition to Retirement Pensioners	9,763	6,216
Term Allocated Pensioners	406	427
Retained Benefits	146,116	138,234
Total defined contribution vested benefits	436,472	395,276
Defined Benefits Vested Benefits		
Defined benefit members	346,053	350,545
Supplementary Pension Liabilities	-	-
Total defined benefit vested benefits	346,053	350,545
Total Vested benefits	782,525	745,821

13. RESERVES

Operational Risk Financial Reserve

The Board established the reserve on 1 July 2013 in response to the operational risk financial requirement introduced into the Superannuation Industry (Supervision) Act 1993 from 1 July 2013. The reserve is operated in accordance with the Operational Risk Reserve Policy. As required under Australian Prudential Regulation Authority standards, the purpose of the reserve is to provide funding for incidents where material losses may arise from operational risk relating to the Fund. The level of the Reserve is determined by the Board based on an assessment of risks faced by the Fund. The Reserve is specifically held in a term deposit set up for the purpose of maintaining the reserve. The interest on the term deposit is reinvested to maintain the reserve at its required level. The reserve is not split between defined benefit and defined contribution sectors of the Fund.

SDB Reserve

The Supplementary Disablement Reserve (SDB) is held to fund supplementary disablement claims for members. A member is entitled to a supplementary disablement benefit when they are retired for medical reasons and are classified as partially and permanently disabled. The employer contributes 1% of salaries. An actuarial review is completed every three years to determine the SDB liability which forms the basis of the reserve. The SDB reserve is reviewed annually by the actuary. The SDB reserve is invested using the same strategy applied to the defined benefit assets of the Fund.

Investment Reserves

The investment reserves include a Smoothed Option Investment Reserve, held in respect of defined contribution members in the smoothed option and an Investment Fluctuation Reserve (IFR) held to smooth out the value of the defined benefit assets against long term values. The investment reserves are valued annually by the actuary. The Board has not set a target amount of the reserve. The reserves are only used on the advice of the actuary or asset consultant. The Smoothed Option Investment Reserve is invested using the same strategy applied to the Smoothed Option assets of the Fund.

13. RESERVES (continued)

The investment reserve is split between defined benefit and defined contribution members as follows:

	2023	2022
	\$'000	\$'000
Smoothed Option Investment Reserve (defined contribution)	-	-
Defined Benefit Investment Fluctuation Reserve (defined benefit)	-	-
Total Investment Reserves	-	-

14. INSURANCE ACTIVITIES

The Fund provides death and disability benefits to its members. The Board has a policy in place with a third party insurance company to insure these death and disability benefits for the members of the Fund.

The Fund collects premiums from defined contribution members and defined benefit members on behalf of the insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets.

Defined contribution members insurance premiums are all deducted from the member's accounts.

Defined benefit members income protection premiums are deducted from member accounts as this is optional coverage for members, but death and disablement coverage is included in the defined benefit formula calculation.

The insurance premiums charged to members' accounts are recognised in the Statement of Changes in Member Benefits. Insurance premiums that are not deducted from member accounts but instead recovered through the defined benefit formula calculation are recognised separately in the Statement of Changes in Member Benefits:

The Board determined that the Fund is not exposed to material insurance risk because:

- members (or their beneficiaries) will only receive insurance benefits if the external insurer pays the claim;
- insurance premiums are only paid through the Fund for administrative reasons; and
- insurance premiums are effectively set directly by reference to premiums set by an external insurer.

15. TAXATION

	2023	2022
	\$'000	\$'000
(a) Major components of tax expense		
Current income tax		
- Current tax charge	2,441	2,789
- Adjustment to current tax for prior period	369	1,168
Deferred income tax		
- Movement in temporary differences	4,092	(7,456)
Income tax (benefit)/expense	6,902	(3,499)
(b) Numerical reconciliation between income tax expense and net result before income tax		
Net result before income tax	81,691	(20,455)
Tax applicable at the rate of 15% (2022: 15%)	12,254	(3,068)
Tax effect of income/(losses) that are not assessable/(deductible) in determining taxable income		
- Investment income	(493)	127
- Discount capital gains	(2,559)	2,195
- Non assessable pension income	(1,292)	(96)
Tax effect of other adjustments		
- Imputation & foreign tax credits	(1,424)	(3,880)
- Expenses	47	55
- Over provision prior periods	369	1,168
Income tax (benefit)/expense	6,902	(3,499)
(c) Recognised in the Statement of Changes in Member Benefits		
Contributions, transfers in and insurance premiums recognised in the Statement of Changes in Member Benefits	47,572	48,948
Tax applicable at the rate of 15% (2022: 15%)	7,136	7,342
Tax effect of income/(losses) that are not assessable/(deductible) in determining taxable income		
- Member contributions & transfers In	(1,954)	(2,035)
- Insurance premiums	(404)	(407)
Income tax expense	4,778	4,900
Split in members benefits as follows:		
Contributions tax expense	5,182	5,307
Benefit on insurance premiums credited to members accounts	(3)	(3)
Benefit on insurance premiums credited to DB formula	(401)	(404)
Income tax expense	4,778	4,900

15. TAXATION (continued)

	2023	2022
	\$'000	\$'000
(d) Current tax liabilities		
Provision for current income tax		
Balance at beginning of year	2,154	3,420
Income tax paid – current period	(3,880)	(5,389)
Income tax paid – prior periods	(2,257)	(4,734)
Current years income tax expense	7,483	7,543
Over provision prior year	103	1,314
	3,603	2,154
(e) Deferred tax assets and liabilities		
Deferred tax asset		
Accrued expenses	83	69
Unrealised losses on investments	-	325
	83	394
Deferred tax liabilities		
Unrealised gains on investments	3,781	-

Taxable and deductible temporary differences arise from the following:

	Opening balance	Charged to income	Closing balance
	\$'000	\$'000	\$'000
30 June 2023			
Gross deferred tax assets:			
Accrued expenses	(69)	(14)	(83)
Unrealised gains on investments	(325)	325	-
Gross deferred tax liabilities:			
Unrealised gains on investments	-	3,781	3,781
Net deferred tax asset	(394)	4,092	3,698
30 June 2022			
Gross deferred tax assets:			
Accrued expenses	(63)	(6)	(69)
Unrealised gains on investments	-	(325)	(325)
Gross deferred tax liabilities:			
Unrealised gains on investments	7,125	(7,125)	-
Net deferred tax asset	7,062	(7,456)	(394)

There were no unrecognised deferred tax assets at 30 June 2023 (2022: nil).

