



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@audit.sa.gov.au
www.audit.sa.gov.au

To the President of the Legislative Council Parliamentary Superannuation Board

Opinion

I have audited the financial report of the Parliamentary Superannuation Scheme for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Parliamentary Superannuation Scheme as at 30 June 2026, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- an Income Statement for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Member Benefits for the year ended 30 June 2026
- a Statement of Changes in Equity/Reserves for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the President of the Legislative Council, Parliamentary Superannuation Board, Chief Executive, Super SA and the Director, Finance, Super SA.

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 Parliamentary 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 (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive of Super SA and members of the Parliamentary Superannuation Board for the financial report

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

In preparing the financial report, the Chief Executive, Super SA is responsible for assessing the Parliamentary Superannuation Scheme's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive, Super SA is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Parliamentary Superannuation Scheme for the financial year ended 30 June 2026.

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 Parliamentary Superannuation 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, Super SA
- conclude on the appropriateness of the Chief Executive, Super SA's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Chief Executive, Super SA and members of the Parliamentary Superannuation Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Deputy Auditor-General

24 September 2026

Parliamentary Superannuation Scheme

Financial Statements

For the year ended 30 June 2026

Parliamentary Superannuation Scheme
Income Statement
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
Changes in fair value of investments		31 508	26 535
Interest		28	20
Total income		31 536	26 555
Expenses			
Investment expenses	11	(727)	(752)
Administration expenses	12	(441)	(319)
Total expenses		(1 168)	(1 071)
Result from superannuation activities		30 368	25 484
Net insurance activities		(190)	-
Result from operating activities		30 178	25 484
Net benefits allocated to defined contribution member accounts		(6 401)	(5 667)
Net change in defined benefit member liabilities		(12 356)	(15 124)
Net operating result		11 421	4 693

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

Parliamentary Superannuation Scheme
Statement of Financial Position
as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Assets			
Cash and cash equivalents	14	505	488
Receivables	7	887	6
Contributions receivable		98	12
Investments	5	295 478	292 988
Total assets		296 968	293 494
Liabilities			
Benefits payable		181	134
Payables	8	142	45
PAYG tax payable		121	117
Insurance liabilities		208	-
Total liabilities excluding member benefits		652	296
Net assets available for member benefits		296 316	293 198
Member benefits			
Defined contribution member liabilities	3	60 555	65 185
Defined benefit member liabilities	4	196 340	200 013
Total member liabilities		256 895	265 198
Total net assets		39 421	28 000
Equity			
Insurance Reserve	9	19	-
Administration Fee Reserve	10	-	-
Defined benefits surplus		39 402	28 000
Total equity		39 421	28 000

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

Parliamentary Superannuation Scheme
Statement of Changes in Member Benefits
for the year ended 30 June 2026

	Note	Defined benefits members \$'000	Defined contribution members \$'000	Totals \$'000
Opening balance as at 1 July 2025		200 013	65 185	265 198
Employer contributions		305	3 385	3 690
Member contributions		81	102	183
Transfer from other super entities		-	214	214
Net contributions		386	3 701	4 087
Benefits to members		(16 415)	(14 714)	(31 129)
Insurance premiums charged to members		-	(18)	(18)
<i>Net benefits to members comprising:</i>				
Net investment income		-	6 408	6 408
Administration fees		-	(7)	(7)
Net change in member benefits		12 356	-	12 356
Closing balance as at 30 June 2026	3, 4	196 340	60 555	256 895

	Note	Defined benefits members \$'000	Defined contribution members \$'000	Totals \$'000
Opening balance as at 1 July 2024		201 174	55 884	257 058
Employer contributions		344	3 386	3 730
Member contributions		84	-	84
Transfer from other super entities		-	372	372
Net contributions		428	3 758	4 186
Benefits to members		(16 713)	(124)	(16 837)
<i>Net benefits to members comprising:</i>				
Net investment income		-	5 673	5 673
Administration fees		-	(6)	(6)
Net change in member benefits		15 124	-	15 124
Closing balance as at 30 June 2025	3, 4	200 013	65 185	265 198

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

Parliamentary Superannuation Scheme
Statement of Changes in Equity/Reserves
for the year ended 30 June 2026

