

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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To the Presiding Member South Australian Superannuation Board South Australian Superannuation Scheme

Opinion

I have audited the financial report of the South Australian 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 South Australian 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 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 Presiding Member of the South Australian Superannuation Board, the 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 South Australian 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, Super SA and members of the South Australian 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 that 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 entity'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 South Australian 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* and section 20AB(2) of the *Superannuation Act 1998*, I have audited the financial report of the South Australian 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 South Australian 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 South Australian 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

21 September 2026

South Australian Superannuation Scheme

Financial Statements

For the year ended 30 June 2026

South Australian Superannuation Scheme
Income Statement
for the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
Income			
Changes in fair value of investments		485 910	408 918
Interest		1 187	1 328
Total income		487 097	410 246
Expenses			
Investment expenses	10	(11 170)	(11 706)
Higher education expenses	13	(9 196)	(9 304)
Administration expenses	11	(9 252)	(8 792)
Total expenses		(29 618)	(29 802)
Result from superannuation activities		457 479	380 444
Net change in defined benefit member liabilities		(61 509)	(13 610)
Net benefits allocated to defined contribution member accounts		(38 520)	(34 055)
Net operating result		357 450	332 779

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

South Australian Superannuation Scheme
Statement of Financial Position
as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Assets			
Cash and cash equivalents	16	38 933	50 924
Receivables	7	2 381	8 470
Contributions receivable	8	590	550
Investments	5	4 650 484	4 490 368
Total assets		4 692 388	4 550 312
Liabilities			
Benefits payable		15 191	17 455
Payables	9	10 031	804
PAYG tax payable		2 473	2 043
Total liabilities excluding member benefits		27 695	20 302
Net assets available for member benefits		4 664 693	4 530 010
Member benefits			
Defined benefit member liabilities	4	7 770 459	7 959 030
Defined contribution member liabilities	4	351 262	385 458
Total member liabilities		8 121 721	8 344 488
Total net assets/(liabilities)		(3 457 028)	(3 814 478)
Equity			
Defined benefits deficit		(3 457 028)	(3 814 478)
Total equity		(3 457 028)	(3 814 478)

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

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

	Note	Defined Benefit Members \$'000	Defined Contribution Members \$'000	Totals \$'000
Opening balance as at 1 July 2025		7 959 030	385 458	8 344 488
Contributions for past service liability	14	530 200	-	530 200
Employer contributions	15	12 512	-	12 512
Public Authority employer contributions		30 190	-	30 190
Member contributions		200	4 807	5 007
Net contributions		573 102	4 807	577 909
Benefits to members		(823 182)	(77 523)	(900 705)
Net benefits to members comprising:				
Net investment income		-	38 848	38 848
Administration fees		-	(328)	(328)
Net change in member benefits		61 509	-	61 509
Closing balance as at 30 June 2026		7 770 459	351 262	8 121 721

	Note	Defined Benefit Members \$'000	Defined Contribution Members \$'000	Totals \$'000
Opening balance as at 1 July 2024		8 230 295	430 976	8 661 271
Contributions for past service liability	14	522 918	-	522 918
Employer contributions	15	14 122	-	14 122
Public Authority employer contributions		31 314	-	31 314
Member contributions		137	5 758	5 895
Transfers from other super entities		-	521	521
Net contributions		568 491	6 279	574 770
Benefits to members		(853 366)	(85 852)	(939 218)
Net benefits to members comprising:				
Net investment income		-	34 371	34 371
Administration fees		-	(316)	(316)
Net change in member benefits		13 610	-	13 610
Closing balance as at 30 June 2025		7 959 030	385 458	8 344 488

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

South Australian Superannuation Scheme
Statement of Changes in Equity
for the year ended 30 June 2026

	2026	2025
	\$'000	\$'000
(Under) funded benefits opening balance as at 1 July	(3 814 478)	(4 147 257)
Net operating result	357 450	332 779
(Under) funded benefits closing balance as at 30 June	(3 457 028)	(3 814 478)

