INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Auditor-General's Department

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To the Chair Audit Risk and Finance Committee
South Australian Superannuation Board
South Australian Ambulance Service Superannuation Scheme

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 9 of schedule 3 of the *Superannuation Act 1988*, I have audited the financial report of the South Australian Ambulance Service Superannuation Scheme for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Ambulance Service Superannuation Scheme as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:
- a Statement of Financial Position as at 30 June 2018
- an Income Statement for the year ended 30 June 2018
- a Statement of Changes in Member Benefits for the year ended 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from a Board Member of the South Australian Superannuation Board, Chief Executive, State Superannuation Office and the Manager, Financial Services, State Superannuation Office.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Ambulance Service Superannuation Scheme. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

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

The Chief Executive, State Superannuation Office is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The members of the South Australian Superannuation Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the scheme's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive, State Superannuation Office

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive, State Superannuation Office and those charged with governance about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

Andrew Richardson
Auditor-General
20 September 2018

Statement of Financial Position

As at 30 June 2018

	Note	2018 $000	2017 $000
Assets			
Cash and cash equivalents	13	879	1 010
Receivables	7	9	6
Contributions receivable		3	3
Investments	5	267 493	252 823
Total assets		**268 384**	**253 842**
Liabilities			
Benefits payable		2	2
Payables	8	462	547
Insurance liabilities		522	551
Income tax liabilities	14(c)	-	215
Deferred tax liabilities	14(d)	5 384	3 915
Total liabilities excluding member benefits		**6 370**	**5 230**
Net assets available for member benefits		262 014	248 612
Member benefits			
Defined benefit member liabilities	3	182 902	178 472
Defined contribution member liabilities	4	60 475	57 721
Total member liabilities		**243 377**	**236 193**
Net assets		**18 637**	**12 419**
Equity			
Insurance Reserve	15	3 047	2 733
Operational Risk Reserve	16	651	604
Change in member liabilities		14 939	9 082
Total equity		**18 637**	**12 419**

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

Income Statement

For the year ended 30 June 2018

	Note	2018 $000	2017 $000
Changes in investments measured at fair value		24 414	25 654
Interest revenue		11	11
Revenue		24 425	25 665
Investment expenses	9	1 876	1 592
Administration expenses	10	352	302
Result from superannuation activities		**2 228**	**1 894**
Insurance expense		(29)	46
Result from operating activities		22 226	23 725
Net change in defined benefit member liabilities		(10 957)	(8 929)
Allocation to defined contribution member accounts		(3 230)	(3 586)
Result from operating activities before tax		**8 039**	**11 210**
Income tax	14(b)	1 823	1 818
Net operating result		**6 216**	**9 392**

The Income Statement should be read in conjunction with the accompanying notes.

Statement of Changes in Member Benefits

For the year ended 30 June 2018

	Note	Defined Benefit 2018 $000	Defined Contribution 2018 $000	Total 2018 $000
Opening balance as at 1 July 2017		**178 472**	**57 721**	**236 193**
Employer contributions	12	8 070	2 631	10 701
Member contributions		-	1 325	1 325
Transfers from other super entities		-	319	319
Government co-contributions		-	8	8
Contributions tax		(1 213)	(396)	(1 609)
Net contributions		**6 857**	**3 887**	**10 744**
Benefits to members				
(benefits paid and payable)		(13 384)	(4 364)	(17 748)
Net benefits comprising:				
Net investment income		17 005	5 544	22 549
Net administered fees		(265)	(87)	(352)
Net change in member liabilities		(5 783)	(2 226)	(8 009)
Closing balance as at 30 June 2018		**182 902**	**60 475**	**243 377**

	Note	Defined Benefit 2017 $000	Defined Contribution 2017 $000	Total 2017 $000
Opening balance as at 1 July 2016		**171 554**	**52 794**	**224 348**
Employer contributions	12	8 296	2 705	11 001
Member contributions		-	1 381	1 381
Transfers from other super entities		-	608	608
Government co-contributions		-	9	9
Contributions tax		(1 244)	(406)	(1 650)
Net contributions		**7 052**	**4 297**	**11 349**
Benefits to members				
(benefits paid and payable)		(9 063)	(2 955)	(12 018)
Net benefits comprising:				
Net investment income		18 154	5 919	24 073
Net administered fees		(228)	(74)	(302)
Net change in member liabilities		(8 997)	(2 260)	(11 257)
Closing balance as at 30 June 2017		**178 472**	**57 721**	**236 193**

The Statement of Changes in Member Benefits should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
For the year ended 30 June 2018