	Admin Fee Reserve \$'000	Insurance Reserve \$'000	Over/(under) allocated benefits \$'000	Total equity \$'000
Note	10	9		
Opening balance as at 1 July 2024	-	-	23 307	23 307
Net operating result	-	-	4 693	4 693
Closing balance as at 30 June 2025	-	-	28 000	28 000

	Admin Fee Reserve \$'000	Insurance Reserve \$'000	Over/(under) allocated benefits \$'000	Total equity \$'000
Note	10	9		
Opening balance as at 1 July 2025	-	-	28 000	28 000
Net operating result	-	19	11 402	11 421
Closing balance as at 30 June 2026	-	19	39 402	39 421

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

Parliamentary Superannuation Scheme
Statement of Cash Flows
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Cash inflows			
Bank interest		27	19
Cash generated from operating activities		27	19
Cash outflows			
Administration expenses paid		(344)	(324)
Cash (used in) operating activities		(344)	(324)
Net cash (used in) operating activities	14	(317)	(305)
Cash flows from investing activities			
Cash inflows			
Receipts from the sale of investments from Funds SA		44 922	19 683
Cash generated from investing activities		44 922	19 683
Cash outflows			
Payments to Funds SA for the purchase of investments		(17 511)	(6 788)
Cash (used in) investing activities		(17 511)	(6 788)
Net cash generated from investing activities		27 411	12 895
Cash flows from financing activities			
Cash inflows			
Employer contributions		3 611	3 863
Member contributions		176	102
Transfers from other super entities		214	372
Cash generated from financing activities		4 001	4 337
Cash outflows			
Pension benefits to members		(16 370)	(16 513)
Benefit payments to members		(14 708)	(193)
Cash (used in) financing activities		(31 078)	(16 706)
Net cash (used in) financing activities		(27 077)	(12 369)
Net change in cash		17	221
Cash at the beginning of the financial period		488	267
Cash at the end of the financial period	14	505	488

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

Parliamentary Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

1. Objectives and funding

a) Parliamentary Superannuation Scheme

The Parliamentary Superannuation Scheme (the Scheme) is a compulsory superannuation scheme that exists pursuant to the *Parliamentary Superannuation Act 1974* (the Act). The Act provides for the payment of superannuation benefits to persons who have served as members of Parliament and makes provisions for the families of such persons.

The *Parliamentary Superannuation (Scheme for New Members) Amendment Act 2005* (the Amendment Act) was proclaimed to come into operation on 15 September 2005. The Amendment Act amended the principal Act by closing the existing Scheme (new scheme) now known as the PSS2 Scheme. PSS1 (old scheme) was closed to new entrants in 1995 and no longer has any members. The current Scheme is known as PSS3.

Contributions are deposited by the Treasurer into the Parliamentary Superannuation Fund (the Fund), established under section 13 of the Act. A separate division of the Fund has been established for the PSS3 Scheme. The Fund is managed and invested by the Superannuation Funds Management Corporation of South Australia (Funds SA).

PSS2 members are entitled to pension-based benefits determined in accordance with the Act to be a percentage of the members' salary. A member may elect to commute to a lump sum, a percentage of their pension entitlement. PSS3 members are entitled to an accumulation style benefit.

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

b) The South Australian Parliamentary Superannuation Board

The South Australian Parliamentary Superannuation Board (the Board) is a body corporate, with certain administration responsibilities under the Act not including the management and investment of the Fund. The Board, with the approval of the Treasurer, has contracted with the Department of Treasury and Finance (DTF) to provide administrative services through a Service Level Agreement.

Under the Act, the Board is required to determine rates of return to be credited to each division of the Fund, with those rates being credited to each contribution account at the end of the financial year. In determining the rate to be applied, the Act requires that the Board have regard to the net rate of return achieved by Funds SA for each division of the Fund.

c) Superannuation Funds Management Corporation of South Australia

Funds SA is a South Australian Government Entity established under the *Superannuation Funds Management Corporation of South Australia Act 1995*. Funds SA is responsible for the investment and management of the Scheme's funds pursuant to strategies formulated by Funds SA.

For further information on the investment of the Scheme's funds, reference should be made to the Fund in the annual report of Funds SA. The investment assets, liabilities, income and expense contained in these financial statements are related to the investment activities of Funds SA.

d) Funding Arrangements

Under Section 39(1) of the Act, any payment to a member must be made out of the Consolidated Account (which is appropriated to the necessary extent) or from a Special Deposit Account with DTF established for that purpose. During the period ended 30 June 2026 all payments were made from a Special Deposit Account.