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

South Australian 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			
Other income		1 161	1 325
Cash generated from operating activities		1 161	1 325
Cash outflows			
GST paid to the ATO		(4)	(3)
Higher education expenses		-	(9 304)
Administration expenses paid		(9 221)	(8 766)
Cash (used in) operating activities		(9 225)	(18 073)
Net cash (used in) operating activities	16	(8 064)	(16 748)
Cash flows from investing activities			
Cash inflows			
Receipts from the sale of investments from Funds SA		1 036 863	395 458
Cash generated from investing activities		1 036 863	395 458
Cash outflows			
Payments to Funds SA for the purchase of investments		(717 139)	(11 706)
Cash (used in) investing activities		(717 139)	(11 706)
Net cash generated from investing activities		319 724	383 752
Cash flows from financing activities			
Cash inflows			
Employer contributions		13 609	14 749
Past service liability contributions		530 200	522 918
Commonwealth and Public Authorities contributions		30 190	31 314
Member contributions		4 998	6 031
Transfers from other super entities		-	521
Cash generated from financing activities		578 997	575 533
Cash outflows			
Pension benefits to members		(878 892)	(909 666)
Benefit payments to members		(23 756)	(14 817)
Cash (used in) financing activities		(902 648)	(924 483)
Net cash (used in) financing activities		(323 651)	(348 950)
Net change in cash		(11 991)	18 054
Cash at the beginning of the reporting period		50 924	32 870
Cash at the end of the reporting period	16	38 933	50 924

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

South Australian Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

1. Objectives and funding

a) South Australian Superannuation Scheme

The South Australian Superannuation Scheme (the Scheme) is a voluntary superannuation scheme which exists pursuant to the *Superannuation Act 1988* (the Act). It previously existed in different forms under various other legislation. The Act provides for superannuation benefits for persons employed by the South Australian Government and other prescribed persons and makes provisions for the families of such persons. It is not available to Members of Parliament, the judiciary or to police officers who are each provided for under separate legislation.

Contributors to the Scheme may be either Old Scheme contributors, who are entitled to a pension-based benefit, or New Scheme contributors who are entitled to a lump sum-based benefit. The Old Scheme contributors' segment of the Scheme was closed to new members in May 1986. The New Scheme contributors' segment of the Scheme was closed to new members in May 1994.

Contributors make contributions from after tax salary based on a percentage of their salary, with the standard contribution rate being between 5 and 6 per cent. Contributors may elect to vary their contribution rate in accordance with section 23 of the Act. A contribution account is maintained for each contributor. If a member ceases to contribute, they will be automatically covered by the Southern State Superannuation Scheme (Triple S), to meet the minimum requirements of the Commonwealth legislation. At this point the member will be recognised as a Triple S member and their Scheme account will be maintained to reflect the contribution points previously accrued.

Since October 1989, the Act has required that contributions be paid to the Treasurer, who in turn deposits those contributions into the South Australian Superannuation Fund (the Fund), which is managed and invested by the Superannuation Funds Management Corporation of South Australia (Funds SA).

The Act requires the Fund to be treated as being made up of two divisions, being the Old Scheme Division and the New Scheme Division. Each division consists of the contributions and the accretions arising from the investment of those contributions in respect of relevant Old or New Scheme contributors. Consistent with the accounts of the Fund, the accounts of the Scheme are also maintained in respect of each division.

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

b) South Australian Superannuation Board

The Act charges the South Australian Superannuation Board (the Board), a body corporate, with responsibility for all aspects of the administration of the Act except for the management and investment of the Fund. The Act also provides the Board with the necessary powers to administer the Scheme. The Board has contracted the Department of Treasury and Finance (DTF) to provide administrative services in accordance with the Act. A portion of the administrative costs are recovered from the Scheme. The Board's financial report provides the total administration cost paid to DTF.

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* (the Funds SA Act). 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 and the South Australian Superannuation Scheme Contribution Account (the Account) in the annual report of Funds SA.

The investment assets, liabilities, income and expense contained in this financial report are related to the investment activities of Funds SA.