2018	Insurance Reserve $000 Note 15	Operational Risk Reserve $000 Note 16	Over/(under) allocated benefits $000	Total equity $000
Opening balance	2 733	604	9 082	12 419
Net operating result	314	47	5 855	6 216
Net transfers to equity	-	-	2	2
Closing balance	**3 047**	**651**	**14 939**	**18 637**

2017	Insurance Reserve $000 Note 15	Operational Risk Reserve $000 Note 16	Over/(under) allocated benefits $000	Total equity $000
Opening balance	2 681	551	(220)	3 012
Net operating result	52	53	9 287	9 392
Net transfers to equity	-	-	15	15
Closing balance	**2 733**	**604**	**9 082**	**12 419**

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

Statement of Cash Flows
For the year ended 30 June 2018

	Note	2018 $000	2017 $000
Bank interest		11	11
Receipt of GST Recoup		22	22
Audit expense		(26)	(26)
Consultancy expenses		(39)	(7)
Administration expenses paid		(311)	(290)
Income tax paid		(1 159)	(849)
Net cash flows from operating activities	13	**(1 502)**	**(1 139)**
Receipts from the sale of investments from Funds SA		16 780	11 840
Payments to Funds SA for the purchase of investments		(8 910)	(10 906)
Net cash flows from investing activities		**7 870**	**934**
Employer contributions		10 627	11 422
Member contributions		1 315	1 431
Spouse contributions		-	4
Government co-contributions		8	9
Transfers from other superannuation entities		319	608
Benefit payments to members		(17 749)	(12 019)
Contributions tax paid		(1 019)	(771)
Net cash flows from financing activities		**(6 499)**	**684**
Net change in cash		(131)	479
Cash at the beginning of the financial period		1 010	531
Cash at the end of the financial period		**879**	**1 010**

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

1. Objectives and funding

(a) South Australian Ambulance Service Superannuation Scheme

On 29 June 2006, the Treasurer declared the South Australian Ambulance Service Superannuation Scheme (the Scheme) a scheme and fund established pursuant to Clause 2 of Schedule 3 of the *Superannuation Act 1988* (the Act). The net assets of the SA Ambulance Service Superannuation Fund (the former scheme) as at 30 June 2006 were transferred to the Scheme. The Scheme is an exempt public sector superannuation scheme in terms of schedule 1AA of the *Superannuation Industry (Supervision) Regulations 1994* (Cwlth). The Scheme is a taxed scheme by virtue of schedule 4 of the *Income Tax Assessment Regulations 1997* (Cwlth).

The Scheme is governed by a Trust Deed and Rules pursuant to the Act and became effective from 1 July 2006. The Scheme's membership includes contributory, non-contributory, spouse, and preserved members. The main benefit for contributory members is a defined benefit. Non-contributory, spouse and preserved members are entitled to accumulation benefits. The Scheme provides benefits to members on retirement, resignation, death, permanent or temporary disablement and serious ill health.

Member and Employer contributions are deposited by the Treasurer into the fund established for the Scheme (the Fund). The Scheme was closed to further new members with effect from 1 July 2008.

The Scheme is an exempt public sector superannuation scheme and operates on a not for profit basis.

(b) South Australian Superannuation Board

Pursuant to Clause 2(1)(d) of Schedule 3 of the Act, the Treasurer declared the South Australian Superannuation Board (the Board) the Trustee of the Scheme from 1 July 2006. As Trustee of the Scheme, the Board is responsible for administering the Trust Deed and Rules.

(c) Superannuation Funds Management Corporation of South Australia

Pursuant to Clause 2(1)(c) of Schedule 3 of the Act, the Treasurer declared the Fund to be invested and managed by Funds SA from 1 July 2006.

For further information on the investment of the Fund, reference should be made to the annual report of Funds SA.

(d) Funding arrangements

For the year ended 30 June 2018, contributory members contributed 5 percent of post-tax salary or 5.9 percent of pre-tax salary. Members could also make additional voluntary contributions on either a pre-tax or post-tax basis. The employer contributed at the rate of 12 percent of member salaries. For members who were entitled to the SA Ambulance Service Award superannuation benefit under the Scheme, the employer contributed an additional 3 per cent of salaries (3.72 per cent for Elective Services employees and Emergency Services staff).

Non-contributory members are employees employed on a casual basis or those employees who elected prior to 30 June 2006 to not be a defined benefit member. Non-contributory members may make voluntary post-tax or pre-tax contributions. The employer contribution for non-contributory members is 9.5 percent (2017: 9.5 percent) of salary in order to satisfy the Superannuation Guarantee requirements under Commonwealth law.