16. TRADE AND OTHER RECEIVABLES

	2023	2022
	\$'000	\$'000
Investment income receivables	11,214	17,936
Outstanding settlement	-	2,000
Other receivables	69	47
GST receivable	153	36
Prepayments	2	2
	11,438	20,021

17. PAYABLES

	2023	2022
	\$'000	\$'000
Accounting fees	64	64
Actuarial fees	26	26
APRA fees	101	59
Audit fees	163	147
PAYG withholding tax	34	26
Sundry creditors	19	243
	407	565

18. PROVISIONS

	2023	2022
	\$'000	\$'000
Employee Benefits:		
Annual leave payable	82	95
Long service leave payable	124	71
	206	166

19. NET RENTALS FROM DIRECTLY HELD PROPERTY

	2023	2022
	\$'000	\$'000
Rent received	648	589
Less investment property expenses	(384)	(344)
	264	245

20. OTHER OPERATING EXPENSES

	2023	2022
	\$'000	\$'000
Actuarial fees	106	97
Audit fees – external	172	142
Audit fees – internal	39	-
Board fees & allowances	48	49
Board elections	23	9
	388	297

21. EXPLANATORY STATEMENTS

(A) COMPARISON 2023 RESULTS TO 2022 RESULTS

	Actual	Actual	
	2023	2022	Variance
	\$'000	\$'000	\$
SUPERANNUATION ACTIVITIES REVENUE			
Interest revenue	4,330	1,363	2,967
Distributions from unit trusts	43,777	56,337	(12,560)
Net remeasurement changes in fair value	39,329	(75,280)	114,609
Net rent from directly held property	264	245	19
Other income	1,333	1,238	95
TOTAL REVENUE	86,033	(16,097)	102,130
EXPENSES			
Investment expenses	593	632	(39)
Administration expenses	3,361	3,429	(68)
Other operating expenses	388	297	91
TOTAL EXPENSES	4,342	4,358	(16)
RESULT BEFORE INCOME TAX	81,691	(20,455)	102,146
Income tax expense/(benefit)	6,902	(3,499)	10,401
RESULT AFTER INCOME TAX	74,789	(16,956)	91,745
Net change in DB member benefits	(16,147)	3,747	(19,894)
Net benefits allocated to DC members	(44,302)	15,614	(59,916)
NET RESULT	14,340	2,405	11,935
MOVEMENT IN MEMBERS BENEFITS			
Contributions & transfers in	47,572	48,948	(1,376)
Tax on contributions	(5,182)	(5,307)	125
Benefits paid	(57,117)	(40,773)	(16,344)
Insurance premiums charged to members	(21)	(22)	1
Income tax benefit on insurance premiums	3	3	-
Insurance premiums charged to DB formula	(2,674)	(2,691)	17
Income tax benefit on insurance premiums charged to DB formula	401	404	(3)
Death and disability benefits credited to members accounts	2,243	2,708	(465)
Reserve transfers to/(from) members	-	13,930	(13,930)
Net benefits allocated to members' accounts	44,302	(15,614)	59,916
Net change in defined member benefits	16,147	(3,747)	19,894
TOTAL MOVEMENT IN MEMBERS BENEFITS	45,674	(2,161)	47,835

21. EXPLANATORY STATEMENTS (continued)

(B) COMPARISON ACTUAL TO ESTIMATES

	Actual	Budget	Variance
	2023	2023	
	\$'000	\$'000	
SUPERANNUATION ACTIVITIES REVENUE			
Interest revenue	4,330	800	3,530
Distributions from unit trust	43,777	40,000	3,777
Net remeasurement changes in fair value	36,329	43,020	(6,691)
Net rentals from directly held property	264	600	(336)
Other income	1,333	1,201	132
TOTAL REVENUE	86,033	85,621	412
EXPENSES			
Investment expenses	593	1,001	(408)
Administration expenses	3,361	2,898	463
Other operating expenses	388	390	(2)
TOTAL EXPENSES	4,342	4,289	53
RESULT BEFORE INCOME TAX	81,691	81,332	359
Income tax expense/(benefit)	6,902	2,510	4,392
RESULT AFTER INCOME TAX	74,789	78,822	(4,033)
Net change in DB member benefits	(16,147)	-	(16,147)
Net benefits allocated to DC members	(44,302)	-	(44,302)
NET RESULT	14,340	78,822	(64,482)
MOVEMENT IN MEMBERS BENEFITS			
Contributions & transfers in	47,572	48,000	(428)
Contributions tax	(5,182)	(5,490)	308
Benefits paid	(57,117)	(39,050)	(18,067)
Insurance premiums charged to members	(21)	-	(21)
Income tax benefit on insurance premiums	3	-	3
Insurance premiums charged to DB formula	(2,674)	(2,700)	26
Income tax benefit on insurance premiums charged to DB formula	401	-	401
Death and disability benefits credited to members accounts	2,243	1,700	543
Reserve transfers to/(from) members	-	-	-
Net benefits allocated to members' accounts	44,302	-	44,302
Net change in defined member benefits	16,147	-	16,147
TOTAL MOVEMENT IN MEMBERS BENEFITS	45,674	2,460	43,214

21. EXPLANATORY STATEMENTS (continued)

(C) EXPLANATION OF SIGNIFICANT VARIANCES

The following notes apply only where a variance in either comparison (a) 2023 actual results to 2022 actual results or (b) actuals vary from the estimates is greater than 10%, are material and/or deemed significant in the context of the operations of the Fund.

