Australian Retirement Trust

2022 Annual Financial Report

Australian Retirement Trust

For the year ended 30 June 2022

ABN: 60 905 115 063

Issued: 29 September 2022

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Australian Retirement Trust

Statement of Financial Position
as at 30 June 2022

	Note	2022 $m	2021 $m
Assets			
Cash and cash equivalents	5	4,469	1,656
Listed securities	2	85,682	38,987
Unlisted securities	2	107,563	67,566
Other interest bearing securities	2	18,480	4,103
Derivative assets	2	3,130	146
Receivables		2,205	824
Investments in service providers		423	346
Employer sponsor receivables	7	18,330	22,504
Total assets		**240,282**	**136,132**
Liabilities			
Payables		1,908	281
Derivative liabilities	2	5,616	910
Current tax liabilities	4	(528)	415
Deferred tax liabilities	4	1,592	1,595
Insurance liabilities		8	19
Total liabilities excluding member benefits		**8,596**	**3,220**
Net assets available for member benefits		**231,686**	**132,912**
Defined Contribution member liabilities	6	199,052	102,831
Defined Benefit member liabilities	7	29,497	29,050
Total member liabilities		**228,549**	**131,881**
Net assets		**3,137**	**1,031**
Equity			
General Reserve	10	973	742
Unallocated Contribution Reserve	10	10	9
Insurance Reserve	10	1	-
Operational Risk Financial Requirement Reserve	10	553	280
Defined Benefit Surplus	7	1,600	-
Total Equity		**3,137**	**1,031**

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

The financial year 2021 comparative data is QSuper unless otherwise stated.

Australian Retirement Trust

Income Statement
For the year ended 30 June 2022

	Note	2022 $m	2021 $m
Superannuation Activities			
Income			
Dividends		2,486	745
Distributions		2,599	851
Changes in fair value of investments – realised	3	(2,405)	4,148
Changes in fair value of investments – unrealised	3	(11,374)	8,693
Rental and other income		15	-
Interest income		196	25
Total income		**(8,483)**	**14,462**
Expenses			
Direct investment expenses		(243)	(125)
Administration expenses		(286)	(220)
Financial planning expenses		(18)	(23)
Other expenses	3	(78)	(7)
Total expenses		**(625)**	**(375)**
Net result from insurance activities	13	(6)	(7)
Results from superannuation activities before income tax expense		**(9,114)**	**14,080**
Income tax benefit / (expense)	4	1,299	(1,034)
Results from superannuation activities after income tax (expense) / benefit		**(7,815)**	**13,046**
Net benefits allocated (from) / to defined contribution members		(6,845)	11,726
Net change in Defined Benefit member benefits		(1,770)	1,353
Net allocation (from) / to reserves		800	(33)
Operating result after income tax		**(7,815)**	**13,046**

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

The financial year 2021 comparative data is QSuper unless otherwise stated.

Australian Retirement Trust

Statement of Changes in Member Benefits
For the year ended 30 June 2022

	Note	Defined contribution member benefits $m	Defined benefit member benefits $m	Total $m
Opening balance as at 1 July 2021		102,831	29,050	131,881
Employer contributions		5,982	2,830	8,812
Member contributions		2,767	35	2,802
Transfers from other superannuation entities		3,415	-	3,415
Successor fund transfers	8	97,540	5,915	103,455
Income tax on contributions		(962)	(308)	(1,270)
Net after tax contributions		**108,742**	**8,472**	**117,214**
Benefits paid to or for the benefit of members		(7,233)	(224)	(7,457)
Insurance premiums charged to members' accounts		(697)	-	(697)
Insurance proceeds credited to members' accounts		50	-	50
Death and disability amounts received for members		432	-	432
Superannuation contributions surcharge		(2)	2	-
Transfer of members from DB to DC divisions		1,813	(1,813)	-
Transfer (to) / from reserves				
Net administration fees		(213)	(46)	(259)
Other		174	-	174
Net benefits allocated to defined contribution		(6,845)	-	(6,845)
Net change in member benefits to be funded by employer sponsor		-	(4,174)	(4,174)
Net change in Defined Benefit member benefits		-	(1,770)	(1,770)
Closing balance as at 30 June 2022		**199,052**	**29,497**	**228,549**

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

The financial year 2021 comparative data is QSuper unless otherwise stated.

Australian Retirement Trust

Statement of Changes in Member Benefits
For the year ended 30 June 2022

	Note	Defined contribution member benefits $m	Defined benefit member benefits $m	Total $m
Opening balance as at 1 July 2020		87,453	28,583	116,036
Employer contributions		4,045	1,870	5,915
Member contributions		1,614	37	1,651
Transfers from other superannuation entities		2,299	-	2,299
Income tax on contributions		(670)	(252)	(922)
Net after tax contributions		**7,288**	**1,655**	**8,943**
Benefits paid to or for the benefit of members		(5,153)	(204)	(5,357)
Insurance premiums charged to members' accounts		(486)	-	(486)
Insurance proceeds credited to members' accounts		-	-	-
Death and disability amounts received for members		399	-	399
Superannuation contributions surcharge		(2)	2	-
Transfer of members from DB to DC divisions		1,784	(1,784)	-
Transfer (to) / from reserves				
Net administration fees		(134)	(44)	(178)
Other		(44)	-	(44)
Net benefits allocated to defined contribution		11,726	-	11,726
Net change in member benefits to be funded by employer sponsor		-	(511)	(511)
Net change in Defined Benefit member benefits		-	1,353	1,353
Closing balance as at 30 June 2021		**102,831**	**29,050**	**131,881**

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

The financial year 2021 comparative data is QSuper unless otherwise stated.

Australian Retirement Trust

Statement of Changes in Reserves
For the year end 30 June 2022

	Note	General Reserve $m	Unallocated Contribution Reserve $m	Insurance Reserve $m	Operational Risk Financial Requirement Reserve $m	Defined benefits surplus $m	Total Reserves $m
Opening balance as at 1 July 2021		742	9	-	280	-	1,031
Net administration fees from members		259	-	-	-	-	259
Other transfers (to) / from members	10	(173)	1	-	(2)	-	(174)
Reserves transfers		(11)	-	-	11	-	-
Insurance premium margin and tax	13	(121)	-	-	-	-	(121)
Successor fund transfers	8	301	-	1	277	763	1,342
Allocation of operating result after income tax		(24)	-	-	(13)	837	800
Closing balance as at 30 June 2022		**973**	**10**	**1**	**553**	**1,600**	**3,137**

The above Statement of Changes in Reserves should be read in conjunction with the accompanying notes

The financial year 2021 comparative data is QSuper unless otherwise stated.

Australian Retirement Trust

Statement of Changes in Reserves
For the year end 30 June 2022

	Note	General Reserve $m	Unallocated Contribution Reserve $m	Insurance Reserve $m	Operational Risk Financial Requirement Reserve $m	Defined benefits surplus $m	Total Reserves $m
Opening balance as at 1 July 2020		719	7	-	237	-	963
Net administration fees from members		178	-	-	-	-	178
Other transfers (to) / from members	10	50	(4)	-	(2)	-	44
Reserves transfers		(13)	3	-	10	-	-
Insurance premium margin and tax	13	(121)	-	-	-	-	(121)
Allocation of operating result after income tax		(71)	3	-	35	-	(33)
Closing balance as at 30 June 2021		**742**	**9**	**-**	**280**	**-**	**1,031**

The above Statement of Changes in Reserves should be read in conjunction with the accompanying notes

The financial year 2021 comparative data is QSuper unless otherwise stated.

Australian Retirement Trust

Statement of Cash Flows
For the year end 30 June 2022

	Note	2022 $m	2021 $m
Cash flows from operating activities			
Interest income received		239	26
Insurance claims received		468	385
Dividends and trust distributions received		5,152	1,595
Other revenue		109	1
Insurance premiums paid		(789)	(603)
Investment expenses		(350)	(125)
Other general administration expenses		133	(272)
Income tax paid		(915)	(1,028)
Net inflows/(outflows) of cash from operating activities	**5**	**4,047**	**(21)**
Cash flows from investing activities			
Purchase of investments		(249,282)	(116,850)
Proceeds from sale of investments		232,416	100,131
Net (outflows) of cash from investing activities		**(16,866)**	**(16,719)**
Cash flows from financing activities			
Employer contributions received		8,817	5,915
Member contributions received		2,801	1,652
Transfers from other superannuation funds		3,414	2,299
Successor fund transfers		8,029	-
Benefits paid		(7,443)	(5,355)
Net inflows of cash from financing activities		**15,618**	**4,511**
Net increase / (decrease) in cash held		**2,799**	**(12,229)**
Cash at the beginning of the financial year		**1,656**	**13,875**
Effects of FX rate changes on cash and cash equivalents		14	10
Cash at the end of the financial ypear		**4,469**	**1,656**

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

The financial year 2021 comparative data is QSuper unless otherwise stated.

Notes to the Financial Statements For the year ended 30 June 2022

Note 1 Fund structure and operation

(a) Nature of the fund

Australian Retirement Trust (ABN 60 905 115 063; RSE Registration No. R1073034) (the "Fund") is the superannuation fund formed through the merger of Sunsuper Superannuation Fund (ABN 98 503 137 921) ("Sunsuper") and QSuper (ABN 60 905 115 063).

The Fund is a superannuation fund domiciled in Australia and the trustee of the Fund at the reporting date is Australian Retirement Trust Pty Ltd (ABN 88 010 720 840; RSE Licence No. L0000291) (the "Trustee').

The Fund operates on a profit-for-members basis with all profits reinvested to provide improved outcomes for members. The Fund consists of defined benefit, accumulation, income, and lifetime pension products.

The registered office of the Trustee is 30 Little Cribb Street, Milton, Queensland 4064.

During the financial year superannuation administration was undertaken by the Fund using services from QSuper Limited ("QSL") and Precision Administration Services Pty Ltd ("PAS"). Additional services were provided by the following entities:

QInsure Limited ("QInsure")	Provision of group lump sum (death and total permanent disability (TPD)) and group disability (income protection) insurance and claims management services for some members
QInvest Limited ("QIL")	Providing advice and other regulated financial services
One QSuper Pty Ltd ("OneQ")	Providing labour hire services
QSuper Asset Management Pty Ltd ("QAM")	Providing investment management services
QSuper Board Pty Ltd ("QSuper Board")	Providing trustee services, ceased 28 February 2022
Sunsuper Financial Services Pty Ltd ("SFS")	Provides financial advice to members and employers, and actuarial consulting services to defined benefit funds held within the Fund and external parties.