The triennial actuarial review as at 30 June 2017 recommended that the current employer contribution for the defined benefit scheme members be reduced from 12 percent to 9.5 percent, effective from 1 July 2018. This new contribution rate has been approved by the Board. This rate is expected to maintain the value of the Scheme's assets at least equal to 105 percent of accrued and vested defined benefits until at least 2020. The 9.5 percent employer contribution includes 0.83 percent in respect of insurance premiums. The next triennial actuarial review, as at 30 June 2020, is scheduled for the scheme during 2020-21.

The insurance cover for Death, Total and Permanent Disablement, Serious Ill-Health and Income Protection was provided as a self-insurance arrangement within the fund from 1 July 2006. The actuarial review as at 30 June 2017 recommended that the self-insurance contribution of 0.83 percent be maintained and that the voluntary contribution rate of $1.35 per unit per week also be maintained. The review also recommended that the self-insurance reserve be increased from 100 percent to 200 percent of one year's expected claim costs.

As at 30 June 2018, the asset coverage of vested benefits met the target of 105 percent.

2. Significant accounting policies

(a) Basis of accounting

This financial report is a general purpose financial report. The financial statements have been prepared in accordance with relevant Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board, Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act* 1987 (PFAA), except as provided below.

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

This financial report is presented in Australian currency and all amounts have been rounded to the nearest thousand dollars ($000). The scheme is a not-for-profit entity for the purpose of preparing financial statements.

(b) New accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period. The assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments (AASB 9)

AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is first applicable to the Scheme for the year ending 30 June 2019. The new standard includes a model for classification and measurement, a single, forward looking 'expected loss' impairment model and a substantially-performed approach to hedge accounting.

All of the Scheme's financial assets are currently measured at fair value through profit or loss and will continue to be measured on that basis under AASB 9. Super SA has conducted an assessment on behalf of the Scheme and has determined there will be no material impact of the standard on the Scheme's accounting for financial instruments.

AASB 15 Revenue from Contracts with Customers (AASB 15)

The principle of AASB 15 is that revenue is recognised when control of a good or service transfers to a customer, so that the notion of control replaces the existing notion of risks and rewards. AASB 15 is first applicable to the Scheme for the year ending 30 June 2019. Super SA has assessed the impact of the new rules on behalf of the Scheme and determined that there will be no material impact on the financial statements.

AASB 16 Leases (AASB 16)

AASB 16 is first applicable for the year ending 30 June 2020. Assets and liabilities will be reported on the balance sheet for all leases with a term of more than 12 months, even if they were previously classified as an operating lease.

The Scheme has no operating leases, and while Super SA is in the process of analysing the impact of the new standard on the Scheme, it expects there will be no material impact on the Scheme's financial statements.

There are no other "not yet effective" accounting standards that are expected to have a material impact on the Scheme in the current or future reporting periods.

(c) Financial assets and liabilities

(a) Classification

The Scheme classifies its financial assets and financial liabilities into the categories below in accordance with AASB 139.

Financial assets and liabilities held for trading

These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. All derivatives are classified as held for trading. Derivative financial instruments entered into by the Scheme, if any, do not meet the hedge accounting criteria as defined by AASB 139. Consequently hedge accounting is not applied by the Scheme.

Financial instruments designated at fair value through profit or loss upon initial recognition

These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Scheme.

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through profit or loss. Other financial liabilities are measured at their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal amount approximates fair value.

(b) Recognition

The Scheme recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Scheme commits to purchase or sell the asset.

(c) Initial recognition

Financial assets and financial liabilities at fair value through profit and loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in the income statement.

Receivables and financial liabilities (other than those classified at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Scheme recognises the difference in the income statement, unless specified otherwise.

(d) Subsequent measurement
After initial measurement, the Scheme measures investments at fair value through profit or loss. Subsequent changes in the fair value of those investments are recorded as 'changes in investments measured at fair value' through the income statement. Interest earned is recorded in 'Interest revenue'.

(e) Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Scheme.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Scheme uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. Refer to financial statement note 5.

(f) Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

(g) Receivables and payables
Receivables are carried at nominal amounts due that approximate fair value. Receivables are normally settled within 30 days. Payables are carried at nominal amounts that approximate fair value. They represent liabilities for goods and services provided to the Scheme prior to the end of the financial year that are unpaid when the Scheme becomes obliged to make future payments in respect of the purchase of these goods or services.

(h) Benefits payable
Benefits payable are valued at fair value and relate to members who have ceased employment and provided the Scheme with appropriate notification on or prior to 30 June 2018 but paid after that date. These also include pension payments payable on or prior to the end of financial year but paid after 30 June 2018.