Interest revenue

Interest is significantly more in 2023 and also compared with the estimates as interest rates in 2023 were much higher than in 2022 or expected in 2023.

Distributions from unit trusts

Distributions vary from year to year depending on decisions of the trusts managers. The distributions are lower in the current financial year mainly due to the Ascot Capital Canberra Trust winding up last year.

Net remeasurement changes in fair value

Investment returns vary from year to year depending on the performance of investment markets. The positive change in fair value was due to better performance in domestic and global investment markets in the current year compared to 2022 which was negative.

Expenses

Overall, expenses are in line with the prior year, whereas investment expenses were lower and administration costs higher than the budget due to lower than expected consulting expenses relating to valuations and investment governance and higher data management expenses.

Income tax expense/(benefit)

The actual tax expense for the year was \$6.9 million which was due to the investment gains and franking credits during the year, whereas the Fund had losses in the 2022 year.

22. CASH FLOW INFORMATION

	2023	2022
	\$'000	\$'000
(a) Reconciliation of cash flows from operating activities to net result after tax		
Net result after tax	14,340	2,405
Net change in defined benefit member benefits	16,147	(3,747)
Net benefits allocated to defined contribution member accounts	44,302	(15,614)
Net changes in fair value of investments	(36,329)	75,280
Distributions reinvested	(32,531)	(36,280)
Fee rebates reinvested	(1,317)	(1,199)
Investment expenses	431	477
Change in fair value of other assets	18	18
(Increase)/Decrease in receivables	6,583	5,161
(Increase)/Decrease in deferred tax assets	311	(331)
(Increase)/Decrease in prepayments	-	20
Increase/(Decrease) in creditors and accruals	(159)	200
Increase/(Decrease) in employee entitlements	40	18
Increase/(Decrease) in current tax liabilities	2,654	1,172
Increase/(Decrease) in deferred tax liabilities	3,782	(7,125)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	18,272	20,455
(b) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	24,846	37,741

23. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The Fund has determined that key management personnel include board members and other senior officers of the Fund.

Total compensation for key management personnel, comprising board members and other senior officers for the reporting period are presented within the following bands:

	2023	2022
Compensation of board members of the Fund		
\$0 - \$9,999	1	5
\$10,000 - \$19,999	3	2
\$20,000 - \$29,999	1	1
Compensation of other senior officers:		
\$260,000 - \$269,999	-	1
\$300,000 - \$309,999	1	-

	2023	2022
	\$'000	\$'000
Short term employee benefits	279	260
Post employment benefits	52	51
Other long term benefits	38	14
Termination benefits	-	-
Total compensation of key management personnel	369	325

24. RELATED PARTIES

The Trustee of the Fund throughout the year was the Fire and Emergency Services Superannuation Board.

The members of the Board at 30 June 2023 and during the year then ended were:

Directors

Boyd Winton (Chairman)
 Karen Lamont
 Michael Bailey
 Kevin Landwehr
 Richard Burnell (appointed 19 August 2022)
 Frank Sciarrone (resigned 18 August 2022)
 Gregory Penney (appointed 19 August 2022, resigned 25 May 2023)

Alternate Directors

Thomas Nolan
 Richard Burnell (resigned 18 August 2022)
 Paul Markovic (resigned 18 August 2022)
 Timothy Quinlan (resigned 18 August 2022)

Related Party Transactions

There are 6 (2022: 9) members of the Board who were also members of the Fund. These members contribute to the Fund on the same terms and conditions as other members and are subject to the same terms and conditions as other Fund members.

During the year there were \$nil in retirement benefits paid to Board members or their relatives who were members of the Fund (2022: \$nil).

Vantage Wealth Management was a related party of the Fund as Frank Sciarrone was both a member of the Board (up to 18 August 2022) and a director of Vantage Wealth Management. Vantage Wealth Management received management fees of \$130,476 during the financial year (2022: \$127,715). There were no amounts payable at 30 June 2023 (2022: \$nil).

The Fund held an investment portfolio managed by Vantage Wealth Management totalling \$39,219,234 at 30 June 2023 (2022: \$37,426,684).

All transactions with Vantage Wealth Management are conducted on normal commercial terms.

24. RELATED PARTIES (continued)

Frank Sciarrone has been appointed by the Board as a director of Fresh Fields Projects (WA) No 1 Pty Ltd, a Joint Venture entity in which the Fund owns 50% of the ordinary shares, B and D Class redeemable preference shares (refer Note 6) and has provided secured bridging finance. Frank Sciarrone does not receive any remuneration in relation to this appointment at the Joint Venture entity.

Apart from the details already disclosed, no related parties have entered into a contract for services with the Fund since the end of the previous financial year and there were no contracts involving related parties existing at year end.

Sponsoring Employers

The following employers are sponsoring employers of the Fund:

- Department of Fire and Emergency Services of Western Australia;
- The United Professional Firefighters Union of Western Australia;
- Western Australian Volunteer Fire and Rescue Service Association (inc); and
- Fire and Emergency Services Superannuation Board.

Contributions made to the Fund by these employers are disclosed in the Statement of Changes in Member Benefits. Contributions are made in accordance with the recommendations of the Fund's actuary.

25. AUDITOR'S REMUNERATION

	2023	2022
	\$	\$
Amounts paid or due and payable to Auditor General for the following services:		
• Audit of financial statements, controls and KPIs	147,750	133,800
• Other services	-	-
	147,750	133,800

26. COMMITMENTS

As at 30 June 2023, the Fund had commitments of \$8,019,225 (2022: \$47,652,885) in respect of uncalled capital payments relating to investments. The uncalled commitments relate to the Fund's private equity investments, property and infrastructure investments. Time bands cannot be placed on those commitments, as it is difficult to predict the exact timing and pace of capital calls for any commitment based investment. The Fund has appropriate liquidity planning in place to ensure a suitable allocation of resources will be available to cover these future commitments of capital.