Notes to the Financial Statements For the year ended 30 June 2022

Note 1 Fund structure and operation

(b) Statement of compliance

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations, the Superannuation Industry (Supervision) Act 1993 (Cth), and provisions of the Trust Deed for Australian Retirement Trust (the "Trust Deed").

The financial report of the Fund for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Trustees on the same date as the signing of the Trustees' Report.

The financial statements have been prepared on the basis required by AASB 1056 Superannuation Entities, which provides specific measurement requirements for assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Investments are measured and recorded at fair value in accordance with Australian Accounting Standards. The financial statements are presented in Australian dollars, which is the functional currency of the Fund.

(c) Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business. In making this assessment, the Trustee has considered future events and conditions for the period of 12 months following the approval of these financial statements.

(d) Significant accounting policies

The significant accounting policies have been set out within the relevant notes in these financial statements. The policies have been consistently applied to all periods presented in these financial statements.

(e) Rounding

In accordance with ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 dated 24 March 2016, all financial information presented has been rounded to the nearest one million dollars unless otherwise stated.

(f) Significant accounting judgements, estimates, and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on experience and other factors believed to be reasonable in the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Information about significant areas of estimation, uncertainty and critical judgments, in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 2 Investments (b): Fair value hierarchy
- Note 4 Income Tax
- Note 7 Defined benefit member liabilities

Notes to the Financial Statements For the year ended 30 June 2022

Note 1 Fund structure and operation

(g) Macro Environment Impacts

As a superannuation entity investing funds globally on behalf of members, the Fund is subject to macroeconomic factors throughout business cycles that impact on investment returns.

Global Conflict

The consequences of the Russia-Ukraine conflict on investment markets remain highly uncertain. Following Russia's invasion of Ukraine, the Australian Government imposed economic sanctions on Russia. The Fund instructed investment managers to sell any remaining debt and equity investments and not to make any new investments in either Russia or Belarus. In doing so, investment managers have been instructed to ensure adherence to all legal requirements imposed by Australian law and other relevant sanctions regimes.

Inflation and Rising Interest Rates

Disrupted supply chains and a faster than expected recovery from the COVID-19 downturn has led to greater cost price inflation over the last 12 months. These factors have led central banks globally to increase interest rates with expectations for further increases in the following year. Interest rates can have a significant impact on the Fund's returns as they directly impact the valuation of assets held within the investment portfolio.

(h) Comparatives

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, items in the notes to the financial statements have been amended. Please note that comparative figures relate to QSuper unless otherwise stated.

(i) Consolidation

Entities that meet the definition of an investment entity within AASB 10 Consolidated Financial Statements are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The Fund meets the definition of an investment entity and accordingly accounts for controlled entities in this way.

An exception to this treatment is where the main purpose and activities of the subsidiary are to provide investment-related services or activities that relate to the investment entity's investment activities. These types of services include investment advisory services, investment management, investment support and administrative services.

Given that the main purpose of the Fund's subsidiaries is to deliver member retirement outcomes through the provision of administration, financial advice, investment management and insurance services, the subsidiary entities do not meet the exception criteria and are required to be consolidated.

However, the net assets of the controlled entities (see Note 12) are collectively not material to the users of the Fund's financial statements as a whole, and as a result, the net assets have been recognised in one line (investment in service providers) within the financial statements.

Notes to the Financial Statements For the year ended 30 June 2022

Note 2 Investments

The Fund invests for the long-term purpose of providing benefits for members up to and throughout retirement until proceeds are exhausted or paid out to beneficiaries post death.

Investments of the Fund, including derivatives, are managed by selected investment managers and the Fund's in-house investment team on behalf of the Trustee. The Trustee determines the overall investment objectives and strategy of the Fund.

The Fund contracts investment managers in various asset classes, sectors, management styles, strategies and geographies under investment mandates (hereafter referred to as mandates). The Fund's expectations of its managers are documented in the mandates agreed between the parties. Specific reporting and valuation requirements are included within the contracts to ensure sufficient information and transparency is provided for ongoing monitoring.

(a) Investment accounting policies

(i) Classification

The Fund's investments are classified based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial instrument.

The Fund's investments and derivative liabilities are classified at fair value through profit or loss in accordance with AASB 1056.

(ii) Recognition / derecognition

The Fund's financial instruments are recognised on the date the Fund becomes party to the contractual agreement (trade date) and changes in the fair value of the investments are recognised from this date. Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Fund measures a financial instrument at fair value. Transaction costs are expensed in the Income Statement. Subsequent to initial recognition, all investments at fair value through profit or loss are measured at fair value. Gains and losses are presented in the Income Statement in the period in which they arise as net changes in fair value of financial instruments.

(b) Fair value measurement of financial assets and liabilities

(i) Fair value hierarchy

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker quotations. For all other financial instruments, the Trustee determines the fair values using other valuation techniques.

For financial instruments that trade infrequently or do not have observable market quoted prices, fair value is less objective and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Note 2 Investments

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments for which the valuation technique includes inputs not based on observable data and whose unobservable inputs have a significant effect on the instrument's valuation.

(ii) Fair Value in an active market

Investments for which values are based on quoted market prices in active liquid markets, e.g. recognised stock exchanges, and therefore classified within level 1, include listed equities and exchange traded derivatives. For all other financial instruments, the Fund determines fair value using other valuation techniques.

(iii) Fair Value in an inactive or unquoted market

The Fund's financial assets and liabilities are a combination of directly held investments and indirectly held investments made via unlisted trusts which in turn invest in a variety of underlying investments. These include investments in infrastructure, private credit, private equity and property that are domiciled in Australia and overseas. The Fund has adopted a valuation policy, the purpose of which is to ensure that the Fund has an appropriate framework to value investment assets in a manner that ensures they are valued on an equitable and consistent basis. The Fund ensures that valuation techniques are consistent and may utilise independent parties to undertake reviews of the investment valuation framework controls and procedures on a periodical and as needs basis.

Fair Value of directly held assets

In the case of directly held assets, the Fund or the Investment Manager appoints independent external valuation experts and property appraisers to provide regular investment valuations with most material investments being valued at least annually or more often if appropriate. The Fund has policies and procedures governing the appointment and rotation of third-party valuers. The expertise, knowledge and familiarity with local market conditions, market transactions and industry trends of the independent valuation experts and property appraisers are important inputs to the valuation process.

Valuations performed by third party valuers are reviewed by internal teams within the Fund to confirm that an appropriate valuation methodology has been used and that key inputs, assumptions and judgements made by the valuer are appropriate and continue to include estimates of the impact of COVID-19 on the valuation.

The Fund has a management committee ("Valuation Review Committee") which provides assistance to the board Audit, Finance & Risk Committee ("AFRC") to fulfil its responsibilities to manage valuation risk of the Fund's investments.

The Valuation Review Committee shall provide assistance to the AFRC in fulfilling its responsibilities by ensuring that the investments of the Australian Retirement Trust Group are presented at a true and fair value in accordance with all relevant accounting, legal and regulatory standards. The primary purpose of the Valuation Review Committee is to make decisions involving out of cycle valuations of unlisted assets and any other relevant matters involving the valuations of the Australian Retirement Trust Group's assets.

Where valuations are performed at a date other than balance sheet date, the Fund considers whether the valuation continues to remain appropriate as at the balance sheet date.

Notes to the Financial Statements For the year ended 30 June 2022

Note 2 Investments

Fair value of indirectly held assets

The Fund generally values interests in level 3 investments managed by external investment managers using the valuation provided by the relevant external investment manager. As the underlying Fund's interest in these investments are not actively traded in a public market, the valuation provided by the external investment manager is considered unobservable and is therefore classified as a Level 3 investment.

The Fund reviews the valuation methodology adopted by the relevant investment manager and makes further enquiries, as appropriate, relating to valuation methodology and key inputs used to determine valuations.

Valuation Techniques

The Fund's directly held investments that are not traded in an active market are determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar investment, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. The valuation of unquoted investments is subjective by nature. However, the relevant methodologies are commonly applied by other market participants and have been consistently applied over time.

For indirect investments the Fund ensures that the valuation techniques used by fund managers are consistent with the Fund's valuation policy, represent a fair value and accepts the value provided by the fund managers unless there is a specific and objectively verifiable reason to vary from the value provided. Fund managers of indirect investments provide valuations on a monthly or quarterly basis.

Valuation models are each sensitive to a number of key assumptions, such as projected future earnings and cash flows, comparator multiples, marketability discounts and discount rates.

Where a valuation model technique is used, the underlying investment manager or external independent valuer considers liquidity, credit and market risk factors, and adjusts the model as deemed necessary. As part of this process, valuers generally consider several alternative valuation assumptions in their models which determine valuation ranges around the valuer's best estimate of fair value.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 2 Investments

(iv) Recognised fair value measurement

The table below sets out the financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
30 June 2022				
Australian listed securities	39,469	-	16	39,485
International listed securities	46,196	-	1	46,197
Other interest bearing securities				
Fixed interest bonds	-	16,934	1	16,935
Discount securities	-	1,545	-	1,545
Derivative assets / liabilities				
Futures	(108)	-	-	(108)
Options	17	111	-	128
waps	10	(279)	-	(269)
Forward foreign exchange contracts	-	(2,262)	-	(2,262)
Warrants	15	10	-	25
Unlisted securities				
Infrastructure	-	-	22,405	22,405
Real estate	-	-	14,979	14,979
Private equity	-	-	15,357	15,357
Alternatives	-	7,971	2,918	10,889
Cash and fixed interest	8,628	35,305	-	43,933
Total	**94,227**	**59,335**	**55,677**	**209,239**

Notes to the Financial Statements
For the year ended 30 June 2022

Note 2 Investments

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
30 June 2021				
Australian listed securities	15,342	-	-	15,342
International listed securities	23,645	-	-	23,645
Other interest bearing securities				
Fixed interest bonds	-	1,300	-	1,300
Discount securities	-	1,496	-	1,496
Derivative assets / liabilities				
Futures	(17)	-	-	(17)
Options	-	-	-	-
Swaps	-	-	-	-
Forward foreign exchange contracts	-	(747)	-	(747)
Warrants	-	-	-	-
Unlisted securities				
Infrastructure	-	-	10,491	10,491
Real estate	-	-	6,007	6,007
Private equity	-	-	5,992	5,992
Alternatives	-	5,341	585	5,926
Cash and fixed interest	-	39,150	-	39,150
Total	**38,970**	**46,540**	**23,075**	**108,585**

Notes to the Financial Statements
For the year ended 30 June 2022

Note 2 Investments

Valuation inputs and relationships to fair value of level 3 investments

As level 3 investments are valued using financial models, the resulting valuations are significantly affected by non-observable inputs. The most significant inputs to these financial models are the discount rate and estimated future net cash flows of the investment.