(i) Insurance liabilities
Insurance liabilities have been recognised and measured using the approach to measuring defined benefit member liabilities as required by AASB 1056. The Scheme has adopted the equivalent AASB 1056 approved shortcut method that provides a valuation to meet the accrued insurance liabilities as at that date when they are expected to fall due.

(j) Taxation
The Scheme is a complying superannuation fund within the provisions of the *Income Tax Assessment Act 1997* and accordingly the concessional tax rate of 15% has been applied.

<u>Current tax</u>
Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable benefits accrued for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

<u>Deferred tax</u>
Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial report and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affect neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are estimated to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Scheme expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Scheme intends to settle its current tax assets and liabilities on a net basis.

(k) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Scheme and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognised:

Changes in fair values

Changes in the fair value of investments invested with Funds SA are calculated as the difference between the fair value at sale, or at balance date, and the fair value at the previous valuation point. All changes are recognised in the income statement.

Interest

Interest revenue on cash and other financial assets carried at fair value is recorded according to the terms of the contract and recognised in the income statement.

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable; or
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the ATO are classified as operating cash flows.

(m) Foreign currency

The functional and presentation currency of the Scheme is Australian Dollars, which is the currency of the primary economic environment the Scheme operates. The Scheme's performance is evaluated and its liquidity managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(n) Investments

Funds SA provides investments measured at fair value. Below is the basis for valuation of these investments.

(i) Inflation Linked Securities B

The Inflation Linked Securities portfolio invests in discretely managed portfolios and internal inflation linked securities. Discretely managed portfolios are invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date.

Internally managed inflation linked securities, the returns of which are linked to movements in either the Consumer Price Index or Average Weekly Earnings, have been valued using the discounted cash flow method. The valuation as at balance date was performed by an independent valuer.

(ii) Property B

The Property B portfolio comprises two sub-sectors:

Listed Property Trusts

These investments comprise arrangements whereby professional fund managers are appointed under an investment management agreement to manage and invest in listed property securities and real estate investment trusts. Investments in this sub-sector are in pooled funds and have been valued in accordance with the valuations supplied by the managers.

Unlisted property vehicles

The unlisted property vehicles portfolio is invested and managed by external managers. Investments in this sub-sector have been valued in accordance with the valuations supplied by the managers.

(iii) Australian Equities B

The Australian Equities B portfolio comprises investments in listed Australian equities, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled listed Australian equities funds have been valued in accordance with the valuations supplied by the managers.

(iv) International Equities B

The International Equities B portfolio comprises investments in equities listed on international share markets, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled international vehicles have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid-rates applicable at balance date where applicable.

(v) Short Term and Long Term Fixed Interest

The Short Term and Long Term Fixed Interest portfolios have exposure to domestic and global debt instruments and is managed by external managers. The custodian appointed to hold the assets has valued the portfolio using market prices applicable at balance date.

(vi) Diversified Strategies Growth B

The Diversified Strategies Growth B portfolio comprises investments in Australian and international private equity funds and Australian and international pooled funds, which are invested and managed by external managers. The valuation of private equity investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Both Australian and international private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines (December 2015). Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid-rates applicable at balance date where applicable.

(vii) Diversified Strategies Income

The Diversified Strategies Income portfolio comprises investments in discretely managed investments and Australian and international pooled funds, and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Currency conversions have been made at the spot market mid-rates applicable at balance date where applicable.

(viii) Cash

Investments in externally managed pooled cash funds have been valued in accordance with the valuations supplied by the managers. Deposits at call have been valued on the basis of principal plus accrued interest.

(o) Operation of investment portfolio

Funds SA is responsible for the investment and management of the Scheme's funds pursuant to strategies formulated by Funds SA (refer Note 1 (b)). Funds SA operates a multi-layered notional unitisation structure to facilitate the administration of different investment strategies applying to the various public sector superannuation funds. For the year ending 30 June 2018, Funds SA managed the Balanced investment for the fund and reference should be made to Funds SA's Annual Report for the strategic asset allocations applying to the investment discussed in the preceding paragraphs.

(p) Member liabilities

Member liabilities are measured at the amount of accrued benefits.

Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at that date when they are expected to fall due.

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

(q) Significant accounting judgements, estimates and assumptions

The preparation of the Scheme's financial statements requires management to make judgments, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been presented to be consistent with current period disclosures.

Fair value of investments
When the fair values of the investments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including a discounted cash flow model. The inputs in these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required to establish fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of these investments.

Valuation of defined benefits member liabilities
The amount of member liabilities in relation to defined benefits has been determined using actuarial valuation techniques and assumptions. An actuarial valuation involves making various assumptions about the future. Actual developments in the future may differ from these assumptions. The assumptions member turnover, future investment returns, pension indexation rates, mortality rates and future salary increases. Due to the complexities involved in the valuation and its long term nature, defined benefit member liabilities are highly sensitive to changes in these assumptions. Assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, the actuary considers an investment portfolio that reflects the opportunities reasonably available to the Scheme in the investment markets, and also reflects the Scheme's actual investments and investment strategy in respect of defined benefit member liabilities.