27. SUBSEQUENT EVENTS

There have been no events subsequent to balance date, which would have a material effect on the Fund's financial statements at 30 June 2023.

Actuarial Opinion

This summary has been prepared as at 30 June 2023 for the purposes of Australian Accounting Standard AASB1056, for the Fire and Emergency Services Superannuation Board. The results in this summary should not be used for any purpose other than the preparation of financial statements in accordance with AASB1056. Note that these results are prepared using the method and assumptions of the actuarial review as at 30 June 2023; and net assets advised via email dated 7 September 2023.

Results - Defined Benefit Member Liabilities (Defined Benefits DB and Supplementary Disability benefits SDB)

Accrued benefits (DB and SDB)*	\$364,015,345
Vested benefits (DB and SDB)	\$346,052,725

* Accrued benefits does not apply a vested benefits underpin.

Statement of Financial Position

	2023	2022
NET ASSETS AVAILABLE FOR MEMBER BENEFITS	\$903,852,888	\$843,839,256
MEMBERS BENEFITS		
Defined contribution member liabilities	\$436,472,237	\$395,276,283
Defined benefit member liabilities (DB and SDB)	\$364,015,345	\$359,537,172
TOTAL MEMBER LIABILITIES	\$800,487,582	\$754,813,455
NET ASSETS	\$103,365,306	\$89,025,801
EQUITY		
Operational risk reserve	\$2,681,000	\$2,595,861
Smoothed option investment fluctuation reserve	\$0	\$0
Defined benefit investment fluctuation reserve	\$0	\$0
Supplementary disability benefits that are over/(under) funded	\$41,116,236	\$36,955,123
Defined benefits that are over/(under) funded	\$59,568,070	\$49,474,816
Unallocated surplus/(deficiency)	\$0	\$0
TOTAL EQUITY	\$103,365,306	\$89,025,801

Statement of Changes in Member Benefits

	2023	2022
DB and SDB member liabilities (BOY)	\$359,537,172	\$363,457,449
Actual benefit payments	-\$34,131,000	-\$37,249,000
Interest cost	\$15,411,225	\$15,517,483
Change in the salary increase assumption*	\$5,726,389	\$5,187,724
Change in investment return assumption	\$0	\$0
Addition accrual for 1 year	\$16,052,758	\$20,319,781
Experience	\$1,418,800	-\$7,696,264
DB and SDB member liabilities (EOY)	\$364,015,345	\$359,537,172

* For 30 June 2023, the change in the salary inflation assumption is for the base salary increase assumption only (no change to promotional salary scale). For 30 June 2022, the change in the salary inflation assumption is returning to the long term salary increase assumption in one year rather than two years.

Statement of Changes In Equity

	Operational risk reserve	Smoothed option investment fluctuation reserve ¹	Defined benefit investment fluctuation reserve ²	Supplementary Disability benefits over/(under) funded	Defined benefit over/(under) funded	Unallocated surplus/(deficiency)	Total equity
Opening balance as at 1 July 2022	\$2,595,861	\$0	\$0	\$36,955,123	\$49,474,816	\$0	\$89,025,801
Amount allocated from/(to) defined contribution members	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amount allocated from/(to) defined benefit members	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating profit / Experience	\$85,139	\$0	\$0	\$4,161,113	\$10,093,254	\$0	\$14,339,506
Closing Balance as at 30 June 2023	\$2,681,000	\$0	\$0	\$41,116,236	\$59,568,070	\$0	\$103,365,306

¹ During 2019/20 financial year the Smoothed option investment fluctuation reserve was fully allocated to defined contribution member accounts. No amounts have been allocated to the reserve since 30 June 2020.

² During 2019/20 financial year the Defined Benefit investment fluctuation reserve was fully allocated to defined benefit assets. No amounts have been allocated to the reserve since 30 June 2020.

Note 10: Member Liabilities

The actuarial valuation of member liabilities reflects the actuarial assessment of the benefits accrued to the reporting date. The amount of accrued benefits are valued using the present value of the expected future benefits arising from membership up to the reporting date. The valuation of accrued benefits is in respect of past service only and there is no account taken of benefits arising from future service. The accrued benefits are not subject to a minimum of the vested benefits.

The main assumptions used to determine the actuarial value of accrued benefits as at 30 June 2023 were:

- The future rate of investment return earned on the Fund's investments is assumed to be 4.5% pa (2022: 4.5% pa). The future rate of investment return is based on our expected investment return after taking into account the Fund's investment strategy for the assets backing its defined benefit liabilities as at the reporting date, noting that there have been no changes to the investment objective and strategic asset allocation during the reporting period.
- The future rate of salary increases is assumed to be 3.5% pa for the next three years and then 2.5% pa thereafter (2022: 1.0% pa for the first year, 2.5% pa thereafter) for base salary increases plus an additional age based promotional scale which ranges from 3% at age 25 gradually reducing to 0% at age 55 (2022: table unchanged). The most recent Enterprise Bargaining Agreement (EBA) has expired and the new EBA is currently under negotiation. Therefore, the assumption for base salary increases is set in line with the Board's view of the expected base salary increase in the new EBA and reverts to the long term expectation thereafter.
- An additional age based promotional salary scale is applied, based on a review carried out in 2021 (refer to 30 June 2021 actuarial report for more details). The promotional salary scale assumption has been maintained in line with the last EBA, generating a weighted average of 0.75% pa. A review of the promotional salary scale will be conducted when the new EBA is finalised.