The following table summarises the valuation methodology used in fair value measurement of the Fund's unlisted security investments included in Note 2 (iv):

2022	Fair Value $m	Valuation Methodology	Inter-relationship between key unobservable inputs and fair value measurement
Unlisted securities	55,659	Underlying assets are valued based on projected cashflows and discount rates, capitalisation rates or using EBITDA multiples.	An increase in the value of the underlying investments of the unit trusts will result in higher fair values. Reductions would result in lower fair values.

2021	Fair Value $m	Valuation Methodology	Inter-relationship between key unobservable inputs and fair value measurement
Unlisted securities	23,075	Underlying assets are valued based on projected cashflows and discount rates capitalisation rates, or using EBITDA multiples.	An increase in the value of the underlying investments of the unit trusts will result in higher fair values. Reductions would result in lower fair values.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 2 Investments

Movement of Level 3 fair value measurements of financial assets

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

30 June 2022	Listed equity securities $m	Fixed income securities $m	Unlisted securities $m	Total $m
Opening balances	-	-	**23,075**	**23,075**
Changes in fair value	(3)	-	(669)	(672)
Purchases & SFT Transfers In	21	1	35,109	35,131
Sales	(1)	-	(1,856)	(1,857)
Transfers into level 3	-	-	-	-
Transfers out of level 3	-	-	-	-
Total	**17**	**1**	**55,659**	**55,677**

30 June 2021	Listed equity securities $m	Fixed income securities $m	Unlisted securities $m	Total $m
Opening balances	-	-	**20,260**	**20,260**
Changes in fair value	-	-	3,160	3,160
Purchases	-	-	2,985	2,985
Sales	-	-	(3,330)	(3,330)
Transfers into level 3	-	-	-	-
Transfers out of level 3	-	-	-	-
Total	-	-	**23,075**	**23,075**

Fair value gains or losses on investment are included in Note 3 Changes in fair value of investments.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 2 Investments

(c) Derivatives

Australian Retirement Trust's policy is to use (and allow or instruct our investment managers to use) derivatives as part of the overall investment strategy of the Fund to achieve investment objectives. Derivatives, such as forwards, futures, options and swaps and other mixtures of these instruments can permit exposure to a particular asset without owning the asset, with the value sourced from other assets or indices (known as the underlying asset).

The Trustee has policies and controls in place to make sure derivatives are used appropriately and investment managers operate within specific investment guidelines. Derivatives may be used to manage risk and rebalancing investment options to their target asset allocations using a combination of derivatives to reflect the risk characteristics of each asset class.

Derivative fair value	**2022 $m**	**2021 $m**
Financial Assets		
Futures contracts	78	26
Options contracts	130	-
Swaps contracts	251	-
Foreign currency forward contracts	2,646	120
Warrants contracts	25	-
	3,130	**146**
Financial Liabilities		
Futures contracts	(186)	(43)
Options contracts	(2)	-
Swaps contracts	(520)	-
Foreign currency forward contracts	(4,908)	(867)
	(5,616)	**(910)**
Net financial asset/(liability)	**(2,486)**	**(764)**

Notes to the Financial Statements
For the year ended 30 June 2022

Note 3 Revenue and operating expenses

Revenue

Recognition and measurement

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

Significant revenue streams

Interest revenue

Revenue on money market and fixed interest securities is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. If interest is not received at the reporting date, it is reflected as a receivable in the statement of financial position.

Dividend revenue

Revenue from dividends is recognised on the date the shares are quoted ex-dividend when the Fund's right to receive payment is established and if not received at balance sheet date, the balance is reflected as a receivable in the statement of financial position.

Distributions from unit trusts

Distributions from unit trusts are recognised as investment income on the date when it is deemed that the Fund is presently entitled to the trust income. If distributions are not received at the reporting date, it is reflected as a receivable in the statement of financial position.

Rental income

Rental income from investment property is recognised in accordance with the rental agreement on a straight-line basis.

Notes to the Financial Statements For the year ended 30 June 2022

Note 3 Revenue and operating expenses

Changes in fair value of investments

Changes in fair value of investments are recognised as revenue and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the period). Financial assets are stated at fair value, with any gains or losses arising on re-measurement recognised in the income statement.

	2022 $m	2021 $m
Investments held at reporting date		
Cash and cash equivalents	27	11
Listed securities	(9,100)	6,875
Other interest bearing securities	(687)	40
Derivative assets and liabilities	(2,398)	(764)
Unlisted securities	784	2,531
	(11,374)	**8,693**
Investments realised during the reporting period		
Cash and cash equivalents	(45)	(168)
Listed securities	(70)	675
Other interest bearing securities	(87)	-
Derivative assets and liabilities	(1,262)	3,051
Unlisted securities	(941)	590
	(2,405)	**4,148**
Total changes in fair value	**(13,779)**	**12,841**

Other operating expenses

Costs attributable to the former QSuper group entities (both before and after the Successor Fund Transfer ("SFT")) are generally incurred by wholly owned entities of the Fund and not disclosed below. Amounts in 2022 include expenses incurred directly by the Fund since SFT consistent with expense administration practices of the former Sunsuper Superannuation Fund.

	2022 $m	2021 $m
Sponsorship and advertising	4	-
Trustee indemnity fee	24	-
Project expenditure	20	-
Salaries and employee benefits	13	-
Statutory charges	8	6
Other expenses	9	1
	78	**7**

Notes to the Financial Statements
For the year ended 30 June 2022

Note 4 Income tax

Recognition and measurement

The Fund is taxed as a complying superannuation fund in accordance with the provisions of the Income Tax Assessment Act 1936 (Cth) and Income Tax Assessment Act 1997 (Cth).

Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years. Current tax includes any amounts relating to penalty and interest charges that may be imposed by tax authorities.

Income tax on the change in net assets as a result of operations for the year comprises current and deferred tax. Income tax is recognised as an expense in the income statement.

Deferred tax

Deferred tax is determined using the comprehensive balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Fund intends to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realised.

Key Estimates

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 4 Income tax

(a) Major components of income tax

	2022 $m	2021 $m
Current income tax	(243)	224
Adjustments in respect of current income tax of previous years	316	76
Deferred income tax		
Relating to origination and reversal of temporary differences in deferred tax liability	(1,372)	734
Income tax (benefit) / expense reported in income statement	**(1,299)**	**1,034**

A reconciliation between prima facie income tax expense and income tax expense as reported in the income statement before income tax, including a summary of deferred income tax is set out below:

	2022 $m	2021 $m
Results from superannuation activities	(9,114)	14,080
Prima facie income tax expense / (benefit) at the rate of 15%	(1,367)	2,112
Tax effect of non-deductible expenses and non-assessable income in calculating the taxable amount:		
Differences between tax and accounting net investment income	622	(412)
Adjustments in respect of current income tax of previous years	316	-
Notional premium for death or disability cover	(20)	(22)
Net imputation and foreign tax credits	(746)	(154)
Exempt current pension income	(109)	(472)
Other	5	(18)
Income tax (benefit) / expense reported in income statement	**(1,299)**	**1,034**

Notes to the Financial Statements
For the year ended 30 June 2022

Note 4 Income tax

(b) Deferred income tax	Note	2022 $m	2021 $m
Movements in deferred tax asset			
Opening balance		24	8
Change to income statement		52	16
Closing balance at 30 June		**76**	**24**
Deferred tax asset comprises			
Investments		46	15
Other		30	9
Total deferred tax asset		**76**	**24**
Movements in deferred tax liability			
Opening balance		(1,619)	(870)
Transfer in – Successor Fund	8	(1,383)	-
Change to income statement		1,334	(749)
Closing balance at 30 June		**(1,668)**	**(1,619)**
Deferred tax liability comprises			
Unrealised gains in investments		(1,668)	(1,619)
Total deferred tax liability		**(1,668)**	**(1,619)**
Net deferred tax asset / (liability)		**(1,592)**	**(1,595)**

Australian Taxation Office (ATO) Audit

The Australian Taxation Office (ATO) commenced an audit of the QSuper in the year ended 30 June 2021, prior to the merger with Sunsuper. The audit relates to the QSuper pre-merger years of income from 1 July 2014 to 30 June 2021. After the merger and the renaming of the Fund to Australian Retirement Trust, the ATO has continued the audit.

The audit concerns some of the imputation credits claimed during the audit period and is focussed on whether the Fund was entitled to claim imputation credits in respect of some Australian listed equities in circumstances where the Fund had entered into derivative contracts that reduced exposure to such equities.

Prior to the merger, the ATO issued QSuper with Notices of Amended Assessment and Notices of Assessment of Scheme Shortfall Penalties for the years ended 30 June 2015 to 30 June 2020.

The taxation issues subject to the audit involve complex considerations that are highly dependent on their facts. QSuper acted in accordance with external tax advice and consequently, the Fund has lodged objections with the ATO in respect of the amended assessments and penalties.

All amounts owing under these notices have been paid or raised as a liability for income tax prior to the merger.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 5 Cash and cash equivalents

Cash comprises cash on hand and deposits at call. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less. Cash equivalents must be readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at face value or the gross value of the outstanding balance.

	2022 $m	2021 $m
Cash and deposits at call held in CBA bank account	374	240
Cash at bank held by the custodian	4,095	1,416
Total cash and cash equivalents	**4,469**	**1,656**

Reconciliation of net change in cash from operating activities to operating result after income tax.