The mortality assumption is based on publicly available mortality tables. Future salary increases are based on the Wage Price Index produced by the Australian Bureau of Statistics and in consultation with the employer-sponsors.

3. Defined benefit member liabilities

Actuarial valuations to determine the liability for accrued benefits are conducted at least every three years and is undertaken by Stuart Miles (FIAA), Principal, and Representative Mercer Consulting (Australia) Pty Ltd. The actuarial valuation was undertaken as at 30 June 2017 and the next review to be undertaken as at 30 June 2018. The liability was determined on the basis of the present value of the expected future payments that will arise from membership of the Scheme up to 30 June 2018. The figure reported has been determined by reference to the expected future salary level increases (4 percent; 2017: 4 percent) and by application of the market-based, risk-adjusted discount rate after tax (4.1 percent; 2017: 9.7 percent).

	2018 $000	2017 $000
Defined benefit member liabilities	182 902	178 472

The actuarial valuation of member liabilities reflects the actuarial assessment of the benefits accrued up to the reporting date and payable to members on retirement, resignation, death and disability. The accrued liabilities are the present values of expected future benefit payments arising from membership of the Scheme up to 30 June 2018.

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

i. The assumed discount has been determined by reference to the investment returns expected on an investment portfolio that reflects the opportunities reasonably available to the Scheme in the investment markets, and also reflects the Scheme's actual investments and investment strategy in respect of defined benefit member liabilities.
ii. The assumed annual salary adjustment has been determined by reference to the Wage Price Index produced by the Australian Bureau of Statistics and in consultation with the employer-sponsor.

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

The following table outlines the sensitivity estimates of the total member liabilities, provided by the Scheme actuary, on the net earnings and salary growth.

	Member Liability result $000	Change in member benefit liability $000	Change in member benefit liability %
Base case	236 193	-	-
Salary growth less 0.5%	233 782	(2 411)	(1.0)
Net earnings less 0.5%	239 899	3 706	1.6

As advised in Note 1(d), employer contributions for the year have been made at the rate determined by the Scheme actuary.

Vested benefits

Vested benefits are benefits that are not conditional upon continued membership of the Scheme (or any factor other than resignation from the Scheme) and include benefits which members were entitled to receive had they terminated their Scheme membership as at the reporting date.

	2018	2017
	$000	$000
Defined benefit vested benefits	171 121	171 121

4. Defined contribution member liabilities

The employee funded, defined contribution component for the defined contribution accrued liability, that is, the balance of the employees' contribution accounts as at the end of the financial year. These accounts are valued using unit prices that are determined by the underlying investment movements.

	2018	2017
	$000	$000
Defined contribution member liabilities	60 475	57 721

Defined contribution members bear the investment risk relating to the underlying assets and unit prices. Unit prices are updated twice weekly.

	2018	2017
	$000	$000
	171 121	171 121
	60 475	57 721
Total vested benefits	231 596	228 842

Refer to Note 17 for the Scheme's management of the investment risks.

5. Fair value of financial instruments

Classification of financial Instruments under the fair value hierarchy

AASB 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Valuations are the responsibility of the Board. The valuation of investments is performed on a twice weekly basis and are subject to quality assurance procedures.

After the checks above have been performed the Board considers the valuation results, including assumptions used in the valuations.

The Board also considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen.

Valuation technique

The Scheme's investments are not quoted in an active market. The Scheme's investment manager, Funds SA considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the net asset value (NAV) of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the underlying funds and fund managers. In measuring fair value, consideration is also paid to any transactions of a fund. The Scheme classifies these funds as Level 2.

There were no changes in valuation techniques during the year.

Fair value of investments

Financial assets at fair value through profit or loss - Level 2	2018	2017
Level 1 and level 3 are not relevant to the Scheme	$000	$000
Unlisted managed investment schemes		
Funds SA	267 493	252 823
	267 493	252 823

6. Movement in the value of investments

	2018	2017
	$000	$000
Opening balance	252 823	229 696
Balanced option movement	14 670	23 127
Investments at 30 June	267 493	252 823

7. Receivables

	2018	2017
	$000	$000
GST recoup from ATO	8	5
Other receivables	1	1
	9	6

8. Payables

	2018	2017
	$000	$000
Audit fees payable	25	24
Unearned revenue	433	518
Provision for PAYG Withholding	4	5
	462	547

9. Investment expenses

	2018	2017
	$000	$000
Investment expenses	1 876	1 592

Investment expenses comprise fees paid to Funds SA. Funds SA advises the amount applicable to the Scheme based on the Scheme's investment. Current year investment expenses increased due to higher total investments and investment performance for the financial year.