For PSS2 members, Section 14A of the Act requires every Member of Parliament with less than 20 years and one month's service, to make contributions of 11.5 per cent of their basic and additional salary to the Treasurer. Section 14A(2) requires members of Parliament with 20 years and one month's service or over, to make contributions of 5.75 per cent of their basic salary and 11.5 per cent of any additional salary. Under Section 14B of the Act, PSS3 members can elect to make contributions at a whole number percentage of the combined value of their salary and any additional salary. A separate contribution account is maintained for each member. Members' contributions are paid to the Treasurer who deposits those contributions into the Parliamentary Superannuation Fund, with \$81,000 being credited during the year ended 30 June 2026 (2025: \$84,000).

Parliamentary Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

Employer contributions are paid to the Treasurer from SA Government entities to fund emerging superannuation liabilities. For PSS2 members, the employer contribution is 31.625% of salary. For PSS3 members, Section 14C of the Act prescribes the employer contribution as 15.4 per cent of salary. A separate employer contribution account is maintained for each PSS3 member. Contributions for PSS2 and PSS3 are deposited into the Scheme, with \$3.7 million being credited during the year ended 30 June 2026 (2025: \$3.7 million). Employer contributions for the year have been made at the rates stated above.

In recent years, the Scheme has maintained sufficient assets to meet its liabilities. The small size of the Scheme, the nature of the way member benefits accrue, the effect of elections and variations in investment performance mean that deficits and surpluses will arise from year to year.

PSS3 members who cease Parliament before age 70 on account of death or invalidity are entitled to an insurance benefit which is a multiple of their salary, depending on their age when they cease to be a member of Parliament. No premiums are charged in relation to this insurance.

Death and Income Protection insurance cover is provided to former members of Parliament who leave Parliament from 20 March 2026. Insurance benefits are funded through a combination of member premiums and amounts paid by the Treasurer in accordance with the Act. Member premiums are credited to an insurance reserve, with the Treasurer responsible for meeting amounts required to satisfy insurance benefit payments. The Income Protection insurance premiums are set by the Board based on a percentage of salary whilst the Death Insurance premiums are \$36 per week.

2. Material accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with relevant Australian Accounting Standards, including AASB 1056 Superannuation Entities 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.

These financial statements have been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

These financial statements are prepared on a 12-month reporting period, 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 and amended accounting standards

The Board has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective. The Board does not expect a material impact from the adoption of these standards when they become effective.

AASB 18 Presentation and Disclosure in Financial Statements

The standard applies to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. It introduces changes to the structure of the statement of profit or loss, including the classification of income and expenses into operating, investing, and financing categories. The standard also requires the presentation of new subtotals, such as operating profit or loss and profit or loss before financing and income taxes and enhances disclosure requirements for management-defined performance measures (MPMs).

The Board has assessed the impact of AASB 18 and does not expect a material impact from its adoption when it becomes effective.

No Australian Accounting Standards have been adopted early.

Parliamentary Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

c) Financial assets and liabilities

a) Classification

The Scheme classifies its financial assets and financial liabilities into the categories below in accordance with AASB 9.

Financial assets and liabilities held for trading:

These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in prices. All derivatives are classified as held for trading. Derivative financial instruments entered into by the Scheme do not meet the hedge accounting criteria as defined by AASB 9. 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 15 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 or 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 assets measured at fair value' through the Income Statement. Interest earned is recorded in 'Interest revenue'.

e) Fair value measurement

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

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

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

The principal or the most advantageous market must be accessible by the 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 economic best interest.

Parliamentary Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

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 short-term deposits 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, are unsecured and are normally settled within 15 days from the date of the invoice or date the invoice is first received, as per Treasurer's Instruction 11. 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 pension payments payable on or prior to 30 June 2026 but paid after the end of financial year.

i) Insurance liabilities

The Scheme provides death and disability benefits to PSS3 members on leaving Parliament on or after 20 March 2026. Premiums in respect of the insurance provided to the former members of Parliament are deducted from insured members' accounts and are paid into a dedicated insurance reserve in order to meet claims as they arise. The table below outlines the net results of the Scheme's insurance activities during the year:

	2026	2025
	\$'000	\$'000
Insurance premiums deducted from members	18	-
(Increase)/Decrease in insurance liabilities	(208)	-
Net result from Insurance Activities	(190)	-

Significant estimates made in measuring insurance liabilities

The Scheme uses the services of an actuary to determine its insurance assets and liabilities. An actuarial valuation involves making various assumptions about the future. Actual events in the future may differ from these assumptions.