	2022 $m	2021 $m
Net benefits allocated to / (from) defined contribution members	(6,845)	11,726
Net change in Defined Benefit member benefits	(1,770)	1,353
Net allocation to / (from) reserves	800	(33)
Operating result after income tax	**(7,815)**	**13,046**
Adjustments for net change in non-operating activities:		
Net change in assets measured at fair value	13,779	(12,841)
Change in receivables	162	(6)
Change in payables	474	(20)
Insurance liabilities	(49)	(16)
Income tax payable	(2,515)	(200)
Self-insurance claims included in benefits	11	16
Total net inflows/(outflows) from operating activities	**4,047**	**(21)**

Notes to the Financial Statements For the year ended 30 June 2022

Note 6 Defined contribution member liabilities

The entitlements of members to benefit payments are recognised as liabilities. They are measured at the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members, or their beneficiaries, in the future as a result of the membership up to the end of the reporting period.

Obligations relating to member entitlements are recognised as member liabilities. Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.

Defined contribution members bear the investment risk relating to the underlying assets of the Fund.

Unit prices are updated on a daily basis for movements in investment markets. The Fund's management of the investment market risks is as disclosed within Note 9.

Defined contribution members' liabilities were fully vested as at 30 June 2022 and 30 June 2021.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 7 Defined benefit member liabilities

As at the reporting date, the Fund had 18 defined benefit plans with the largest defined benefit plan being the Queensland Government Defined Benefit Scheme.

The Fund engages qualified actuaries to measure defined benefit member liabilities. In determining the defined benefit member liabilities, the appointed actuary determines appropriate assumptions including discount rate, salary adjustment rate, pension increase rates, resignation rates and mortality rates.

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

A 'defined benefit plan' means a plan of a defined benefit fund that has at least one defined benefit member, separately identifiable assets and separately identifiable beneficiaries and the interest each beneficiary has in the plan is determined wholly or partly by reference to the conditions governing the plan.

The amount of vested benefits attributable to the Fund's defined benefit members as at 30 June 2022 is $29,830m (2021: $27,432m).

		2022
		$m
Vested benefits	**Note**	**Amount**
Queensland Government Defined Benefit Scheme	Note 7 (a)	24,530
Corporate Defined Benefit Plans	Note 7 (b)	5,300
Total		**29,830**

(a) Queensland Government Defined Benefit Scheme Arrangements

All employing authorities within this scheme are required to remit defined benefit employer contributions (excluding salary sacrifice contributions) to Queensland Treasury. These contributions are accumulated in a reserve, managed by Queensland Investment Corporation on behalf of the Queensland Government ("Employer Fund"), which is maintained to finance the future liability for the employer component of all defined benefits. The Queensland Treasurer, on the advice from the Queensland State Actuary, determines the rate of employer contributions to the Employer Fund.

Funding from the Employer Fund to the Fund is in the form of funding received at the time the benefit is paid (as described in the Superannuation (State Public Sector) Act 1990 and in the Fund's Trust Deed. Alternatively, the Superannuation (State Public Sector) Act 1990 allows the transfer of amounts from the Employer Fund to the Fund in circumstances and at times other than funding the immediate payment of benefits. Transfers from the Employer Fund to the Fund occurred monthly and amounted to $1,900m for 2022 (2021: $1,706m).

The Queensland Government through the Queensland Government Defined Benefit Scheme underwrites a capital guarantee for some members that the earning rate for a full financial year will not be negative (Voluntary Preservation Plan). In return for this capital guarantee, Voluntary Preservation Plan members are levied a premium on 30 June each year. The accumulated premiums to 30 June 2022 were $10m (2021: $10m) and the reimbursements to 30 June 2022 was $0.7m (2021: $0m). For 30 June 2022, return for the underlying assets (the Moderate Option) was negative and for FY22 the capital guarantee was triggered.

The Queensland Government Defined Benefit Scheme was closed to new members on 12 November 2008.

Notes to the Financial Statements For the year ended 30 June 2022

Note 7 Defined benefit member liabilities

Queensland Government Defined Benefit Scheme Arrangements

Employer-sponsor receivable

As the defined benefits become payable, the full cost is met by the Fund, with the Employer Fund contributing the employers' share of these benefits. Under AASB 1056, the difference between the value of the accrued benefits at 30 June 2022 and net assets held by the Fund is recognised as an employer-sponsor receivable. A summary of the employer-sponsor receivable is as follows:

	2022 $m	2021 $m
Value of Defined Benefit liability (net of contributions tax)	24,539	29,050
Less Defined Benefit assets held by the Fund	(6,209)	(6,546)
Net receivable from Queensland Government	**18,330**	**22,504**

Defined Benefit member liabilities

The difference between the net receivable from Queensland Government of $18,330m (2021: $22,504m) as recorded on the statement of financial position and the gross value of the Defined Benefit liability of $21,314m (2021: $26,167m) as reported by the employer sponsor represents the value of accrued contributions tax.

The Defined Benefit member liabilities have been determined by reference to expected future salary levels and by application of a market-based, risk-adjusted discount rate and relevant actuarial assumptions.

The entitlements of members to benefit payments are recognised as liabilities in the statement of financial position.

Actuarial review

The last actuarial review of the Queensland Government Defined Benefit Scheme Arrangements was conducted as at 30 June 2021 by the Queensland State Actuary, Mr W H Cannon BSc(Hons) GradDipAppFin FIAA GAICD. The value of defined benefit member liabilities, calculated consistent with that review and excluding accrued contributions tax as at 30 June 2022 was $24,539m (2021: $29,048m).

Internal transfers

Internal transfers disclosed on the Statement of Changes in Member Benefits represent transfers out of member balances from defined benefits to defined contribution accounts for individuals who no longer qualify for inclusion in a defined benefits scheme.

Key estimates

The Fund and the actuary use sensitivity analysis to monitor the potential impact of changes to assumptions. The Fund and the actuary have identified three assumptions (discount rate, price inflation and the rate of salary increases) for which changes are reasonably possible and that would have a material impact on the amount of the defined benefit member liabilities.

Note 7 Defined benefit member liabilities

Queensland Government Defined Benefit Scheme Arrangements

Discount rate

The assumed gross discount rate has been determined by reference to the annually convertible yield of a notional duration matched government nominal bond at the relevant date. This represents the expected return of an asset pool that would yield the future net cash flows underpinning the liability, recognising that the defined benefit assets within the Fund represent a minority portion, with the balance met by the Government guarantee. The Queensland State Actuary has recommended the use of this rate. An alternative position would be to utilise an expected portfolio return rate that the scheme actuary assumes will be generated from the overall investment of assets held to fund the liability. This rate is 4.80% (2021: 4.50%) and the application of this rate would reduce the liability and corresponding receivable from the Queensland Government by $2,021m (2021: $6,256m).

Price inflation

The assumed level of price inflation has been determined by reference to the difference between yields on nominal and inflation linked bonds of similar duration to the defined benefit liabilities.

Salary inflation

The assumed annual salary adjustment has been determined by reference to estimates of historical and prospective real salary growth.

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

The following table shows the sensitivity to the material assumptions as at 30 June 2022:

Assumption	Assumed at reporting date	Change	Increase/(Decrease) in DB member benefit liability ($m)
Gross discount rate	2022: 3.7% (2021: 1.5%)	2022: +1.0% (2021: +1.0%)	2022: (1,642) (2021: (2,286))
Price inflation	2022: 2.4% (2021: 2.1%)	2022: +1.0% (2021: +1.0%)	2022: 133 (2021: 192)
Salary inflation	2022: 3.4% (2021: 3.1%)	2022: +1.0% (2021: +1.0%)	2022: 1,701 (2021: 2,361)

Vested Benefits

Vested benefits are benefits that are not conditional upon continued membership of Queensland Government Defined Benefit Scheme (or any factor other than resignation from the scheme) and include benefits which members were entitled to receive had they terminated their Queensland Government Defined Benefit Scheme membership as at the reporting date. This amount has been estimated using actuarial assumptions from the most recent actuarial valuation as at 30 June 2022 and excludes the implied accrued contributions tax.

	2022 $m	2021 $m
Vested benefits attributable to defined benefit members (discount rate for underlying member liabilities)	24,530	26,145
Vested benefits attributable to defined benefit members (discount rate based on expected return for funding purposes)	23,891	24,093

Notes to the Financial Statements
For the year ended 30 June 2022

Note 7 Defined benefit member liabilities

(b) Corporate Defined Benefit Plans Arrangements

The Fund has 17 Corporate defined benefit plans as at the reporting date that were transferred in as part of the merger with Sunsuper. The discount rate and salary adjustment rate used to determine the values of accrued liabilities for each of the defined benefit plans were:

	2022			
Defined benefit plan	Discount Rate – pre-retirement (net of investment fees and tax) % pa	Discount Rate – post-retirement (net of investment fees and tax) % pa	Pension Increase rate % pa	Salary increase rate % pa
APSS (1)	5.0	-	-	3.25
CCEP (Amatil)	4.0	4.5	3.0	3.25
Wolters Kluwer (CCH)	6.0	-	-	4.0
Dulux Group (Australia)	5.25	5.75	0	3.25
DXC	5.8	6.3	0	3.0
Goodman Fielder	6.0	-	-	4.0
Hanson Australia	6.0	-	-	4.5
IAG	6.0	6.5	2.5	3.0
NRMA	6.0	6.5	-	3.0
Mondelez	6.0	6.5	2.5	4.0
Otis	5.5	-	-	3.0
Proctor & Gamble	5.75	-	-	3.75
RACV	5.25	5.75	0	2.5
RB Super	6.5	7.25	3.0	3.0
Simplot Australia	6.0	-	-	4.0
Swiss Re	-	6.5	2.5	-
Unilever	4.25	4.5	3.0	3.0

(1) New Defined benefit plan for the financial year 2022

The Fund and its actuaries use sensitivity analysis to monitor the potential impact of changes to the assumptions. The Fund and its actuaries have identified three assumptions (being the discount rate, pension increase rate and the salary increase rate) for which changes are reasonably possible and 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 long-term investment returns expected on the investment portfolio of each plan and considers the term of the member liabilities. The assumed annual salary increase has been determined by reference to the long-term salary increases and in consultation with the employer-sponsors. Changes to the other assumptions, including resignations, retirement, and mortality rates, do not have a material impact on the amount of the defined benefit member liabilities.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 7 Defined benefit member liabilities

Corporate Defined Benefit Plans Arrangements

For comparison, the 30 June 2021 data has been included noting that these plans were not part of the Fund at this time.