10. Administration expenses

	DB Scheme	DC Scheme	2018	2017
	$000	$000	$000	$000
Administration expenses(i)	219	71	290	270
Other expenses(ii)	-	62	62	32
	219	133	352	302

(i) Administration expenses comprises the costs incurred by the Department of Treasury and Finance in administering the Scheme, which are met in the first instance from the Department of Treasury and Finance Operating Account. The Board recovers a share of the administration cost from the Scheme.

(ii) Other expenses include Auditor's remuneration. Refer note 11.

11. Auditors' remuneration

	2018	2017
	$000	$000
Audit fees	24	24
	24	24

Audit fees paid (or payable), GST exclusive, relate to the Auditor-General's Department work performed under the PFAA. No other services were provided by the Auditor-General's Department.

12. Employer contributions

	2018	2017
	$000	$000
Employer contributions	9 883	10 085
Insurance premiums	409	458
Administration charges	409	458
	10 701	11 001

13. Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and deposits with the Department of Treasury and Finance. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	2018	2017
	$000	$000
Cash and cash equivalents	879	1 010
Reconciliation of operating result to net cash flows from operating activities		
Net operating result	6 216	9 392
Adjustments for:		
Changes in investments measured at fair value	(24 414)	(25 654)
Investment expenses	1 876	1 592
Income taxes	580	969
(Increase) / decrease in receivables	(3)	1
Increase / (decrease) in payables	85	-
Increase / (decrease) in insurance liabilities	(29)	46
Allocation to members' accounts	14 187	12 515
Net cash flows from operating activities	(1 502)	(1 139)

14. Income tax

	2018 $000	2017 $000
(a) Major components of tax expense		
Current income tax		
Current tax charge	243	309
Adjustment to current tax for prior periods	110	(40)
Deferred income tax		
Relating to the origination and reversal of temporary differences	1 488	1 508
Adjustment to deferred tax for prior periods	(18)	41
Income tax as reported in the Income Statement	1 823	1 818
(b) Income tax expense		
Reconciliation between income tax expenses and the accounting profit before income tax		
Net result from operating activities	8 039	11 210
Tax applicable at the rate of 15% (2017: 15%)	1 206	1 682
Tax effect of expenses that are not assessable/or deductible in determining taxable income:		
Investment revenue	(594)	(643)
Net benefit allocated to member accounts	2 128	1 877
Movement in insurance liabilities	-	7
Tax effect of other adjustments:		
Imputation and foreign tax credits	(931)	(1 027)
Self-insurance deduction	(78)	(64)
Over provision prior period	92	(14)
Income tax expense	1 823	1 818
(c) Current tax liability (asset)		
Current years income tax provision	-	215
Current tax liability (asset)	-	215
(d) Deferred tax liability		
The amount of deferred tax liability recognised in the Statement of Financial Position at reporting date comprises:		
Accrued expenses	(4)	(4)
Prepaid contributions/contributions receivable	65	(77)
Realised capital losses carried (forward) discounted	(916)	(905)
Unrealised capital (losses)/gains carried (forward) discounted	6 239	4 901
Net deferred tax liability (asset)	5 384	3 915

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

15. Insurance Reserve

The Scheme self-insures and provides an insurance benefit based on units of cover, subject to certain limitations, in the event of death or invalidity before age 65. An Income Protection Insurance benefit, subject to eligibility criteria, is also available in the event of a member becoming temporarily disabled before age 60.

The *Standard Insurance* benefit of two units of cover costs $1.50 per week and is compulsory for most members of the scheme except casual employees who can elect to opt out of insurance and those who opted out of an additional unit of cover under Item 1 Schedule 3 of the repealed *Southern State Superannuation Regulations 1995*, and those who are special category members in terms of Regulation 28. Police Officers and operations employees of the SA Ambulance Service, who commenced employment after 1 July 2008 or former standard contributory member of the SA Ambulance Service Superannuation Scheme who elected to transfer to the Triple S Scheme, are required to have at least 6 units of Standard Insurance cover. The value of a unit of Standard Insurance for members up to age 34 years is $75 000. The value of a unit declines from age 35. Additional units can be purchased (subject to medical evidence) to provide permanent employees with cover up to $1.5 million and casual employees up to $750 000. Fixed Insurance closed to new applications in November 2014.