South Australian Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

d) Funding arrangements

Under section 20B of the Act, any payment made to a contributor must be made out of the Consolidated Account or a Special Deposit Account held with DTF established for that purpose. The Treasurer may subsequently reimburse the Consolidated Account or the Special Deposit Account from the Fund the proportion of any such payment charged against the contributor's contribution account. The funding proportion of that payment or benefit payments to be charged to the Old Scheme contributor's accounts is determined by the Board in accordance with section 47C and 47D of the Act. During the year ended 30 June 2026 all payments were made from the Special Deposit Account. Employer contributions for the year have been made at the rate determined by the Scheme actuary.

The Treasurer may also seek reimbursement of the employer portion of any such payments from certain employer bodies under agreements made between the Treasurer and/or the Board and those employer bodies. The employer portion of benefits is met from the Account established by the Treasurer to record employer superannuation contributions. The employer portion of payments may be in relation to State Government Departments, Statutory Authorities and former State Government employees now employed by the Commonwealth Government. Employer contributions for these agencies were 26 per cent (2025: 26 per cent) for Old Scheme contributors and 14.75 per cent (2025: 14.75 per cent) for New Scheme contributors.

Funding for the employer portion of payments met from the Special Deposit Account is from monies deposited under arrangements with respective employers. Monies deposited in the Account are invested and managed by Funds SA but do not form part of the Fund. The Treasurer seeks reimbursement from the Account balances as benefits are paid. The arrangements with employers are:

i) State government departments

State Government Departments pay fortnightly employer contributions to the Treasurer for their emerging superannuation liabilities that are deposited by the Treasurer into the Account. Details on employer contributions from State Government Departments are detailed in Note 15.

Since 30 June 1994 the Government has commenced a process of funding its accrued past service superannuation liabilities. The amounts the Government transferred into the Account are at Note 14.

Current Government policy is that it will continue to pay contributions to the Account to meet the accrued past service liability so the liability will be fully funded by 30 June 2034. Details of the 2034 Defined Benefits superannuation funding strategy are outlined in Chapter 4 of *Budget Paper 3: Budget Statement*.

The Government remains on track to fully fund superannuation liabilities by 2034, with the unfunded liability projected to decline to \$3.4 billion by 30 June 2030.

ii) Statutory authorities

Where the employer proportion of a payment relates to Statutory Authorities, three different funding arrangements exist. These arrangements are made by the Board, which has entered into agreements with individual authorities pursuant to section 5 of the Act. The terms agreed in any such arrangements must be approved by the Treasurer. The three arrangements are:

State government liability for statutory authorities

These authorities have made arrangements with the Board to fund their emerging superannuation liabilities by making regular payments to the Treasurer based on an actuarial assessment. These monies are deposited in the Account. In addition, the Government has commenced a process of funding the past service superannuation liability for these authorities as outlined in Note 1(d)(i).

Employer contribution accounts

Certain public sector employers have made arrangements with the Board to fund their superannuation liabilities by making regular payments to the Treasurer based on an actuarial assessment performed every three years. The Treasurer deposits these monies in the Account into what are referred to as the Employer Contribution Accounts. The Treasurer seeks reimbursement from the Employer Contribution Account balances as benefits are paid.

Details on the contributions for past service liabilities are provided at Note 14.

South Australian Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

Public Authorities accounts (universities)

Some Public Authorities make provisions in their own accounts for their future superannuation liabilities and no balances are maintained in the Account. The Treasurer seeks reimbursement from the Account in the first instance and simultaneously seeks reimbursement directly from these authorities as benefits are paid.

The liability for future benefits is funded to the extent of benefits to be reimbursed from the Fund, the Account, and the Public Authorities Accounts referred to in Note 1(d)(ii) above. The liability for future benefits is only partially funded in respect of benefits to be reimbursed from State Government Departments and the State Government liability for Statutory Authorities. The net assets figure shown in this report represents the amount available to meet these future benefits.

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 Scheme has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective. The Scheme 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 Scheme 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 early adopted.

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, if any, 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.

South Australian Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

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, that is, 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 otherwise specified.

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.

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 Notes 4 and 5.

f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash and deposits in the Scheme's Special Deposit Account held with DTF, 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.

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

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 members who have ceased employment and provided the Scheme with appropriate notification on or prior to 30 June 2026 but paid after 30 June 2026. These also include income protection payments payable on or prior to 30 June 2026 but paid after 30 June 2026.

i) Revenue recognition

The specific recognition criteria described below must 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.

j) 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.

k) 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.

l) 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.