Key Assumptions	Base Case	Sensitivity Change	Accrued Benefits	Change	Change %
Discount Rate/ Investment Return	4.50%	+1% per annum	\$346,493,899	-\$17,521,446	-5%
		-1% per annum	\$384,185,526	\$20,170,181	6%
Salary increase	3.5% pa for the next three years and 2.5% pa thereafter plus promotional ¹	+1% per annum	\$384,176,205	\$20,160,860	6%
		-1% per annum	\$346,180,106	-\$17,835,239	-5%

¹ In addition to the base salary increase assumption, there is an additional age based promotional scale which ranges from 3% at age 25 gradually reducing to 0% at age 55.

Defined Benefits (DB and SDB)	2023			2022		
	DB	SDB	Total	DB	SDB	Total
Defined benefit liability for accrued benefits (DB and SDB)	\$364,015,345	\$0	\$364,015,345	\$359,537,172	\$0	\$359,537,172
Defined benefit assets (excluding investment fluctuation reserve) (DB and SDB)	\$423,583,415	\$41,116,236	\$464,699,651	\$409,011,989	\$36,955,123	\$445,967,112
Defined benefit accrued benefits overfunded by (DB and SDB)	\$59,568,070	\$41,116,236	\$100,684,306	\$49,474,816	\$36,955,123	\$86,429,940
Defined benefit vested benefits (DB and SDB)	\$346,052,725	\$0	\$346,052,725	\$350,544,601	\$0	\$350,544,601

The demographic assumptions have remained unchanged from last year.

The demographic assumptions used to determine the actuarial value of accrued benefits as at 30 June 2023 and 30 June 2022 respectively were:

	2023	2022
	Exit Rates	Exit Rates
Demographic Assumptions		
Exit rates under age 55	0%	0%
Exit rates age 55 or over	100%	100%

For more details, please refer to the 30 June 2022 actuarial review report dated 26 September 2022.

Note 12: Vested Benefits

	\$
Defined Contribution Vested Benefit	
Category A - Defined Benefit Members	\$84,745,008
Category A - Notional Accounts	-\$8,698,962
Accumulation Members (Category B and 1A)	\$55,648,443
Family Law	\$3,810,371
Spouse Accounts	\$26,093,666
Allocated Pensions	\$118,588,672
Transition to Retirement	\$9,763,422
Term Account Based Pensions	\$405,737
Retained Members	\$146,115,880
Total defined contribution Vested Benefits	\$436,472,237
Defined Benefit Members (DB)	\$346,052,725
Supplementary Disability Benefit pensions in payment (SDB)	\$0
Total defined benefit Vested Benefits (DB and SDB)	\$346,052,725
Total Vested Benefits	\$782,524,961

Note 13: Reserves

	\$
Investment Fluctuation Reserves	
Smoothed Option Investment Fluctuation Reserve	0
Defined Benefit Investment Fluctuation Reserve	0
Total	0

Reliance and limitations

PricewaterhouseCoopers Securities Ltd (PwC) has prepared this report solely for Fire and Emergency Services Superannuation Board (FESSB)'s use and benefit in accordance with and for the purpose set out in PwC's engagement letter with FESSB dated 6 December 2021. In doing so, PwC has acted exclusively for FESSB and considered no-one else's interests.

Our work does not constitute an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements and accordingly no assurance is provided in this report.

This report must be read in its entirety. Individual sections of this report could be misleading if considered in isolation from each other.

The advice contained in this report is based on the circumstances of the FESSB as a whole. It does not take into account the specific circumstances of any individual. Past performance is no guarantee of future performance and investment markets are volatile. PwC does not guarantee that any specific level of returns will be achieved.

All reasonable care has been taken to provide performance and investment data that are accurate. However, we have relied on a range of external sources for data. As a result, we are unable to guarantee the accuracy of the data contained in this report.

This report is not intended to be read or used by anyone other than FESSB. PwC accepts no responsibility, duty or liability:

- to anyone other than FESSB in connection with this report
- to FESSB for the consequences of using or relying on it for a purpose other than that referred to above.

PwC makes no representation concerning the appropriateness of this report for anyone other than FESSB. If anyone other than FESSB chooses to use or rely on it they do so at their own risk. PwC is not obliged to provide any additional information or update anything in this report, even if matters come to our attention which are inconsistent with its contents.

This disclaimer applies:

- to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute; and
- even if PwC consents to anyone other than FESSB receiving or using this report.

If you have any queries on the above, please do not hesitate to contact Niamh Carey at niamh.carey@au.pwc.com.


Nathan Bonarius, FIAA

Superannuation and Investment Consulting
 Authorised Representative (#1284864) of
 PricewaterhouseCoopers Securities Ltd

Budget Estimates 2023/24

Statement of changes in net assets	ESTIMATE
	\$
NET ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR	903,214,359
INVESTMENT REVENUE	
Trust Distributions	44,740,800
Interest	832,000
Changes in Net Market Value	41,600,000
Rental Income	624,000
Other Investment Revenue	1,248,000
CONTRIBUTION REVENUE	
Employer Contributions	21,840,000
Employee Contributions	22,464,000
Spouse Contributions	416,000
Transfers In	5,200,000
OTHER REVENUE	
Insurance Proceeds	1,768,000
Other	21,000
TOTAL REVENUE	140,753,800
EXPENSES	
Group Life Premiums	4,000,000
Direct Investment Expenses	1,041,040
General Administration Expenses	3,467,920
Benefit Payments	40,612,000
TOTAL EXPENSES	49,120,960
Changes in net assets before income tax	91,632,840
Income Tax Expense	8,320,000
Changes in net assets after income tax	83,312,840
NET ASSETS AT THE END OF THE FINANCIAL YEAR	986,527,199

Performance Indicators

FIRE AND EMERGENCY SERVICES SUPERANNUATION BOARD

CERTIFICATION OF KEY PERFORMANCE INDICATORS

In the opinion of the Board, the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Fire and Emergency Services Superannuation Board's performance, and fairly represent the performance of the Fire and Emergency Services Superannuation Board for the financial year ended 30 June 2023.