	2021			
Defined benefit plan	Discount Rate – pre-retirement (net of investment fees and tax) % pa	Discount Rate – post-retirement (net of investment fees and tax) % pa	Pension Increaserate % pa	Salary increase rate % pa
CCEP (Amatil) [1]	3.4	3.3	2.0	2.8
Wolters Kluwer (CCH)	6.0	-	-	4.0
Dulux Group (Australia)	5.3	5.8	-	3.3
DXC [1]	5.8	6.3	-	3.0
Goodman Fielder	6.0	-	-	4.0
Hanson Australia	6.0	-	-	4.5
IAG [1]	6.0	6.5	2.5	3.0
NRMA [1]	6.0	6.5	-	3.0
Mondelez	6.0	6.5	2.5	4.0
Otis [1]	5.0	-	-	3.0
Proctor & Gamble	5.8	-	-	3.8
RACV [1]	5.3	5.8	-	2.5
RB Super	5.8	6.3	3.0	3.0
Simplot Australia	6.0	-	-	4.0
Swiss Re	-	6.5	2.5	-
Unilever	3.3	3.5	2.0	2.0

(1) New Defined benefit plan for the financial year 2021

Notes to the Financial Statements For the year ended 30 June 2022

Note 7 Defined benefit member liabilities

Corporate Defined Benefit Plans Arrangements

Defined Benefit Surplus

The actuarial reviews completed for valuation date of 30 June 2022 and 30 June 2021 reported the below results for the Fund's defined benefit plans:

30 June 2022

	Net assets for defined benefit members $'000	Value of accrued benefits for defined benefit members $'000	Funded or (Unfunded) $'000
Defined benefit plan			
APSS	4,108,148	3,196,518	911,630
CCEP (Amatil)	57,863	47,996	9,867
Wolters Kluwer (CCH)	1,407	1,339	68
Dulux Group (Australia) (2)	177,775	184,151	(6,376)
DXC	50,545	36,106	14,439
Goodman Fielder	4,692	3,869	823
Hanson Australia	37,253	33,914	3,339
IAG	186,318	171,422	14,896
NRMA	42,770	35,496	7,274
Mondelez	62,748	56,492	6,256
Otis	160,678	145,729	14,949
Proctor & Gamble	3,322	2,163	1,159
RACV	52,901	48,989	3,912
RB Super	1,569,396	959,457	609,939
Simplot Australia	1,427	1,193	234
Swiss Re	13,784	12,387	1,397
Unilever	17,783	11,223	6,560
Total (1)	**6,548,810**	**4,948,444**	**1,600,366**

(1) The Net assets for defined benefit members is represented in the Statement of Financial Position by Defined benefit member liabilities and Defined benefits surplus.

(2) As at 30 June 2022 , the Dulux plan is subject to a Restoration Plan as required under Prudential Standard SPS 160

Notes to the Financial Statements
For the year ended 30 June 2022

Note 7 Defined benefit member liabilities

Corporate Defined Benefit Plans Arrangements

For comparison, the 30 June 2021 data has been included noting that these plans were not part of the Fund at this time.

30 June 2021

	Net assets for defined benefit members $'000	Value of accrued benefits for defined benefit members $'000	Funded or (Unfunded) $'000
Defined benefit plans			
CCEP (Amatil)	65,729	53,878	11,851
Wolters Kluwer (CCH)	2,395	2,330	65
Dulux Group (Australia) (2)	182,560	186,547	(3,987)
DXC	54,825	38,910	15,915
Goodman Fielder	4,715	3,839	876
Hanson Australia	40,044	35,853	4,191
IAG	209,932	166,974	42,958
NRMA	44,600	34,689	9,911
Mondelez	71,413	59,722	11,691
Otis	177,177	149,947	27,230
Proctor & Gamble	3,589	2,240	1,349
RACV	56,188	48,994	7,194
RB Super	1,583,129	1,047,344	535,785
Simplot Australia	1,513	1,171	342
Swiss Re	15,332	12,759	2,573
Unilever	18,762	12,673	6,089
Total	**2,531,903**	**1,857,870**	**674,033**

(1) The Net assets for defined benefit members is represented in the Statement of Financial Position by Defined benefit member liabilities and Defined benefits surplus.

(2) As at 30 June 2021, the Dulux plan is subject to a Restoration Plan as required under Prudential Standard SPS 160

The amount of vested benefits attributable to Corporate defined benefit members as at 30 June 2022 is $5,300m (2021: $1,287m).

Notes to the Financial Statements
For the year ended 30 June 2022

Note 7 Defined benefit member liabilities

Corporate Defined Benefit Plans Arrangements

The following are sensitivity calculations on a single variable basis for the discount rate and rate of salary adjustment assumptions for each of the Corporate defined benefit plans:

	2022				2021 [4]			
	Amount of (increase)/decrease in the member benefit liability				Amount of (increase)/decrease in the member benefit liability			
Defined benefit plan	**Discount rate**		**Salary increase and/or Pension increase**		**Discount rate**		**Salary increase and/or Pension increase**	
	+0.5%	**-0.5%**	**+1.0%**	**-1.0%**	**+0.5%**	**-0.5%**	**+1.0%**	**-1.0%**
APSS [1]	95,896	(108,681)	(137,450)	134,254	-	-	-	-
CCEP (Amatil)	1,344	(1,440)	(2,400)	2,208	1,616	(1,670)	(2,856)	2,640
Wolters Kluwer (CCH) [2]	-	-	-	-	-	-	-	-
Dulux Group (Australia)	4,339	(5,196)	(492)	94[3]	6,655	(9,381)	(9,028)	1,126
DXC	780	(846)	(195)	184	715	(857)	(195)	174
Goodman Fielder [2]	-	-	-	-	-	-	-	-
Hanson Australia	313	(339)	(504)	460	339	(361)	(551)	498
IAG	7,430	(8,926)	(11,700)	10,263	6,455	(7,717)	(11,177)	9,809
NRMA	158	(158)	-	-	156	(156)	-	-
Mondelez	101	(109)	(207)	182	100	(106)	(201)	179
Otis	3,202	(3,062)	(4,871)	4,454	3,075	(3,495)	(5,033)	4,613
Procter & Gamble	2	(1)	-	5	2	(3)	(4)	3
RACV	2,089	(2,467)	(466)	452[3]	2,447	(2,942)	(668)	636
RB Super	61,007	(68,402)	(140,031)	133,708	73,066	(82,600)	(168,678)	134,964
Simplot Australia [2]	-	-	-	-	-	-	-	-
Swiss Re	399	(424)	(833)	751	424	(451)	(888)	797
Unilever	363	(394)	(779)	677	410	(463)	(906)	762
Total	177,423	(200,445)	(299,928)	267,692	95,460	(110,202)	(200,185)	156,201

(1) New Defined benefit plan for FY2022.
(2) The Discount rate/Salary increase rate were applied to these plans and the results were nil e.g. changing the assumptions had no impact on the member liability.
(3) The assumed pension increase was unchanged at 0 per annum.
(4) For comparison, the 30 June 2021 data has been included noting that these plans were not part of the Fund at this time.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 8 Successor fund transfer

Sunsuper Superannuation Fund

On 28 February 2022, the Fund acquired by SFT all of the assets and liabilities of Sunsuper. The net amount transferred to the Fund was $96,811m. The assets and liabilities received by the Fund:

	Amount $m
Assets	
Investments	
Australian shares	25,547
International shares	22,069
Private capital	7,831
Property	8,353
Infrastructure	8,076
Fixed interest	12,561
Alternative strategies	4,618
Cash	5,720
Total investments	94,775
Other assets	
Cash and cash equivalents	3,928
Receivables and other assets	143
Total other assets	4,071
Total assets	98,846
Liabilities	
Benefits payable and other liabilities	276
Current tax liabilities	376
Deferred tax liabilities	1,383
Total liabilities	2,035
Net assets available for member benefits	96,811
Member liabilities	
Defined contribution member liabilities	93,713
Defined benefit member liabilities	1,776
Total member liabilities	95,489
Total net assets	1,322
Equity	
General reserve	301
Insurance reserve	1
Operational risk financial requirement (ORFR)	257
Defined benefits surplus	763
Total equity	1,322

Notes to the Financial Statements
For the year ended 30 June 2022

Note 8 Successor fund transfer

Australia Post Superannuation Scheme

On 30 April 2022, the Fund acquired by SFT all of the assets and liabilities of Australia Post Superannuation Scheme (APSS). The net amount transferred to the Fund was $7,986m.

Fund/Plan	Transfer Date	Amount $m
Australia Post Superannuation Scheme	April 2022	7,986
		7,986

The transfer from the APSS SFT has resulted in the following movements in member liabilities and reserves of the Fund:

	2022 $m
Defined contribution member liabilities	3,827
Defined benefit member liabilities	4,139
General reserve	-
Operational risk financial requirement reserve	20
Other liabilities	-
	7,986

Notes to the Financial Statements For the year ended 30 June 2022

Note 9 Financial risk management

Overview

The investments of the Fund are managed on behalf of the Trustee by appointed managers. Each investment manager is required to invest the assets managed by it in accordance with the terms of a mandate. The Trustee or its delegate has determined that the appointment of these managers is appropriate for the Fund and is in accordance with the Fund's Investment Strategy.

The Northern Trust Company and State Street Australia Limited act as custodians on behalf of the Trustee and as such provide services in respect of the majority of assets, including physical custody and safekeeping, settlement of trades, collection of dividends, securities lending and accounting for investment transactions.

The Fund has investments in a variety of financial instruments, including derivatives, which expose the Fund to market risk, credit risk, and liquidity risk. The main purpose of these financial instruments is to obtain exposure to specific asset classes in accordance with investment strategies. The Fund also has various other financial instruments such as sundry receivables and payables, which arise directly from its operations; these are current in nature. Risks arising from holding financial instruments are inherent in the Fund's activities.

The Fund's activities expose it to a variety of risks, both financial and non-financial. The Fund has a Risk Management Framework in place to monitor, address and report on these risks. The Trustee is responsible for the Risk Management Framework and is also responsible for the oversight of its operation by management. The Risk Management Framework is reviewed and approved annually by the Trustee. The Risk Management Framework incorporates the Risk Management Strategy, including Risk Appetite Statements.