The key assumptions used in measuring the insurance liabilities are:

- mortality and disability rates determined by Super SA based on the experience of a large number of public sector employees in South Australia,
- the number and amount of insurance claims yet to be reported to the Scheme, relating to the period prior to the reporting year end.

The key factors or uncertainties that impact the key assumptions above are:

- if mortality and/or disability rates increase, it will result in an increase in insurance liabilities as a result of higher claims
- higher than expected claims reported to the Scheme will result in an increase in insurance liabilities, and
- a better than expected claims experience will result in lower liabilities.

Parliamentary Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

The impact of uncertainties around the key assumptions is expected to be met through a combination of the insurance reserves in the Scheme and direct funding by the Treasurer. Until the insurance reserves have grown to a sufficient level to meet future liabilities, a significant portion of insurance benefits is expected to be funded directly by the Treasurer.

j) 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.

k) Taxation

The Scheme is a constitutionally protected superannuation fund in terms of Section 295-15 of the *Income Tax Assessment Act 1997*, Regulation 995-1.04 (Schedule 4) and is exempt from income tax. Therefore, no income tax has been brought to account in these financial statements.

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, the currency of the primary economic environment in which 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.

Parliamentary Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

n) Investments

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

i) Inflation Linked Securities

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

The Property portfolio comprises unlisted property vehicles which are invested and managed by external managers. Investments in these vehicles have been valued in accordance with the valuations supplied by the managers.

iii) Australian Equities

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

iv) International Equities

The International Equities 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. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

v) Fixed Interest

Fixed Interest portfolios have exposure to domestic and global debt instruments and are 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.

vi) Investment Grade Credit

The Investment Grade Credit portfolio comprises investments in discretely managed investments and Australian 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. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

vii) Private Markets Tax-Exempt

The Private Markets Tax-Exempt portfolio comprises investments in Australian and international private equity funds, which are invested and managed by external managers. The valuation of private equity investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Both Australian and international private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Private equity fund investments and the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

viii) Core Infrastructure Tax-Exempt

The Core Infrastructure Tax-Exempt portfolio comprises investments in Australian and international infrastructure pooled funds, which are invested and managed by external managers. The valuation of these investments is based on the most recent valuation performed by the fund managers plus or minus cash flows between the last valuation date and the reporting date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Parliamentary Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

ix) Defensive Alternatives

The Defensive Alternatives portfolio comprises investments in international pooled funds and is invested and managed by external managers. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

x) Credit

The Credit asset class incorporates two sub sectors:

Credit

The Credit portfolio comprises investments in discretely managed investments and Australian and international pooled funds and is invested and managed by external managers. Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at the balance date. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Private Credit

The Private Credit portfolio comprises investments in international pooled funds and is invested and managed by external managers. Investments in the pooled funds have been valued in accordance with the valuations supplied by the managers. Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

xi) Cash

The Cash portfolio comprises investments in a discretely managed investment, which is managed by an external manager and is valued by the custodian appointed to hold the assets using market prices applicable at balance date. Deposits at call have been valued on the basis of principal plus accrued interest.

xii) Socially Responsible

The Socially Responsible portfolio actively incorporates the consideration of environmental, social and governance factors in their investment decisions and avoids investing in companies operating in areas of high negative social impact. The portfolio comprises investments in equities listed on Australian and international share markets and is invested and managed by external managers along with a number of international and domestic pooled fund investments and international private equity investments.

Discretely managed portfolios have been valued by the custodian appointed to hold the assets using market prices applicable at balance date. Investments in pooled vehicles have been valued in accordance with the valuations supplied by the managers. 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. International private equity valuations are generally in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Where currency conversions are required, these have been made at the spot market mid rates applicable at balance date.

Parliamentary Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

o) Operation of investment portfolio

Funds SA is responsible for the investment and management of the Fund pursuant to strategies formulated by Funds SA (refer Note 1 (c)). Funds SA operates a multi-layered notional unitisation structure to facilitate the administration of different investment strategies applying to the various public sector superannuation funds.