Boyd Winton
Board Member
18 September 2023



Karen Lamont
Board Member
18 September 2023

Key Performance Indicators

The Key Performance Indicators in this report are produced in order to evaluate the Board's performance in achieving its outcome and delivering its services. Included are key effectiveness and efficiency indicators required by the Financial Management Act 2006 and Treasurer's Instruction 904. The key effectiveness indicators provide information on the extent to which the agency level government desired outcome has been achieved through the production of the agreed service. The key efficiency indicators link the service the Board provides to the level of resource inputs required to produce them.

Outcome

The Board has statutory obligations under its enabling legislation to provide superannuation and other benefits (such as retirement products) for members employed by or formerly employed by the Department of Fire and Emergency Services (DFES), the United Professional Firefighters Union of Western Australia, the Western Australian Volunteer Fire and Rescue Services Association (Inc.) and by the Board.

In meeting these obligations, the Board is required to act in the best interests of members. Its outcome is the 'improved long-term financial security for members'. The Board's outcome contributes to the government's goal of sustainable finances – responsible financial management and better service delivery.

The performance highlights section of the Annual Report includes other relevant measures that provide an overview of the Fund's performance during 2022/23.

Key Effectiveness Indicators

1. Member satisfaction with services provided by the Fire and Emergency Services Superannuation Board

Active members, who are permanent employees of the Department of Fire and Emergency Services, the United Professional Firefighters Union of Western Australia and the Superannuation Board, are required to join the Fund. Some exceptions apply. Pension, Spouse and Retained members choose to maintain their retirement savings in the Fund.

Member satisfaction is an important measure in evaluating the Board's performance in achieving its outcome. With the internal sourcing of member services and administration, this measure enables the Superannuation Board to ensure the high level of service provided to members is maintained.

The Superannuation Board also helps members improve their long-term financial security by providing value-for-money products and services, engaging members in their superannuation and supporting members in making financial decisions relating to their superannuation.

All members who supplied the Fund with a valid email address were surveyed in June 2023. Two versions of the survey were emailed to members: one survey focused on issues relevant to active members (i.e. members who contributed or whose employer contributed to the Fund at the time of the survey) and one survey focused on issues relevant to pension and retained members (i.e. members who were either drawing a pension from the Fund or whose employer was not contributing to the Fund at the time of the survey).

A total of 1,628 active members and 616 pension/retained members were surveyed resulting in a sample size of 350 (21%) active and 252 (41%) pension/retained members who responded to the survey. This generated a margin of error of $\pm 5\%$ for active members and $\pm 5\%$ for pension/retained members at the 95% confidence level.

For 2022/23, overall member satisfaction with the Fund was:

- 54% for active members, against a target of 60%; and
- 91% for pension/retained members, against a target of 80%.

	Target %	Actual %	Actual %	Actual %
	2022/23	2022/23	2021/22	2020/21
Active Members who are fairly satisfied or extremely satisfied.	60	54	60	65
Pension and Retained Members who are fairly satisfied or extremely satisfied.	80	91	88	91

An additional 27% of active members and 7% of pension/retained members who had provided an email address reported being neither satisfied nor dissatisfied.

The decrease in member satisfaction for Active members was predominantly due to the structure of member entitlements and the compulsory membership rules of the Fund.

The Superannuation Board has been actively pursuing ways to improve the benefit design of the Fund. Although the Board has no statutory power to make any changes, it has facilitated the formation of a Stakeholder Committee to further pursue this matter comprising representatives from the Minister's office, the Department of Fire and Emergency Services, the United Professional Firefighters Union of Western Australia and the Superannuation Board.

Any suggested changes to the benefit design will be communicated to all members and, if legislative changes are needed, these will take considerable time to develop and implement.

2. Investment performance against objectives

Measuring investment performance against objectives is an important indicator in evaluating the Board's performance in achieving its outcome of 'improved long-term financial security for members'.

The investment objectives are developed in consultation with the Board's Actuary and Asset Consultant.

a) Performance of Defined Benefit section against its investment objectives

The assets of the defined benefit section of the Fund were segregated on 1 July 2013.

The primary investment objective of the defined benefit section of the Fund is to achieve investment returns of at least 2.0% per annum (net of tax and fees) above increases in final average salaries (FAS) over a rolling ten year period.

The table below shows the net performance along with the ten year FAS performance target.

Return Objective	Return Achieved %pa	Target Return %pa	Relative Performance %pa
2.0% per annum (net of tax and fees) above increases in final average salaries (FAS) over a rolling ten year period.	6.37	3.92	2.45

Note 1: The returns shown are net of tax and fees.

The secondary performance objective is to outperform the asset-weighted benchmark over rolling one, three and five year periods. Returns are measured after tax and fees. The asset class benchmarks are developed in consultation with the Actuary and Asset Consultant.

The table below shows the net performance along with one year, three year and five year performance targets.

One Year			Three Years			Five Years		
Net Return %	Target %	Relative Performance %	Net Return %pa	Target %pa	Relative Performance %pa	Net Return %pa	Target %pa	Relative Performance %pa
8.34	9.76	-1.42	6.57	7.49	-0.92	5.15	6.42	-1.27

Note: The returns shown are net of tax and fees.

For the one, three and five year periods the Defined Benefit section of the Fund has underperformed its targets mainly due to the underperformance of the Board's international equity managers against their target over these periods.

b) Performance of the Accumulation section options against each investment objective

The objective of the Accumulation section is to deliver investment performance in excess of targets over specified rolling periods. More specifically, the objective for the:

- i. Smoothed and Moderate options is to deliver investment performance in excess of CPI targets over a rolling ten year period.
- ii. Australian Shares, International Shares and Fixed Interest options are to deliver investment performance measured against indices over a ten year period.
- iii. Cash option is to deliver investment performance measured against indices over a one year period.