The Risk Management Strategy outlines Material Risks, including Operational, Investment, Financial and Strategic risks.

The Trustee reviews and agrees on policies for managing each of these risks and may establish committees as it considers necessary or appropriate to assist it in carrying out its responsibilities.

The Trustee recognises that sound and prudent risk management is an integral part of its good governance practice. Risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The board Audit, Finance & Risk Committee assists the Trustee in discharging its governance and administrative responsibilities. The board Audit, Finance & Risk Committee's role encompasses reviewing the management of risk, including overseeing the material risks and ensuring appropriate internal controls are in place to address those risks, operational investment governance, monitoring the compliance of the Fund with legislative requirements, reviewing internal and external audit findings and monitoring the implementation of audit recommendations, and reviewing financial statements.

Notes to the Financial Statements For the year ended 30 June 2022

Note 9 Financial risk management

The board Investment Committee provides assistance to the Trustee in discharging its investment oversight in relation to the Fund. The principal duties and responsibilities of the Committee include recommending to the Trustee the investment objectives for the Fund and its various member investment options, recommending to the Trustee the investment policy for the Fund, monitoring investment performance, including the performance of investment managers, and discussing investment issues with the Trustee, the Fund management, and independent advisers, if and when the need arises.

A sensitivity analysis has been prepared for different market factors using reasonably possible changes in risk variables.

These variables are based on the various indices applicable to the underlying assets of the unit trusts, which have been determined by the Fund's custodians. The Fund has reviewed these variables and considers them appropriate for use in the sensitivity analyses, which have been performed on a before tax basis and are individually examined in the risk factors below.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate due to changes in market variables such as equity prices, foreign exchange rates and interest rates. Market risk is managed through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies. Controls for managing market risk of derivatives are embedded within the Fund's capital markets process as defined within its policies, guidelines and procedures.

Price risk

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 instrument, its issuer or factors affecting all instruments in the market.

Source of risk

The Fund is exposed to price risk through listed and unlisted investments, including equity, infrastructure and real estate investments. As the Fund's financial instruments are valued at fair value, with changes in fair value recognised in the income statement, all changes in market conditions can directly affect investment revenue.

Risk mitigation

The Fund's exposure to price risk is determined by the fair value of the financial instruments. Price risk is mitigated by the Fund's diversified portfolio of investments in accordance with the investment strategy approved by the Trustee. The Trustee monitors the Fund's performance on an ongoing basis to ensure that the investment strategy is not breached.

Sensitivity analysis

In accordance with AASB 7 Financial Instruments: Disclosure, the sensitivity analysis is based on historical data over the past five (5) years and reasonably possible investment return range movements by asset class during the financial year.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 9 Financial risk management

The increase / (decrease) in the market price against the investments of the Fund at 30 June would have increased / (decreased) the amount of the operating result from superannuation activities by the amounts shown below. This analysis assumes that all other variables, in particular interest rates and foreign exchange rates, remain constant. The analysis is performed on the same basis for 2021 whereby the assets which are applied are the non-interest bearing instruments and are not guaranteed. Asset classes are consistent with information provided internally to key management personnel.

Sensitivity of price risk and changes on net assets

	% range	Low ± $m	High ± $m
30 June 2022			
Listed Securities	7-13%	5,694	10,575
Unlisted Securities - Infrastructure	8-14%	1,743	3,238
Unlisted Securities - Real Estate	4-7%	493	916
Unlisted Securities - Private Equity	13-25%	2,045	3,798
Unlisted Securities - Alternatives	5-9%	514	954
30 June 2021			
Listed Securities	7-13%	2,347	4,359
Unlisted Securities - Infrastructure	8-16%	881	1,637
Unlisted Securities - Real Estate	4-7%	177	330
Unlisted Securities - Private Equity	11-21%	663	1,231
Unlisted Securities - Alternatives	2-4%	124	231

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an asset or a financial instrument will fluctuate due to changes in foreign exchange rates.

Source of risk

The Fund holds assets or financial instruments denominated in currencies other than the Australian Dollar (AUD) which is the Fund's functional and presentation currency. The Fund is therefore exposed to foreign exchange risk, as the value of these assets and associated future cash flows denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis.

Risk mitigation

As part of the Fund's risk management strategy, the Fund uses derivative contracts such as forward foreign exchange contracts to manage its foreign currency exposures in line with the Fund's Investment Policy Statement (IPS). Foreign currency exposures are obtained for member options which are based on established investment objectives.

Net foreign currency exposure at 30 June 2022 was $16,833m (2021: $14,272m) with the largest exposure being to the US dollar.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 9 Financial risk management

The foreign exchange risk disclosures have been prepared on the basis of the Fund's direct investment and on a look through basis for the investments held indirectly through unit trusts.

Consequently, the disclosure of foreign exchange risk in the note represents the total net foreign exchange exposure.

The Fund's exposure to foreign exchange rate movements on its investments is as follows:

30 June 2022	USD $m	EUR $m	JPY $m	GBP $m	Other $m
Gross investment amount denominated in foreign currency	35,499	11,391	2,832	3,711	12,064
Less: Currency forwards and swaps	22,295	2,934	(448)	1,217	2,172
Net Exposure	**13,204**	**8,457**	**3,280**	**2,494**	**9,892**

30 June 2021	USD $m	EUR $m	JPY $m	GBP $m	Other $m
Gross investment amount denominated in foreign currency	9,477	7,402	592	1,852	7,761
Less: Currency forwards and swaps	(16)	21	86	4	37
Net Exposure	**9,493**	**7,381**	**506**	**1,848**	**7,724**

Sensitivity analysis

An increase in the value of foreign currencies by 10% relative to the AUD would increase the net assets of the Fund by $1,683m (30 June 2021: $1,427m), a decrease in the value of foreign currencies by 10% relative to the AUD would decrease the net assets of the Fund by $1,683m (30 June 2021: $1,427m).

Interest rate risk

Source of risk

Interest rate risk refers to the effect on the market value of, or the cash flows generated from, the Fund's assets and liabilities due to fluctuations in interest rates. The value of the Fund's assets is affected by short term changes in nominal and real interest rates.

Risk mitigation

The Fund has set investment allocation ranges to meet its objectives of holding a balanced portfolio, including limits on investments in interest bearing assets, which are monitored regularly. The Fund may use derivatives to hedge against unexpected increases in interest rates.

Interest rate risk disclosures have been prepared on a basis of the Fund's direct investments and on a look through basis for the investments held indirectly through unit trusts. This includes Fixed Income and Cash asset classes.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 9 Financial risk management

The Fund's exposure to interest rate risk at the reporting date is summarised in the tables below:

30 June 2022	**Fixed interest rate $m**	**Floating interest rate $m**	**Non-interest bearing $m**	**Total $m**
Cash & cash equivalents	-	4,469	-	4,469
Other interest-bearing securities	1,641	16,172	667	18,480
Unlisted securities	31,849	13,192	62,522	107,563
Increase/decrease from derivatives contracts	(243)	160	(2,404)	(2,487)
Receivables	-	996	1,209	2,205
Payables	-	10	1,898	1,908

30 June 2021	**Fixed interest rate $m**	**Floating interest rate $m**	**Non-interest bearing $m**	**Total $m**
Cash & cash equivalents	-	1,656	-	1,656
Other interest-bearing securities	14	4,089	-	4,103
Unlisted securities	38,368	605	28,593	67,566
Increase/decrease from derivatives contracts	-	-	(764)	(764)
Receivables	-	620	204	824
Payables	-	-	281	281

Sensitivity Analysis

A sensitivity analysis has been undertaken using a 100 basis point change in interest rates. As at 30 June 2022 a 100 basis point movement would have a $2,979m (30 June 2021: $ 2,581m) impact on the net assets of the Fund.

Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

Notes to the Financial Statements For the year ended 30 June 2022

Note 9 Financial risk management

Source of risk

The Fund is exposed to credit risk primarily through its investments in debt securities, trading derivative products, deposits held with banks, and receivables. With respect to credit risk arising from the financial assets of the Fund, other than derivatives, the Fund's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of investments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

Risk mitigation

Credit risk arising from investments is moderated through prudential controls imposed on all Investment Managers under the terms of their mandates. The Fund uses a number of risk mitigation tools, including Credit Support Annexures (CSA), imposing counterparty credit limits, and International Swaps and Derivatives Association (ISDA) agreements to mitigate counterparty risk for over-the-counter derivative instruments. These are reviewed by the Trustee on a regular basis as deemed appropriate. In addition to this, an initial and ongoing due diligence of each counterparty's organisational integrity, systems capability, operational performance, and competence is undertaken.

The Fund may use derivative contracts to manage its exposure to credit risk in accordance with approved investment strategies. The fair value of credit related derivatives held at 30 June 2022 was immaterial.

In addition, for cash and derivative investments, the Fund manages credit risk by dealing with highly rated counterparties and where appropriate, ensuring collateral is maintained.

Credit risk associated with receivables is considered low as this is mainly comprised of dividends, distributions and interest receivable on investments.

The carrying amount, as shown on the Statement of Financial Position, of the Fund's financial assets best represents the maximum credit risk exposure at the reporting date.

Non-investment credit risk is regarded as minimal for the Fund. Liabilities only arise after contributions are actually received from employers and other receivables are not material to the Fund.

Concentrations of risk

Source of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities. These similarities could cause the counterparties' capabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

Risk mitigation

The concentrations of risk are managed by the Investment team within prescribed limits to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Counterparty limits are imposed to manage and control associated exposures to individual counterparties. Additional controls are in place for derivatives and the Fund's exposure is monitored daily with the unrealised profit and losses aggregated by counterparty.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 9 Financial risk management

Liquidity risk

Liquidity risk is the risk that the financial obligations of the Fund cannot be met as and when they fall due from available cash resources.

Source of risk

The Fund is exposed to the liquidity risk of meeting members' withdrawals at any time and switching of member's balances to a different investment choice option.

Set out on this page are the contractual maturities of financial liabilities. The contractual maturity of the Fund's derivatives are based on undiscounted cashflows.