For the year ending 30 June 2026, Funds SA managed nine (2025: seven) distinct investment options for PSS3 members each differing by strategic asset allocation:

- High Growth
- Indexed High Growth
- Balanced
- Indexed Balanced
- Moderate
- Stable
- Capital Defensive
- Cash
- Socially Responsible.

Additionally, Funds SA managed the remainder of the Fund which is invested in the Defined Benefit (DB) High Growth Investment Strategy.

Reference should be made to Funds SA's Annual Report for the strategic asset allocations applying to each of the investment options discussed in the preceding paragraphs.

p) 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 at the date they are expected to fall due.

Defined Contribution member liabilities are measured as the amount of member account balances 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.

It is also important to note that fair values are provided by Funds SA.

Parliamentary Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

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 include 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 rates for pensioners are based on the Mercer 2017-22 Pensioner Mortality Investigation. The assumed future improvements in mortality rates reflect the average of the short term (25-year experience) and long-term (125-year experience) factors derived by the Australian Government Actuary and published in the Australian Life Tables 2020-22.

r) Climate change financial risks

In November 2021, Australian Prudential Regulation Authority (APRA) released Prudential Practice Guide CPG 229 Climate Change Financial Risks. CPG 229 does not impose new requirements in relation to climate risks, rather, it supports compliance with APRA's existing risk management and governance requirements and guidance. The Parliamentary Superannuation Board and Super SA consider financial risks of climate change, including physical climate risks, transition climate risks, and liability risks as part of the overall Super SA Risk Management Strategy.

Additionally, as identified in note 1(c) above, the investments of the Scheme are managed by Funds SA. Funds SA, in turn, is committed to risk management and maintains a rigorous and proactive approach to identifying and managing investment risk, including the risks associated with climate change. Funds SA has developed a Climate Change Position Statement, Climate Risk Response Plan and Climate Report to support its approach in this area. Please refer to the Funds SA website for further detail.

3. Defined contribution member liabilities

The employee funded, defined contribution component for PSS3 contributors has an 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.

Defined contribution members bear the investment risk relating to the underlying assets and unit prices or crediting rates used to measure the member liabilities. Unit prices are updated twice weekly.

	2026	2025
	\$'000	\$'000
Defined contribution member benefits	60 555	65 185
Total defined contribution member benefits	60 555	65 185

At 30 June 2026 all net assets attributable to defined contribution members have been allocated to those members (2025: nil unallocated). Defined contribution member liabilities are fully vested (that is, 100 per cent vested).

Refer to Note 15 for the Scheme's management of the investment risks.

Parliamentary Superannuation Scheme Notes to and forming part of the financial statements for the year ended 30 June 2026

4. Defined benefit member liabilities

The liability for accrued benefits is the Scheme's present obligation to pay benefits to members and has been calculated on the basis of the present value of expected future payments arising from membership of the Scheme up to the reporting date.

For PSS2 members, the accrued liabilities are the present value of expected future benefit payments arising from membership of the Scheme up to 30 June 2026.

The Scheme uses the services of an actuary to calculate the present value of accrued superannuation liabilities of the Scheme based on various future assumptions. The latest full actuarial valuation was performed as at 30 June 2025 by Ms E Conway, FIAA of Mercer Consulting (Australia) Pty Ltd.

	2026	2025
	\$'000	\$'000
Defined benefit member benefits	196 340	200 013
Total defined benefit member liabilities	196 340	200 013

The expected future benefit payments have been determined using the same pensioner mortality assumptions as the 2025 triennial review of the South Australian Superannuation Scheme. The actuarial estimation of member liabilities of the Scheme is undertaken annually, as at the end of each financial year.

The key assumptions used to determine the values of accrued benefits were:

- The future rate of investment earnings (net of investment taxes and fees): 7.0 per cent per annum (2025: 7.0 per cent)
- The long-term future rate of salary growth: 3.5 per cent per annum (2025: 3.5 per cent)
- Long term inflation (CPI): 2.5 per cent per annum (2025: 2.5 per cent).

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

The assumed discount rate 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.

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: mortality rates and resignations.

Parliamentary Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

The following table outlines the sensitivity estimates of the PSS2 division, provided by the Scheme actuary, on the discount rate, salary increase rate, pension increase rate and mortality rate.