The table below shows the net performance along with the specified performance targets.

Investment Option	Investment Objective	Return Achieved %pa	Target Return %pa	Relative Performance %pa
Smoothed Option ("default" option)	To earn at least CPI + 3.0% per annum over a rolling ten year period.	6.69	6.53	0.16
Cash Option	To earn at least the benchmark return for Cash (Bloomberg Ausbond Bank Bill Index) over a rolling one year period.	2.62	2.45	0.17
Moderate Option	To earn at least CPI + 2.0% per annum over a rolling ten year period.	4.86	4.71	0.15
Australian Shares Option	To earn at least the benchmark return for Australian Shares (S&P/ASX 300 Accumulation Index) over a rolling ten year period.	8.58	8.55	0.03
International Shares Option	To earn at least the benchmark return for Overseas shares (MSCI World ex-Australia Index in \$AUD) over a rolling ten year period.	9.60	10.20	-0.60
Fixed Interest Option	To earn at least the benchmark return for Australian Fixed Interest (Bloomberg AusBond Composite Bond Index) per annum over a rolling ten year period.	1.78	0.72	1.06

Note 1: The Investment Objectives are net of tax and fees.

Note 2: The returns shown are net of tax and fees.

Note 3: The Smoothed Option target return is based on a CPI + 4% objective to April 2021 and CPI + 3% thereafter.

Note 4: The returns for the International Shares and Fixed Interest Options are over a rolling seven year period.

All options, except for the International Shares option, outperformed their investment objectives, reflecting strong investment returns from growth assets over the respective periods.

c) Performance of the Pension section options against each investment objective

The objective for the Pension section is to deliver investment performance in excess of targets over specified rolling periods. More specifically, the objective for the:

- i. Smoothed and Moderate options is to deliver investment performance in excess of CPI targets over a rolling ten year period.
- ii. Australian Shares, International Shares and Fixed Interest options are to deliver investment performance measured against indices over a ten year period.
- iii. Cash option is to deliver investment performance measured against indices over a one year period.

The table below shows the net performance along with the specified performance targets.

Investment Option	Investment Objective	Return Achieved %pa	Target Return %pa	Relative Performance %pa
Smoothed Option ("default" option)	To earn at least CPI + 3.0% per annum over a rolling ten year period.	7.46	6.53	0.93
Cash Option	To earn at least the benchmark return for Cash (Bloomberg Ausbond Bank Bill Index) over a rolling one year period.	3.04	2.89	0.15
Moderate Option	To earn at least CPI + 2.0% per annum over a rolling ten year period.	5.53	4.71	0.82
Australian Shares Option	To earn at least the benchmark return for Australian Shares (S&P/ASX 300 Accumulation Index) over a rolling ten year period.	9.17	8.55	0.62
International Shares Option	To earn at least the benchmark return for Overseas shares (MSCI World ex-Australia Index in \$AUD) over a rolling ten year period.	11.15	11.72	-0.57
Fixed Interest Option	To earn at least the benchmark return for Australian Fixed Interest (Bloomberg AusBond Composite Bond Index) per annum over a rolling ten year period.	2.10	0.82	1.28

Note 1: The Investment Objectives are net of fees.

Note 2: The returns shown are net of fees.

Note 3: The Smoothed Option target return is based on a CPI + 4% objective to April 2021 and CPI + 3% thereafter.

Note 4: The returns for the International Shares and Fixed Interest Options are over a rolling seven year period.

All options, except for the International Shares option, outperformed their investment objectives, reflecting strong investment returns from growth assets over the respective periods.

Key Efficiency Indicators

The Board provides members with access to superannuation, retirement products and a range of information resources.

Value is delivered to members by providing efficient and cost effective superannuation and retirement products and services with above market-average, risk controlled net returns and highly rated member services including member information services.

1. Average Administration cost per member account

The cost of administering member accounts is monitored closely. This measure reflects all costs the Board incurs for administering member accounts except investment-related costs.

	2018/19	2019/20	2020/21	2021/22	2022/23
Administration Cost – Target	\$1,142	\$1,172	\$1,230	\$1,123	\$1,125
Administration Cost – Actual	\$1,225	\$1,362	\$1,310	\$1,369	\$1,323

This is the average cost per member of administering the Fund. The administration cost is not charged to the member as a fee but is deducted from investment returns before earnings are applied to member accounts.

The higher than expected Administration Cost – Actual against the Target was due to extra software costs, additional consultancy fees and an increased APRA – Superannuation Levy.

2. Investment Management Expense Ratio

The cost of managing the Board's investments is closely monitored. In addition to direct investment management costs incurred by the Board, external specialist investment managers are appointed to invest funds in specific asset classes. Both internal and external management costs are included in determining this indicator to illustrate the full investment costs incurred by the Board.

Investment Management Expense Ratio	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Target 2022/23
Investment management costs as a percentage of portfolio mean value invested.	0.36%	0.14%	0.12%	0.12%	0.12%	0.12%

The Investment Management Expense Ratio – Actual against the Target was as forecasted.

Other Disclosures

Audit

The Office of the Auditor General audits the Board's Accounts and Performance Indicators under the provisions of the *Financial Management Act 2006*.

Trustee Indemnity Insurance

The Board Members and employees of the Board are covered by an indemnity insurance policy to cover possible claims made against them as Board Members and employees.

Compliance with the Electoral Act 1907

In accordance with Section 175ZE of the *Electoral Act 1907* and Treasurer's Instruction 903, the Board is required to disclose details of expenditure incurred during the year in relation to the following items:

Advertising Agencies	Nil
Market Research Organisations	Nil
Polling Organisations	Nil
Direct Mail Organisations	Nil
Media Advertising Organisations	Nil

Publications

The Board produces various publications to help members understand their options and entitlements, and to encourage consolidation of superannuation accounts into the Fund. The Board's publications include:

- Product Disclosure Statement (Member Booklet);
- Member Newsletters;
- Report to Members;
- Annual Report;
- Annual Member Statements;
- Fire and Emergency Services Superannuation Act and Regulations; and
- Actuarial Statements (summary).