South Australian Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

m) 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.

South Australian 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.

South Australian Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

n) 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 seven (2025: seven) distinct investment options for the Scheme which were available to investors, each differing by strategic asset allocation:

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

During the financial year all of the above investment options were available to members for assets invested in the South Australian Superannuation Fund Account (New Scheme Division). The assets of the South Australian Superannuation Fund Account (Old Scheme Division) and the South Australian Superannuation Scheme Contribution Account are invested in the Defined Benefit (DB) High Growth Strategy – Old Scheme/Employer Contribution Account (ECA).

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.

o) 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.

p) 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.

South Australian 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 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.

q) 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 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 under publications for further detail.

3. Defined contribution member liabilities

The employee funded, defined contribution component for New Scheme 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 used to measure the member liabilities. Unit prices are updated twice weekly.

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

4. Defined benefit member liabilities

The Scheme uses the services of an actuary to calculate the present value of accrued defined benefit liabilities and the employer funded defined benefit component liabilities based on various future assumptions. A shorthand method was used to estimate these liabilities as at 30 June 2026, expected to yield similar results to a full valuation. The latest full actuarial valuation was performed as at 30 June 2025 by Ms E Conway, FIAA of Mercer Consulting (Australia) Pty Ltd.

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. For the Old Scheme contributors and the employer funded defined benefit component in respect of New Scheme contributors, the accrued liabilities are the present values of expected future benefit payments arising from membership of the Scheme up to 30 June 2026.

South Australian Superannuation Scheme

Notes to and forming part of the financial statements

for the year ended 30 June 2026

The expected future benefit payments have been determined using the 2025 triennial review assumptions relating to mortality, disability, withdrawal, preservation and retirement. The actuarial valuation of member liabilities of the South Australian Superannuation 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 future rate of salary growth:
 - non teachers: first year: 7.38 per cent per annum (2025: 2.0 per cent); second year: 3.25 per cent per annum (2025: 4.0 per cent); long term salary increase 4.0 per cent per annum (2025: 4.0 per cent)
 - teachers: 4.0 per cent per annum (2025: 4.0 per cent), and
- Inflation (CPI):
 - long term: 2.5 per cent per annum (2025: long term: 2.5 per cent per annum).

The defined benefit members' liabilities have changed in the current financial year as a result of salary increases and the accrual of an additional service year. Note, the defined contribution values are included in the tables below for comparison.

	2026			2025		
	Defined Benefit	Defined Contribution	Total	Defined Benefit	Defined Contribution	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Member liabilities	7 770 459	351 262	8 121 721	7 959 030	385 458	8 344 488

	2026			2025		
	Old Scheme	New Scheme	Total	Old Scheme	New Scheme	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SA Superannuation Fund	1 280 272	351 262	1 631 534	1 117 036	385 458	1 502 494

SA Superannuation Scheme contribution accounts:

Employer contribution accounts	1 057 178	157 659	1 214 837	1 099 861	177 154	1 277 015
SA Government employer account	4 750 352	295 819	5 046 171	4 985 529	334 937	5 320 466
Public Authorities	226 175	3 004	229 179	240 965	3 548	244 513
	7 313 977	807 744	8 121 721	7 443 391	901 097	8 344 488

The Board has a number of steps in place to manage the risks associated with the defined benefits. The Board has appointed external consulting actuaries to advise on the risks, including establishing suitable funding objectives.

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 four assumptions (being the discount rate, the rate of salary adjustment, pension indexation rates and mortality 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 variable 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, are resignations.

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

The following table outlines the defined benefit liability sensitivity estimates provided by the Scheme actuary on the discount rate, salary increase rate, pension indexation rate and mortality rate.