	Member liability result \$'000	Change in member benefit liability \$'000	Change in member benefit liability %
Scenario 2025-26			
Base Case	196 340	-	-
Discount rate plus 0.5%	188 373	(7 967)	(4.1)
Discount rate less 0.5%	204 931	8 591	4.4
Salary increase rate plus 0.5%	196 522	182	0.1
Salary increase rate less 0.5%	196 161	(179)	(0.1)
Pension increase rate plus 0.5%	204 618	8 278	4.2
Pension increase rate less 0.5%	188 599	(7 741)	(3.9)
Mortality rate plus 10%	191 785	(4 555)	(2.3)
Mortality rate less 10%	201 385	5 045	2.6
Scenario 2024-25			
Base Case	200 013	-	-
Discount rate plus 0.5%	191 650	(8 363)	(4.2)
Discount rate less 0.5%	209 057	9 044	4.5
Salary increase rate plus 0.5%	200 114	101	0.1
Salary increase rate less 0.5%	199 913	(100)	(0.1)
Pension increase rate plus 0.5%	208 859	8 846	4.4
Pension increase rate less 0.5%	191 772	(8 241)	(4.1)
Mortality rate plus 10%	195 415	(4 598)	(2.3)
Mortality rate less 10%	205 123	5 110	2.6

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. Vested Benefits include benefits which members are entitled to receive had they terminated their membership as at the reporting date.

	2026 \$'000	2025 \$'000
Defined benefit vested benefits	198 344	201 006
Total vested benefits	198 344	201 006

Parliamentary Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

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.

Valuation technique

The Scheme's investments are not quoted in an active market. To ensure fair value can be determined, the Scheme's investment manager, Funds SA, applies due diligence and considers valuation techniques and inputs used in valuing the funds, prior to investing. In measuring fair value, consideration is given to the amounts for which financial assets can be sold, excluding transaction costs. The Scheme classifies these funds as Level 2 because fair value is determined by Funds SA based on the value of the underlying assets rather than quoted prices in an active market for identical units.

There were no changes in valuation techniques during the year.

	2026	2025
	\$'000	\$'000
<i>Financial assets at fair value through profit or loss - Level 2</i>		
<i>Level 1 and level 3 are not relevant to the Scheme</i>		
Unlisted managed investment schemes	295 478	292 988
Funds SA	295 478	292 988

6. Value and movement in the value of investments by investment option

	2026	Movement	2025
	\$'000	\$'000	\$'000
High Growth Tax-Exempt	16 017	(3 998)	20 015
Indexed High Growth Tax-Exempt	19	19	-
Balanced Tax-Exempt	36 488	(1 138)	37 626
Indexed Balanced Tax-Exempt	6	6	-
Moderate Tax-Exempt	783	(1 157)	1 940
Stable Tax-Exempt	645	(1 142)	1 787
Capital Defensive Tax-Exempt	618	305	313
Cash Tax-Exempt	3 030	1 442	1 588
Socially Responsible	1 917	99	1 818
DB High Growth Strategy	235 955	8 054	227 901
Investments as at 30 June	295 478	2 490	292 988

7. Receivables

	2026	2025
	\$'000	\$'000
Refund from ATO for GST	4	4
Funds SA receivable	880	-
Interest receivable	3	2
Total receivables	887	6

Parliamentary Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

8. Payables

	2026	2025
	\$'000	\$'000
Audit fees	19	18
Administration expenses	123	27
Total payables	142	45

9. Insurance reserve

The Scheme provides the following insurance benefits to PSS3 Members:

- An invalidity insurance benefit where they cease Parliament on account of invalidity before age 70, calculated as a multiple of Salary
- Death insurance where they die under age 70, even after ceasing Parliament, calculated as a multiple of Salary
- Income Protection insurance, where they are under age 65 and become temporarily disabled after leaving Parliament, equal to 75 per cent of salary payable for a maximum period of 5 years, subject to eligibility.

No premiums are payable in respect of death or invalidity insurance provided to current members of Parliament. Premiums of \$36 a week will be payable for death cover once a PSS3 member ceases to be a member of Parliament. Premiums for Income Protection insurance are deducted weekly once a PSS3 member ceases to be a member of Parliament, as a percentage of salary depending on their age.

	2026	2025
	\$'000	\$'000
Opening balance of Insurance Reserve	-	-
Investment earnings on Insurance Reserve ⁽ⁱ⁾	1	-
Premiums and charges	18	-
Benefit payments	-	-
Administration expenses	-	-
Operating result	19	-
Closing balance of Insurance Reserve	19	-

- (i) The Insurance Reserve is invested in the Balanced option. The rate of return on earnings in 2026 was 10.6 per cent (2025: 9.9 per cent).