As required by Section 17 of the repealed Act, a report was obtained on the costs and liabilities of the insurance arrangements in existence as at 30 June 2017. The actuary concluded that the cost of standard cover exceeds the standard cover premium by $0.25 per unit per week; an expected premium subsidy of $3.3 million per annum results. There are sufficient reserves to maintain the current premium subsidy for at least the next three years. In accordance with section 17 of the Act, a report will be received later in 2018 on the costs and liabilities of the insurance arrangements in existence as at 30 June 2018.

To be eligible for the Income Protection Insurance benefit, a member must be an active member, working full-time or part-time and receiving an employer contribution. Casual employees not automatically provided with the benefit can apply and be accepted for cover subject to medical evidence. Income Protection payments can continue for 24 months for members employed full or part time. Casual employees can be paid for up to 12 months.

	2018	2017
	$000	$000
Opening balance of the Insurance Reserve	**2 734**	**2 681**
Investment earnings on Reserve (i)	216	244
Premiums and charges	450	501
	666	745
Benefit payments	(353)	(693)
Closing balance of Reserve	**3 047**	**2 733**

(i) The Insurance Reserve is notionally invested in the Balanced option and earned 7.8 percent in 2018.

16. Operational Risk Reserve

The Operational Risk Reserve is to be accumulated to 0.6% of funds under management following a decision of the Board and in line with Prudential Standard SPS114.

	2018	2017
	$000	$000
Opening balance of the Operational Risk Reserve	**604**	**551**
Investment earnings on Reserve (i)	47	53
Closing balance of Reserve	**651**	**604**

(i) The Operational Risk Reserve is notionally invested in the Balanced option and earned 7.6 percent in 2018.

17. Financial risk management objectives and policies

The Scheme's investments are managed by Funds SA predominantly by the appointment of investment managers as determined by the Funds SA Board. Each investment manager is required to invest the assets in accordance with the terms of a written mandate. The Funds SA Board has determined that the appointment of these managers is appropriate for the Scheme and is in accordance with the Scheme's investment strategy. The Funds SA Board obtains regular reports from each manager on the nature of the investments made on its behalf and the associated risks.

The allocation of assets between the various types of financial instruments is determined by the Funds SA Board. Divergence from target asset allocations and the composition of the portfolio is monitored by the Funds SA Board on a regular basis.

The Scheme'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 Scheme are discussed below. This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risk.

The Funds SA Board has overall responsibility for the establishment and oversight of the Scheme's investment risk management framework.

The Scheme's investment risk management policies are established to identify and analyse the risks faced by the Scheme, including those risks managed by the Scheme'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 Scheme's activities.

The Board receives regular reports from Funds SA concerning compliance with the Scheme's investment objectives.

(a) Market risk

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

I. Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates.

The Scheme's currency risk is managed by Funds SA as investments include assets denominated in foreign currencies.

Funds SA strategic policy for the management of its foreign currency exposure is as follows:
- Foreign currency exposures in the diversified strategies (growth), diversified strategies (income) and fixed interest asset sectors are fully hedged to Australian dollars.
- Foreign currency exposures over the developed markets component of the international equities asset class are 50 percent hedged to Australian dollars.

For the purpose of managing foreign currency risk, within defined constraints, the exposure to foreign currency can be varied from the strategic policy stated above, by Funds SA.

II. Interest rate risk

Interest rate risk is the risk that a movement in interest rates will cause the value of fixed interest securities to deviate from expectations.

The Fund's interest rate risk is managed by Funds SA, as investments include fixed interest securities.

Funds SA manages interest rate risk through:
- Ensuring asset allocations of different investment products are consistent with the time horizon of each.
- The use of specialist external investment managers to manage Funds SA's cash and fixed income portfolios.
- The Scheme's receivables and payables are non-interest bearing. The carrying amounts of these assets approximate to fair value.

III. Other market price risk

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

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

The Fund's other market price risk is managed by Funds SA, as investments include financial instruments exposed to market prices.

Funds SA manages the risk of financial market volatility through the adherence to two principles:
- Ensuring a diversity of exposures to different financial markets and sub markets.
- Ensuring asset allocations for different investment options are consistent with the time horizon of each.

IV. Investments sensitivity analysis

The Funds SA Board has determined that its forecast risk/return profile provides a reasonable measure of the sensitivity of the expected returns in each investment asset class. The following tables show the standard deviation around expected nominal returns for each asset class.

	Average Return	Market Risk	Average FUM	Potential impact of market risk (+/-) on Income Statement
2018	%	%	$000	$000
Balanced B	6.5	8.1	260 158	2 107

	Average Return	Market Risk	Average FUM	Potential impact of market risk (+/-) on Income Statement
2017	%	%	$000	$000
Balanced B	6.5	8.0	241 260	1 930

Note the 2017 sensitivity values have been restated from the prior year for consistency with the 2018 presentation.