Freedom of Information (FOI)

Under section 96 of the *Freedom of Information Act 1992*, the Board is required to publish an information statement that provides background on the operations of the Board, describes the documents held and the way in which the public can access information. It is the aim of the Board to make information available promptly and at the least possible cost.

The Board received no FOI applications during the 2022/23 financial year.

Portfolio holdings disclosure

The Federal Government has recognised that members of superannuation funds want increased transparency about the assets their superannuation is invested in by introducing legislation requiring superannuation funds to disclose data on their investment holdings on their website.

The Board now discloses all its investment holdings on the FES Super website. Members are now advised of the value and weighting of underlying assets within each of FES Super's investment options.

Member Complaints

The Board considers a complaint as 'any expression of dissatisfaction with our products or services where a response is expected'. Members can make a complaint verbally or in writing. In most cases, we are able to resolve member concerns over the phone, or promptly if it's a written complaint. If that's not possible, then the Board has procedures in place to deal with the query or complaint.

The Complaints Officer will acknowledge receipt of the complaint within two business days. The Complaints Officer will then investigate the complaint and provide the member with a written response detailing their findings and intended actions, usually within 21 calendar days (but in-any-case within 45 calendar days of receiving the complaint). For complaints about death benefit distributions, we will provide a response within 90 calendar days after the expiry of the 28-calendar day period for objecting to a proposed death benefit distribution.

If the member is still not satisfied with the outcome, they may have the right to appeal to the Australian Financial Complaints Authority (AFCA).

During 2022/23, the Board received two formal complaints. A full response that included reasons for the Board's decision was provided to each complainant within the legislated timeframes. One complainant escalated their complaint to AFCA who liaised with the complainant. The complaint was closed without further action.

External Complaints

If a member is not satisfied with the handling of a complaint or the Board's decision, they may be able to make a complaint to the Australian Financial Complaints Authority (AFCA).

AFCA is an independent body set up by the Federal Government to assist members and beneficiaries to resolve complaints made by:

1. Fund members;
2. Persons with an interest in a death benefit; and
3. Parties (and intending parties) to a Family law agreement or order affecting superannuation.

AFCA will advise the complainant if they are able to deal with the complaint and, if so, the type of information that is required.

If a complaint is lodged directly with AFCA before it is raised with the Fund, AFCA will generally refer the complaint to the Fund to consider the matter within specified timeframes.

For more information on AFCA and the type of information that must be provided, contact 1800 931 678 for the cost of a local call anywhere in Australia.

If assistance is required to make a complaint, please contact the Fund Secretary.

Recordkeeping Plan

In compliance with the *State Records Act 2000* the Board's Recordkeeping Plan provides an accurate reflection of the Board's recordkeeping systems, disposal programs, policies and procedures.

The Board's Recordkeeping Plan was approved by the State Records Commission on 17 March 2017.

The Recordkeeping Plan was updated to reflect current practices and a report was submitted to the State Records Commission in March 2022.

On 5 August 2022, the State Records Commission approved the continuation of the Board's Recordkeeping Plan and requested the next review of the Plan be submitted on or before 17 March 2024.

Governance Disclosures

At the date of reporting, there are no related parties.

Up until August 2022, Vantage Wealth Management was a related party of the Fund as Frank Sciarrone was both a member of the Board and a director of Vantage Wealth Management. Mr Sciarrone retired from the Board in August 2022.

The Fund held an investment portfolio managed by Vantage Wealth Management totalling \$39,219,234 at 30 June 2023. Vantage Wealth Management received management fees of \$130,476 during the financial year.

All transactions with Vantage Wealth Management were conducted on normal commercial terms and conditions.

Apart from this arrangement, no other related parties have entered into a contract for services with the Fund.

Ministerial Directions

No Ministerial directives were received during the financial year.

Derivatives

The Fund does not invest directly in any futures, options or other derivative instruments.

Investment managers are permitted to use futures, options and other derivative instruments to assist with the effective management of the Fund's assets. These instruments may not be used to gear the assets of the Fund. Derivatives may be used to improve liquidity, control risk, enhance returns, and/or provide more cost-effective exposure to certain asset classes or risk premia.

Surcharge

Any payments in connection with the superannuation contributions surcharge or advanced instalments of the surcharge will be drawn from the member's account.

Other Financial Disclosures

Pricing policies of services provided

The Fund charges a fee for administering accounts associated with the accumulation, spouse, retained and pension accounts. These fees are deducted from member accounts, investment returns and Fund assets and are based on the actual costs incurred during the previous financial year.

The costs for administering the defined benefit section of the Fund are factored into the employer's contribution rate.

Capital Works

No capital works were undertaken during the 2022/23 financial year and no capital works are planned for the next financial year.

Occupational safety, health and injury management

The Board is committed to occupational, safety, health and injury management. All employees are regularly consulted on occupational safety and health matters.

Indicator	2023	2022
Number of fatalities	Zero (0)	Zero (0)
Lost time injury/disease (LTI/I) incidence rate	Zero (0)	Zero (0)
Lost time injury severity rate	Zero (0)	Zero (0)
Percentage of injured workers returned to work within 28 weeks	Zero (0) workers injured.	Zero (0) workers injured.

Employment and Industrial Relations

The staff profile is below.

Employment Status	2023	2022
Full-time permanent	3	3
Full-time contract	0	0
Part-time measured on a FTE basis	0.6	1.6
Part-time contract	2	2
On secondment	0	0

Staff development

The Board has a commitment to the development of its employees. Our strategy is to build a highly skilled workforce with the ability to adapt to changing business technology and a changing superannuation environment.

During the 2022/23 financial year, our employees received in-house and on-the-job training on Cyber Security.



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