	Member liability result \$'000	Change in member benefit liability \$'000	Change in member benefit liability %
Scenario 2025-26			
Base Case	8 121 721	-	-
Discount rate plus 0.5%	7 861 867	(259 854)	(3.2)
Discount rate less 0.5%	8 398 479	276 758	3.4
Salary increase rate plus 0.5%	8 128 175	6 454	0.1
Salary increase rate less 0.5%	8 115 430	(6 291)	(0.1)
Pension increase rate plus 0.5%	8 403 951	282 230	3.5
Pension increase rate less 0.5%	7 855 012	(266 709)	(3.3)
Mortality rate plus 10%	7 920 919	(200 802)	(2.5)
Mortality rate less 10%	8 342 480	220 759	2.7
Scenario 2024-25			
Base Case	8 344 488	-	-
Discount rate plus 0.5%	8 068 432	(276 056)	(3.3)
Discount rate less 0.5%	8 639 275	294 787	3.5
Salary increase rate plus 0.5%	8 351 504	7 016	0.1
Salary increase rate less 0.5%	8 337 651	(6 837)	(0.1)
Pension increase rate plus 0.5%	8 645 570	301 082	3.6
Pension increase rate less 0.5%	8 060 768	(283 720)	(3.4)
Mortality rate plus 10%	8 141 597	(202 891)	(2.4)
Mortality rate less 10%	8 567 626	223 138	2.7

a) Excludes Lump Sum Scheme accumulation liabilities

The SA Government is responsible for funding the SA Government Employer Account and part of the Employer Contribution Accounts. The remaining liability includes the members fund, commercial entities and the Commonwealth Government share of the Universities.

Vested benefits

Vested benefits are only available by the Old Scheme/New Scheme disaggregation. 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			2025		
	Old	New	Total	Old	New	Total
	Scheme	Scheme		Scheme	Scheme	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SA Superannuation Fund	1 280 838	351 262	1 632 100	1 117 463	385 458	1 502 921
SA Superannuation Scheme contribution accounts:						
Employer contribution accounts	1 057 705	170 605	1 228 310	1 100 178	190 833	1 291 011
SA Government employer account	4 752 406	324 163	5 076 569	4 987 539	365 772	5 353 311
Public Authorities	226 175	3 230	229 405	240 965	3 809	244 774
	7 317 124	849 260	8 166 384	7 446 145	945 872	8 392 017

South Australian 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.

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

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.

	2026	2025
	\$'000	\$'000
Financial assets at fair value through profit or loss - Level 2		
Level 1 and level 3 are not relevant to the Scheme		
Unlisted managed investment schemes	4 650 484	4 490 368
Funds SA	4 650 484	4 490 368

6. Value and movement of investments by investment option

	2026	Movement	2025
	\$'000	\$'000	\$'000
High Growth Tax-Exempt	28 692	(2 227)	30 919
Balanced Tax-Exempt	280 611	(69 536)	350 147
Moderate Tax-Exempt	13 475	(10 396)	23 871
Stable Tax-Exempt	14 415	(8 225)	22 640
Capital Defensive Tax-Exempt	5 450	(6 913)	12 363
Cash Tax-Exempt	6 690	(3 566)	10 256
Socially Responsible	2 348	211	2 137
DB High Growth Strategy - Old Scheme	1 538 372	(7 468)	1 545 840
DB High Growth Strategy - ECA	2 760 431	268 236	2 492 195
Investments as at 30 June	4 650 484	160 116	4 490 368

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

7. Receivables

	2026	2025
	\$'000	\$'000
Interest receivable	117	91
Benefit repayments	444	179
GST recoup from ATO	110	106
Other receivables	3	3
Prepaid benefits	37	193
Past service receivable	130	130
Public Authorities	1 477	2 605
Temporary disability	63	63
Funds SA receivable	-	5 100
Total receivables	2 381	8 470

8. Contributions Receivable

	2026	2025
	\$'000	\$'000
Member contributions	115	106
Employer contributions	475	444
Total contributions receivable	590	550

9. Payables

	2026	2025
	\$'000	\$'000
Audit fees	77	74
Administration expenses	758	730
Higher education superannuation costs	9 196	-
Total payables	10 031	804

10. Investment expenses

	2026	2025
	\$'000	\$'000
Investment expenses	11 170	11 706
Total investment expenses	11 170	11 706

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.