10. Administration fee reserve

The Administration Reserve has been set aside to support the costs of strategic, system and operational requirements of the Scheme. The movement in the Reserve reflects the difference between administration fees collected from members and the cost of administering the Scheme during the year.

	2026	2025
	\$'000	\$'000
Opening balance of Administration Fee Reserve	-	-
Investment earnings on Administration Fee Reserve ⁽ⁱ⁾	-	-
Administration fees	7	6
Administration expenses	(7)	(6)
Operating result	-	-
Closing balance of Administration Fee Reserve	-	-

- (i) The Administration Fee Reserve is invested in the Balanced option. The rate of return on earnings in 2026 was 10.6 per cent (2025: 9.9 per cent).

Parliamentary Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

11. Investment expenses

	2026	2025
	\$'000	\$'000
Investment expenses	727	752
Total investment expenses	727	752

Direct Investment expenses comprise fees paid to Funds SA. Funds SA advises the amount applicable to the Scheme based on the Scheme's funds under management.

12. Administration expenses

	2026	2025
	\$'000	\$'000
Administration expenses ⁽ⁱ⁾	298	295
Strategic projects expenses ⁽ⁱ⁾	123	6
Other expenses ⁽ⁱⁱ⁾	20	18
Total administration expenses	441	319

- (i) Administration and Strategic projects expenses comprise 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 Department of Treasury and Finance seeks reimbursement from the Scheme.
- (ii) Other expenses include Auditors' remuneration. Refer Note 13.

13. Auditors' remuneration

	2026	2025
	\$'000	\$'000
Audit fees paid or payable	18	17
Total auditors' remuneration	18	17

Audit fees paid or payable to the Audit Office of South Australia relating to work performed under the PFAA were \$18,000 GST exclusive (2025: \$17,400). The Audit Office of South Australia uses the services of Ernst and Young for the audit. No other services were provided by the Audit Office of South Australia.

Parliamentary Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

14. Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash and deposits in a Special Deposit Account with DTF. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows. 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:

	2026	2025
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents	505	488
Total cash and cash equivalents	505	488
Reconciliation of net cash (used in) operating activities to Net operating result		
Net operating result	11 421	4 693
Adjustments for:		
Change in investments measured at fair value	(31 508)	(26 535)
Investment expenses	727	752
Insurance recognition	190	-
(Increase)/Decrease in receivables	(1)	(1)
(Decrease)/Increase in payables	97	(5)
Allocation to members' accounts	18 757	20 791
Net cash (used in) operating activities	(317)	(305)

15. 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 Scheme receives regular reports from Funds SA concerning compliance with investment objectives.

Parliamentary Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, inflation 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.

Funds SA manages the risk of financial market volatility through the adherence to two principles:

- ensuring a diversity of exposures to different financial markets and sub-markets, and
- ensuring asset allocations for different investment options are consistent with the time horizon of each.

i) Currency risk

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

The 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 Private Markets Tax-Exempt, Private Markets Taxable, Core Infrastructure Tax- Exempt, Core Infrastructure Taxable, Credit, Private Credit, Long Term & Short Term Fixed Interest, Defensive Alternatives, Investment Grade Credit and Socially Responsible asset classes are economically hedged to Australian dollars, and
- foreign currency exposures over the developed markets component of the International Equities Tax-Exempt, International Equities Taxable, International Equities Passive Tax-Exempt and International Equities Passive Taxable asset classes are economically 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, and
- the use of specialist external investment managers to manage Funds SA's cash and fixed income portfolios.

iii) Other market price risk

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

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

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

Parliamentary Superannuation Scheme
Notes to and forming part of the financial statements
for the year ended 30 June 2026

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 the investment for the year ahead. The following tables show the standard deviation around expected nominal returns for each investment option and the DB High Growth Strategy.