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

Market risk is a useful historical measure of the variability of returns earned by an investment portfolio. The market risk shown above represents the range at which actual future returns are expected to occur either side of the nominal return approximately two thirds of the time.

The dollar value of the potential impact on the Income Statement arising from the market risk is indicative only. The impacts are not additive across investment asset classes, as each asset class operates in different markets and is subject to different conditions.

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

(b) Credit risk

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

The net market value of financial assets, included in the Statement of Financial Position represents the Scheme's maximum exposure to credit risk in relation to those assets. The Scheme does not have any significant exposure to any individual counterparty or industry. The credit risk is monitored by Funds SA through ongoing reviews of the investment managers.

The Scheme does not have any assets which are past due or impaired and there is no concentration of credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Scheme'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 Scheme's reputation.

For the Scheme's investments, Funds SA manages liquidity risk as follows:

- By giving careful consideration to the expected net cash redemption requirements of Funds SA's clients. The allocation to cash in the strategic asset allocation of each investment product is set at a level sufficient to manage expected cash redemptions.
- A large proportion of each investment product is invested in highly liquid investments such as actively traded equities, unit trusts or securities with short-term maturities.

For the Scheme itself, the liquidity position is monitored on a daily basis. The Scheme's cash and liquidity policy is to have sufficient cash balances to meet anticipated weekly benefit payments, expenses and investing activities.

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

2018	Less than 3 Months	Total Contractual Cash Flows	Carrying Amount Liabilities
Financial liabilities	$000	$000	$000
Benefits payable	2	2	2
Payables (i)	433	433	433
Vested benefits (ii)	231 596	231 596	231 596
Total	**232 031**	**232 031**	**232 031**

2017	Less than 3 Months	Total Contractual Cash Flows	Carrying Amount Liabilities
Financial liabilities	$000	$000	$000
Benefits payable	2	2	2
Payables (i)	518	518	518
Vested benefits (ii)	228 842	228 842	228 842
Total	**229 362**	**229 362**	**229 362**

(i) Payable amounts disclosed here exclude amounts relating to statutory payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees).

(ii) Vested benefits have been included in the "Less than 3 months" column, as this is the amount that members could call upon as at balance date. This is the earliest date on which the Scheme can be required to pay members vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

(d) Derivative financial instruments

Derivatives can be defined as financial contracts whose value depends on, or is derived from, assets, liabilities, reference rates or indices. Funds SA uses derivatives to manage portfolio risk and to facilitate the implementation of investment strategies efficiently and cost effectively. Funds SA uses a variety of derivative instruments, such as over the counter swap agreements, forward rate agreements, futures and options.

Derivatives are an authorised investment within certain mandates managed by Funds SA's external investment managers for the purposes described above.

18. Segment information

The Scheme operates in one reportable segment, being the provision of benefits to members. The Scheme also operates from one reportable geographic segment, being Australia, from where its activities are managed. While the Scheme operates from Australia only, the Scheme, through its investment managers Funds SA, has investment exposures in different countries and across different industries.

19. Related parties

Key management personnel
The key management personnel of the Scheme includes the Treasurer, Board members, and the Chief Executive and members of the Executive Leadership Group, State Superannuation Office who have responsibility for the strategic direction and management of the Scheme.

Compensation
All key management personnel are compensated by the Department of Treasury and Finance or the Board, therefore their compensation is disclosed in the respective financial reports.

Transactions with key management personnel and other related parties
There were no transactions requiring disclosure for key management personnel or related parties.

Transactions with other government entities
There were no significant transactions with government entities other than those disclosed elsewhere in the financial statements.

20. Events after the reporting period

There were no significant events after the reporting period.

South Australian Ambulance Service Superannuation Scheme

Certification of the financial report

We certify that the attached general purpose financial report for the South Australian Ambulance Service Superannuation Scheme:

- complies with any relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*;
- is in accordance with the accounts and records of the Scheme; and
- presents fairly the financial position of the Scheme as at 30 June 2018 and the results of its operation and cash flows for the year then ended on that date, in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

We certify that the internal controls employed by the Scheme for the financial year over its financial reporting and its preparation of the general purpose financial report have been effective throughout the reporting period.

Dascia Bennett
CHIEF EXECUTIVE
STATE SUPERANNUATION OFFICE

Virginia Deegan
BOARD MEMBER
SA SUPERANNUATION BOARD

Mark Carpinelli
MANAGER FINANCIAL SERVICES
STATE SUPERANNUATION OFFICE

Date 17/09/18