11. Administration expenses

	2026	2025
	\$'000	\$'000
Administration expenses ⁽ⁱ⁾	9 049	8 700
Strategic projects expenses ⁽ⁱ⁾	120	9
Other expenses ⁽ⁱⁱ⁾	83	83
Total administration expenses	9 252	8 792

- (i) Administration and strategic projects expenses comprises the costs incurred by the DTF in administering the Scheme, which are met in the first instance from the DTF Operating Account. The Board recovers a share of the administration cost from the Scheme.
- (ii) Other expenses include Auditors' remuneration. Refer Note 12.

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

12. Auditors' remuneration

	2026	2025
	\$'000	\$'000
Audit fees paid or payable	74	71
Total auditors' remuneration	74	71

Audit fees paid (or payable), \$73,600 GST exclusive (2025: \$71,000), relate to the Audit Office of South Australia work performed under the PFAA. 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.

13. Higher education superannuation costs

	2026	2025
	\$'000	\$'000
Higher education superannuation costs	9 196	9 304
Total higher education superannuation costs	9 196	9 304

These amounts are paid to the Commonwealth Government that related to the South Australian share of the 2026 higher education superannuation costs under the Commonwealth – State agreement. This agreement provides that the employer component of the superannuation benefits payable to former employees of South Australian Universities who were members of one of the main State Schemes, be shared.

14. Contributions for past service liability

	2026	2025
	\$'000	\$'000
SA Government	530 200	508 818
SA Water	-	14 100
Total contributions for past service liability	530 200	522 918

15. Employer contributions

	2026	2025
	\$'000	\$'000
State government departments	8 328	9 783
Statutory authorities – state government entities	3 696	4 158
Statutory authorities – non-state government entities	488	181
Total employer contributions	12 512	14 122

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

16. Reconciliation of cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash and deposits in the Scheme's Special Deposit Account held 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	38 933	50 924
Total cash and cash equivalents	38 933	50 924
 Reconciliation of net cash (used in) operating activities to Net operating result		
Net operating result	357 450	332 779
 Adjustments for:		
Change in investments measured at fair value	(485 910)	(408 918)
Investment expenses	11 170	11 706
(Increase)/decrease in receivables	(30)	(6)
Increase/(decrease) in payables	9 227	26
Allocation to members' accounts	100 029	47 665
Net cash (used in) operating activities	(8 064)	(16 748)

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

South Australian 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 Scheme'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.

South Australian 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 DB High Growth Strategy – Old Scheme/Employer Contribution Account (ECA).

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 Management Under (+/-) on Income Statement \$'000	Potential Impact of Market Risk Statement \$'000
Investment Options 2025-26				
High Growth Tax-Exempt	8.1	11.6	29 806	3 457
Balanced Tax-Exempt	7.9	9.9	315 379	31 223
Moderate Tax-Exempt	7.6	8.0	18 673	1 494
Stable Tax-Exempt	7.1	5.8	18 528	1 075
Capital Defensive Tax-Exempt	6.9	5.0	8 907	445
Cash Tax Exempt	4.4	2.1	8 473	178
Socially Responsible	7.8	9.8	2 243	220
DB High Growth Strategy - Old Scheme	8.4	10.4	1 542 106	160 379
DB High Growth Strategy - ECA	8.4	10.4	2 626 313	273 137
Investment Options 2024-25				
High Growth Tax-Exempt	7.3	11.6	15 509	1 799
Balanced Tax-Exempt	7.0	9.3	372 656	34 657
Moderate Tax-Exempt	6.6	7.0	22 932	1 605
Stable Tax-Exempt	6.3	4.9	20 387	999
Capital Defensive Tax-Exempt	6.0	3.2	11 151	357
Cash Tax Exempt	4.2	0.5	9 177	46
Socially Responsible	6.4	9.3	2 251	209
DB High Growth Strategy - Old Scheme	7.5	9.9	1 540 221	152 482
DB High Growth Strategy - ECA	7.5	9.9	2 486 797	246 193

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.

South Australian 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
- 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
- reporting and monitoring the liquidity of the fund on a daily basis to ensure prospective client cash outflows and switches can be met
- by undertaking portfolio management and rebalancing activities, and
- by undertaking regular stress testing on liquidity positions to identify sources of liquidity strain before they are realised.