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

	Expected Average Return %	Market Risk %	Average Funds Under Management \$'000	Potential Impact of Market Risk (+/-) on Income Statement \$'000
Investment option 2025-26:				
High Growth Tax-Exempt	8.1	11.6	18 016	2 090
Indexed High Growth Tax-Exempt	7.0	12.6	10	1
Balanced Tax-Exempt	7.9	9.9	37 057	3 669
Indexed Balanced Tax-Exempt	6.8	10.6	3	-
Moderate Tax-Exempt	7.6	8.0	1 362	109
Stable Tax-Exempt	7.1	5.8	1 216	71
Capital Defensive Tax-Exempt	6.9	5.0	466	23
Cash Tax-Exempt	4.4	2.1	2 309	48
Socially Responsible	7.8	9.8	1 868	183
DB High Growth Strategy	8.4	10.4	231 928	24 121
Investment option 2024-25:				
High Growth Tax-Exempt	7.3	11.6	19 017	2 206
Balanced Tax-Exempt	7.0	9.3	34 910	3 247
Moderate Tax-Exempt	6.6	7.0	1 837	129
Stable Tax-Exempt	6.3	4.9	1 184	58
Capital Defensive Tax-Exempt	6.0	3.2	203	6
Cash Tax-Exempt	4.2	0.5	1 534	8
Socially Responsible	6.4	9.3	1 671	155
DB High Growth Strategy	7.5	9.9	226 191	22 393

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Market risk is minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

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.

Parliamentary Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

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 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, and
- 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 benefit payments, expenses and investing activities.

The following tables summarise the contractual 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.

	Less than 3 months \$'000	Total contractual cash flows \$'000	Carrying amount liabilities \$'000
Liquidity Risk 2025-26			
Benefits payable	181	181	181
Vested benefits ⁽ⁱⁱ⁾	258 899	258 899	258 899
Total comprehensive result for 2025-26	259 080	259 080	259 080
Liquidity Risk 2024-25			
Benefits payable	134	134	134
Vested benefits ⁽ⁱⁱ⁾	266 191	266 191	266 191
Total comprehensive result for 2024-25	266 325	266 325	266 325

- (i) Payable amounts disclosed here exclude amounts relating to constructive obligations and statutory payables (e.g. Commonwealth, State and Local Government taxes, fees and charges, Audit Office of South Australia 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.

The Scheme manages its obligation to pay the defined contribution and defined benefit component on an expected maturity basis based on management's estimates of when such funds will be drawn down by members. The Scheme considers it is highly unlikely that all defined contribution and defined benefit members will request to roll over their superannuation fund account at the same time.

Parliamentary Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

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.

16. 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 manager Funds SA, has investment exposures in different countries and across different industries.

17. Related parties

The Parliamentary Superannuation Board is a statutory authority and is wholly owned and controlled by the Crown. Related parties of the Board include all key management personnel and their close family members, all Cabinet Ministers and their close family members and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

a) Parliamentary Superannuation Board

Hon. Reggie Martin MLC (Appointed 05/05/2026)

Hon. Terry Stephens MLC (Term expired 04/05/2026)

Hon. Natalie Cook MP (Appointed 05/05/2026)

Hon. Leon Bignell MP (Term expired 04/05/2026)

Ms Tammie Pribanic (Appointed 19/09/2013)

b) Key management personnel

In addition to members of the Board, the key management personnel of the Scheme includes the Treasurer, the Chief Executive and the eight members of the Executive Leadership Team, Super SA, who have responsibility for the strategic direction and management of the Scheme.

c) Compensation

Parliamentary Superannuation Board members do not receive compensation for Board responsibilities, however salaries and other benefits they receive as their remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance). Key management personnel are compensated by the Department of Treasury and Finance therefore their compensation is disclosed in the respective financial reports.

d) Transactions with key management personnel and other related parties

There were no transactions with key management personnel or related parties.

e) Transactions with other government entities

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

18. Events after the reporting period

There were no significant events after the reporting period.

Parliamentary Superannuation Scheme
Certification of the financial statements
for the year ended 30 June 2026

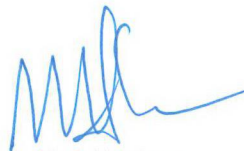
Certification of the financial statements

We certify that the:

- financial statements of the Parliamentary Superannuation Scheme:
 - are in accordance with the accounts and records of the Scheme,
 - comply with relevant Treasurer's Instructions,
 - comply with relevant accounting standards, and
 - present a true and fair view of the financial position of the Scheme at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Parliamentary Superannuation Scheme for the financial year over its financial reporting and its preparation of financial statements have been effective.



Tricia Blight
Chief Executive
Super SA



Mark Hordacre
Director Finance
Super SA



Hon. Reggie Martin MLC
President of the Legislative Council
Parliamentary Superannuation Board

Date 21/9/26