	< 1 month $m	1-3 months $m	3-12 months $m	1-5 years $m	5+ years $m	Fair value $m
30 June 2022						
Financial liabilities:						
Member benefits – Defined member contributions	199,052	-	-	-	-	199,052
Member benefits – Defined benefit contribution	29,497	-	-	-	-	29,497
Trade and other payables (excluding cash collateral)	832	-	-	-	-	832
Payables for investments	2,152	-	-	-	-	2,152
Total undiscounted financial liabilities (excluding derivatives)	**231,533**	**-**	**-**	**-**	**-**	**231,533**
Net settled derivatives:						
Fixed interest futures	(4)	(111)	(3)	9	-	(109)
Options	6	16	93	13	-	128
Forward foreign exchange contracts	33	(465)	(1,835)	6	-	(2,261)
Swaps and warrants	-	(6)	(19)	(173)	(46)	(244)
Total undiscounted derivatives inflow / (outflow)	**35**	**(566)**	**(1,764)**	**(145)**	**(46)**	**(2,486)**
Net cash collateral (payable) /receivable	1,322	-	-	-	-	1,322
Net derivatives (including net cash collateral)	**1,357**	**(566)**	**(1,764)**	**(145)**	**(46)**	**(1,164)**

Note 9 Financial risk management

	< 1 month $m	1-3 months $m	3-12 months $m	1-5 years $m	5+ years $m	Fair value $m
30 June 2021						
Financial liabilities:						
Member benefits – Defined member contributions	102,831	-	-	-	-	102,831
Member benefits – Defined benefit contribution	29,050	-	-	-	-	29,050
Trade and other payables (excluding cash collateral)	168	-	-	-	-	168
Payables for investments	113	-	-	-	-	113
Total undiscounted financial liabilities (excluding derivatives)	**132,162**	**-**	**-**	**-**	**-**	**132,162**
Net settled derivatives:						
Fixed interest futures	(21)	(59)	-	-	-	(80)
Options	(161)	-	-	-	-	(161)
Forward foreign exchange contracts	-	(351)	(622)	-	-	(973)
Swaps and warrants	-	6	4	-	-	10
Total undiscounted derivatives inflow / (outflow)	**(182)**	**(404)**	**(618)**	**-**	**-**	**(1,204)**
Net cash collateral (payable) / receivable	620	-	-	-	-	620
Net derivatives (including net cash collateral)	**438**	**(404)**	**(618)**	**-**	**-**	**(584)**

Risk mitigation

The Fund maintains a Liquidity Risk Management policy designed to ensure sufficient liquidity within the Fund to meet its financial obligations. The policy contemplates liquidity for each Investment Option, outlines the procedures for measuring and managing liquidity and considers how liquidity is to be managed under a range of stress scenarios. To the extent possible, potential adverse liquidity circumstances are identified, along with the actions that would be required to deal with these circumstances.

The Fund categorises liquidity depending on how readily these assets can be converted to cash to meet the Fund's financial obligations. To meet short term requirements, the Fund maintains sufficient cash and short-term deposits. The majority of the Fund's assets are traded in listed markets which, under normal circumstances, can be liquidated over short periods of time. The Fund's assets include an allocation to unlisted investments that have less-liquid profiles and are expected to take more time to be sold.

The Fund monitors the liquidity closely with the objective of constructing a portfolio to meet the liquidity requirements of the Fund in the short and long term. This includes stress-testing.

Notes to the Financial Statements For the year ended 30 June 2022

Note 9 Financial risk management

Securities lending

The Fund has a securities lending arrangement with J.P Morgan Chase Bank NA effective from 28 February 2022, under which legal title to certain assets of the Fund may be transferred to another entity, notwithstanding the fact that the risks and benefits of ownership of the assets remain with the Fund including the right to vote.

Loaned Assets and Collateral

The assets transferred to other entities under securities lending arrangements may include Australian and international shares and fixed income securities that are held discretely by the Fund's custodian. The risks of ownership to which the Fund remains exposed are currency risk, interest rate risk, credit risk and price risk.

The carrying amount of securities that may be eligible for securities lending activities at reporting date amounted to $62,935m. The carrying amount of securities on loan at reporting date was $5,806m.

The terms and conditions associated with the use of collateral held as security in relation to the assets lent are governed by a Securities Lending Agreement that requires the borrower to provide the lender with collateral to the value equal to or greater than the loaned securities. Total collateral held at reporting date as security had a fair value of $6,305m. The cash collateral held amounted to $1,076m and is recognised as both a financial asset and a financial liability in the Statement of Financial Position. Non-cash collateral held is not recognised in the Statement of Financial Position. J.P Morgan Chase Bank NA, as lending agent, indemnifies the Fund for replacement of any loaned securities (or, in certain circumstances, return of equivalent cash value) due to a borrower default on a security loan.

State Street Bank and Trust Company (ARBN 062 819 630) was provider of securities lending arrangements with Sunsuper. The contract ceased prior to merger on August 2021 and note no securities were out on loan at the time of termination. The indemnity carried through until termination of the contract.

Earnings and Fees

Earnings and fees during the year were on a net basis and they were $7m. These amounts were received on behalf of the Fund and have been recognised in the Income Statement.

Notes to the Financial Statements For the year ended 30 June 2022

Note 10 Reserves

In order to comply with legislative and Trust Deed requirements, the Trustee maintains a number of reserves in the Fund for the benefit of members.

The statement of changes in reserves outlines the detailed movements in each reserve for the year.

Recognition and measurement

General Reserve

The Fund maintains a General Reserve to ensure that it can meet both current and future liabilities, including those associated with administration, strategic initiatives and operational risks pertaining to costs associated with the non-member component of operational risk events. The reserve provides the Trustee with access to funds to protect members' interests and mitigate the impact of an adverse event. Transfers in and out of the reserve are made only at the authorisation of the Trustee and in accordance with the Trustee's approved reserve policy.

The General Reserve is invested in:

- The Balanced Option;
- The Conservative Option;
- Low volatility investments (e.g. cash) to fund significant short-term liabilities (e.g. taxes);
- Any other investments approved by the Trustee.

Unallocated Contributions Reserve

This reserve is held to absorb investment variations which may be caused by the delay between when certain member's funds are receipted and when the transaction is processed and allocated to the member's selected investment option.

Self Insurance Reserve

The Fund ceased self-insurance with effect from 30 June 2016. Prior to this some death, total and permanent disablement (TPD) and income protection insurance benefit premiums were collected and invested in a Self Insurance Reserve.

Tail claims (i.e. those claims relating to events occurring before 1 July 2016) continue to be paid by the Fund and are recognised as a reduction in the insurance claims liability in the statement of financial position. No solvency margin in respect of covering adverse run off of claim liabilities incurred prior to 1 July 2016 has been estimated by the Actuary in his latest review. Consistent with the prior year, the Fund has determined no solvency margin will be retained for this financial year. The General Reserve provides financial support to the Insurance Reserve as required.

Insurance Reserve

The Trustee maintains the reserve in order to:

- Reduce insurance premiums;
- Help offset insurance administration costs and/or insurance project costs; and
- Ensure the insurance service offering for members is simple, efficient and improves the customer experience.

The Insurance Reserve is invested in cash.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 10 Reserves

Operational Risk Financial Requirement Reserve

The Fund maintains an Operational Risk Financial Requirement Reserve (ORFR) for costs pertaining to the member component of operational risk events. The balance of the reserve as at 30 June 2022 was $553m (2021: $280m). The ORFR ensures the Fund has adequate financial resources to address losses arising from operational risks within its business operations, where such costs are not met by third parties, or are recoverable from third parties or insurance only at a later stage. The Trustee maintains a target balance of 25 basis points of funds under management plus 10 basis points of the Pooled Superannuation Trust (PST) net assets. The Trustee maintains a range around this of 20 to 30 basis points of funds under management plus 9 to 11 basis points of the PST net assets. The PST is a controlled entity (refer Note 12) and has the same trustee as the Fund.

The amount of ORFR held by the Fund which is attributed to the PST at 30 June 2022 is $17m (2021: $11m[1]). Initial funding of the ORFR and future top-ups or replenishments are made from the General Reserve. The ORFR is invested in the Balanced Option.

The ORFR is implemented, managed, and maintained in accordance with the Superannuation Industry (Supervision) Act 1993 and the requirements of APRA Prudential Standard SPS 114 – Operational Risk Financial Requirement (SPS 114). APRA has defined 'operational risk' as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. This definition includes legal risk but excludes strategic and reputational risk.

[1] For comparison, the 30 June 2021 comparison has been included noting that the PST was not part of the Fund at this time.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 11 Key management personnel

(a) Key management personnel

The following individuals were Directors of Australian Retirement Trust Pty Ltd (formerly Sunsuper Pty Limited), Trustee of the Fund (and formerly trustee of Sunsuper), at any point during the financial year. Individuals who have two commencement dates are former trustees of the QSuper Board and the second date is their commencement date for the QSuper Board and is referenced for length of tenure as directors of the trustee of the Fund.

Name	Position Title	Date commenced as Director	Date ceased
Don Luke (Chair)	Director – Independent	28 February 2022 *[01 January 2020]*	
Michael Clifford	Director – Member nominated	01 February 2016	
Bruce Cowley	Director – Member nominated	28 February 2022 *[01 December 2019]*	
Mary-Anne Curtis	Director – Employer nominated	28 February 2022 *[01 July 2018]*	
Andrew Fraser	Director – Employer nominated	16 September 2015	
Mark Goodey	Director – Member nominated	01 January 2020	31 March 2022
Mary Elizabeth Hallett	Director – Employer nominated	27 March 2014	
Mark Harvey	Director – Employer Nominated	01 July 2016	28 February 2022
Jennifer Mack	Director – Independent	01 July 2015	28 February 2022
Shayne Maxwell	Director – Member nominated	28 February 2022 *[01 June 2018]*	
Elizabeth Mohle	Director – Member nominated	28 February 2022 *[01 December 2013]*	
Kate Ruttiman	Director – Member nominated	28 February 2022 *[01 December 2018]*	
Aaron Santelises	Director – Member nominated	30 June 2022	
Michael Traill	Director – Independent	16 September 2015	
Janine Walker	Director – Employer nominated	28 February 2022 *[1 December 2021]*	
Georgina Williams	Director – Employer nominated	20 July 2018	
Catherine Wood	Director – Member nominated	06 December 2019	28 February 2022

Notes to the Financial Statements For the year ended 30 June 2022

Note 11 Key management personnel

The following individuals were trustees of the QSuper Board or QSuper Board Pty Ltd at any time during the year. Individuals with an asterisk (*) became Directors of Australian Retirement Trust Pty Ltd upon 28 February 2022.