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	Total contractual cash flows	Carrying amount
	\$'000	\$'000	liabilities
			\$'000
Liquidity Risk 2025-26			
Benefits payable	15 191	15 191	15 191
Payables ⁽ⁱ⁾	9 196	9 196	9 196
Vested benefits ⁽ⁱⁱ⁾	8 166 384	8 166 384	8 166 384
Total comprehensive result for 2025-26	8 190 771	8 190 771	8 190 771
Liquidity Risk 2024-25			
Benefits payable	17 455	17 455	17 455
Vested benefits ⁽ⁱⁱ⁾	8 392 017	8 392 017	8 392 017
Total comprehensive result for 2024-25	8 409 472	8 409 472	8 409 472

(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.

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

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.

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. Net assets available for member benefits

AASB 1056 recommends segregation to distinguish between different member accounts based on risk profile. The defined benefit/defined contribution split is a natural disaggregation arising from the different market risk exposures of these member categories. An alternative disaggregation is the segregation into Old Scheme (Pension Scheme) and New Scheme (Lump Sum). The following net assets table shows the splits across these latter accounts and demonstrates net assets available to pay benefits consisting of the combined balances of the Fund and the Account. Movements in the balances of these accounts are detailed below:

	2026			2025		
	Old Scheme \$'000	New Scheme \$'000	Total \$'000	Old Scheme \$'000	New Scheme \$'000	Total \$'000
SA Superannuation Fund Account (employee component)						
Net assets available for members DB/DC as at 1 July	1 647 994	385 458	2 033 452	1 622 446	413 231	2 035 677
Contributions	200	4 807	5 007	137	5 758	5 895
Transfers from other super entities	-	-	-	-	521	521
Transfers from Scheme Contribution Account	-	-	-	-	9 448	9 448
Changes in investments measured at fair value	165 572	37 274	202 846	140 613	43 866	184 479
	165 772	42 081	207 853	140 750	59 593	200 343
Benefits paid and payable	107 378	77 523	184 901	108 833	85 852	194 685
Investment expenses	3 773	842	4 615	4 052	1 198	5 250
Administration expenses	2 409	328	2 737	2 317	316	2 633
	113 560	78 693	192 253	115 202	87 366	202 568
Net assets available for members DB/DC as at 30 June	1 700 206	348 846	2 049 052	1 647 994	385 458	2 033 452

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

	2026 \$'000	2025 \$'000
SA Superannuation Scheme Contribution Account		
Funds held as at 1 July	2 496 558	2 478 336
Employer contributions:		
State Government Departments	8 328	9 783
Statutory Authorities	4 184	4 339
Contributions for past service liability	530 200	522 918
	542 712	537 040
Change in investments measured at fair value	283 064	224 439
Bank interest and other revenue:		
Public Authorities	30 190	31 314
Interest	1 187	1 328
	857 153	794 121
Benefits paid and payable:		
Old Scheme contributors	608 130	615 556
New Scheme contributors	107 674	128 976
	715 804	744 532
Investment expenses	6 555	6 456
Higher education superannuation costs	9 196	9 304
Administration expenses	6 515	6 159
Transfer to New Scheme	-	9 448
	738 070	775 899
Funds held as at 30 June	2 615 641	2 496 558
Net assets available for member benefits	4 664 693	4 530 010

19. 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. Revenue derived from interest and the realised and unrealised changes from the different segments is reflected in the value of investments.

20. Related parties

a) Key management personnel

The key management personnel of the Scheme include the Treasurer, Board members, 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.

b) 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.

c) Transactions with key management personnel and other related parties

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

d) Transactions with other government entities

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

21. Events after the reporting period

There were no significant events after the reporting period.

South Australian 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 South Australian 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 South Australian 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

14/09/2026

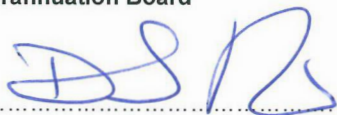


Mark Hordacre
Director Finance
Super SA

14/09/2026

David Lloyd
Presiding Member
SA Superannuation Board

Date



14/09/2026