Name	Position Title	Date commenced as Director	Date ceased
Don Luke (Chair) * (1)	Director – Independent	01 January 2020	
Bruce Cowley *	Director – Member nominated	01 December 2019	28 February 2022
Mary-Anne Curtis*	Director – Employer Nominated	01 July 2018	28 February 2022
Michael Drew	Director – Employer Nominated	01 January 2020	28 February 2022
Mary Elizabeth Hallett *	Director	01 March 2022	
Shayne Maxwell *	Director – Member nominated	01 June 2018	28 February 2022
Sandra McCullagh	Director – Employer Nominated	25 February 2019	28 February 2022
Elizabeth Mohle *	Director – Member nominated	01 December 2013	28 February 2022
Kate Ruttiman *	Director – Member nominated	01 December 2018	28 February 2022
John Seccombe	Director	01 March 2022	
Janine Walker *	Director – Employer Nominated	01 December 2021	28 February 2022

1. Don Luke was a Trustee of the QSuper Board prior to SFT and continued as a Director of QSuper Board Pty Ltd from this date.

Australian Retirement Trust Secretaries

Name	Date commenced as Fund Secretary	Date ceased
Trevor Golden	28 February 2022	
Kristy Huxtable	14 March 2022	
Teresa Hamilton	01 July 2014	28 February 2022
Krystle Rae	28 February 2022	

Notes to the Financial Statements For the year ended 30 June 2022

Note 11 Key management personnel

The following is a list of executives of the Fund, who at any time during the period up to the date of this report had authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly.

Name	Position Title	Date commenced as KMP	Date ceased
Bernard Reilly [1]	Chief Executive Officer	28 February 2022	
Anne Browne	Chief Risk Officer	24 February 2016	
Simonne Burnett	Executive General Manager, Brand & Marketing	28 February 2022	
Stevhan Davidson	Chief of Transformation	01 April 2022	
Lachlan East	Chief of Staff	28 February 2022	
Phil Fraser	Chief of QInsure	24 September 2018	
Rodney Greenaway	Chief Technology Officer	28 February 2022	
Helen Jackson	Chief People Officer	28 February 2022	
Paul Landy	Chief of People & Transformation	15 December 2010	11 October 2021
Karin Muller	Chief Member Officer	26 April 2016	
Jason Murray	Chief of Member Experience	10 April 2017	18 February 2022
Ian Patrick	Chief Investment Officer	28 February 2022	
Michael Pennisi [1]	Chief Executive Officer	23 October 2015	01 October 2021
Anthony Rose [2]	Chief Financial Officer	28 February 2022	
John Seccombe [2]	Chief Financial Officer - Acting	25 December 2019	28 February 2022
Teifi Whatley	Chief Strategy Officer	28 February 2022	
Deanne Wilden	General Counsel	28 February 2022	
David Woodall	Chief Growth Officer	28 February 2022	
Charles Woodhouse[3]	Deputy Chief Investment Officer	02 September 2019	

1. Michael Pennisi was CEO of QSuper from the beginning of financial year until 1 October 2021. Bernard Reilly was CEO of the Fund from 28 February 2022.
2. John Seccombe was Acting Chief Financial Officer of QSuper from the beginning of the financial year until 28 February 2022. Anthony Rose was Chief Financial Officer of the Fund from 28 February 2022.
3. Charles Woodhouse was Chief Investment Officer of QSuper from the beginning of the financial year until 28 February 2022. He was Acting Chief Executive Officer of QSuper from 2 October 2021 until 28 February 2022 and has held the position of Deputy Chief Investment Officer of the Fund from this date.

Notes to the Financial Statements For the year ended 30 June 2022

Note 11 Key management personnel

The following individuals were executives of Sunsuper at any point between 1 July 2021 and the SFT date.

Name	Position Title	Date commenced as KMP	Date ceased
Bernard Reilly	Chief Executive Officer	08 October 2019	
Shane Channells	Chief Financial Officer – Acting	19 April 2021	
Stevhan Davidson	IMO Executive Lead	01 March 2019	
Lachlan East	Chief Risk Officer	01 November 2016	
Rodney Greenaway	Chief Technology Officer	6 April 2020	
Teresa Hamilton	Company Secretary	01 July 2014	
Danielle Mair	Chief Strategy & Impact Officer – Acting	26 March 2018	
Ian Patrick	Chief Investment Officer	23 November 2015	
Steven Travis	Chief Member Officer	24 October 2018	08 October 2021
Petrina Weston	Executive General Manager, People and Culture	01 March 2019	
Teifi Whatley	Chief Executive Officer – Acting	19 June 2000	
David Woodall	Executive General Manager, Employer Growth	01 March 2019	

Notes to the Financial Statements
For the year ended 30 June 2022

Note 11 Key management personnel

(b) Compensation and evaluation of key management personnel

Remuneration policy

The Fund's remuneration policy is reviewed at least every three years.

Executive remuneration

Prior to the merger, executives were on relevant legacy organisation performance and reward frameworks from Sunsuper and QSuper for the majority of the performance year. From 28 February to 30 June 2022, the Fund's remuneration policy applied.

The performance and reward frameworks for the Fund are currently being reviewed as the harmonisation of both legacy organisations progresses.

Executives are employed under individual employment contracts. Executives are required to provide six months' notice of their intention to terminate their employment contract. Executive remuneration is market competitive and paid under salary package arrangements which include an appropriate mix of fixed and variable performance payments, explicitly linked to performance, behaviours and risk management.

Performance linkages

Both fixed and variable remuneration is market competitive and explicitly linked to performance, behaviours and risk management. All executive remuneration outcomes appropriately reflect the Fund's performance and the executive's individual performance outcomes and behaviours:

- Fixed remuneration is reviewed on an annual basis taking into account the size, complexity, and responsibilities of the role, individual performance, skills, and experience.

- Short-term incentives (STI) are based on annual performance against a balanced scorecard of appropriate performance measures and individual performance measures, including risk management and member metrics.

Short-term incentive

The short-term incentive plan rewards individual executives for achievement and is based on annual performance against a balanced scorecard of appropriate performance measures and individual performance measures, including risk management, member metrics and demonstration of the Fund key behaviours.

Payment outcomes

STI deferral mechanisms for the Group Chief Executive Officer (Group CEO) and all Chief Officers are in place aligning executive reward with the interest of members and continuing to encourage a long-term focus and appropriate risk management.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 11 Key management personnel

In addition to the balanced scorecard performance outcomes of the scheme, potential STI payments are determined by the Trustee, based on an individual's achievement of minimum threshold performance criteria, relative to role, and agreed standards of behaviour and risk. The Fund's cultural aspirations and key behaviours set the expectation that the Trustee believes form a foundation for successful performance.

Basis for preparation

The Fund remuneration disclosures have been prepared in accordance with section 29QB (1) of the Superannuation Industry (Supervision) Act 1993 and Regulation 2.37 of the Superannuation Industry (Supervision) Regulations 1994, which includes the proportion of compensation allocated to QInsure.

Remuneration comprises the total value of remuneration received or receivable by the Fund executives for their roles in the Fund and its wholly-owned subsidiaries.

Trustee Remuneration

The board of Trustee is comprised of 13 Directors including employer and member nominated, as well as two independent Board members. The following table details the remuneration paid and payable to directors of the Trustee.

Name	Director fees[2]	Incentives	Non-monetary benefits	Superannuation contributions	Termination Benefits	Long Service Leave
Full Year Director						
Michael Clifford	105,227	-	-	14,191	-	-
Andrew Fraser	143,189	-	-	19,331	-	-
Mary Elizabeth Hallett	113,560	-	-	15,316	-	-
Michael Traill	99,993	-	-	13,489	-	-
Georgina Williams	109,394	-	-	14,754	-	-
Part Year Director						
Bruce Cowley[1]	45,698	-	-	6,180	-	-
Mary- Anne Curtis[1,3]	-	-	-	-	-	-
Don Luke (Chair)[1]	52,810	-	-	7,151		
Mark Goodey	52,823	-	-	7,131	-	-
Mark Harvey	54,824	-	-	7,396	-	-
Jennifer Mack	55,709	-	-	7,506	-	-
Shayne Maxwell[1]	28,728	-	-	1,837	-	-
Elizabeth Mohle[1]	40,571	-	-	-	-	-
Kate Ruttiman[1]	35,449	-	-	-	-	-
Aaron Santelises	-	-	-	-	-	-
Janine Walker[1]	24,355	-	-	6,448	-	-
Catherine Wood	54,824	-	-	7,396	-	-

1. These Directors were Trustees of the QSuper Board from 1 July 2021 through to the SFT date. Remuneration in this table is for the period of SFT date through to the end of the financial year only.
2. Includes additional Board and Committee allowances paid for the following positions: Investment Committee, Audit Finance & Risk Management Committee, People & Nominations Committee, Strategy Committee, Legal & Governance Committee, Insurance & Actuarial Committee and Members Outcomes Committee.
3. In accordance with policy, directors of the Trustees who are active Queensland Public Sector employees are not entitled to be remunerated for their Board activities.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 11 Key management personnel

Name	Director fees[1]	Incentives	Non-monetary benefits	Superannuation contributions	Termination Benefits	Long Service Leave
Year ended 30 June 2021						
Andrew Fraser	145,126	-	-	19,592	-	-
Michael Clifford	101,264	-	-	13,553	-	-
Mark Goodey	63,846	-	-	8,619	-	-
Mary Elizabeth Hallett	101,264	-	-	13,553	-	-
Mark Harvey	76,318	-	-	10,264	-	-
Jennifer Mack	101,264	-	-	13,553	-	-
Michael Traill	88,792	-	-	11,909	-	-
Georgina Williams	101,264	-	-	13,553	-	-
Catherine Wood	73,392	-	-	9,869	-	-

1. Includes additional Board and Committee allowances paid for the following positions: Investment Committee, Audit Finance & Risk Management Committee, People & Nominations Committee, Strategy Committee, Legal & Governance Committee, Insurance & Actuarial Committee and Members Outcomes Committee.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 11 Key management personnel

The following table details remuneration paid to trustees of the QSuper Board for the year ended 30 June 2022, from the beginning of the financial year up until SFT date.

Name	Director fees	Incentives	Non-monetary benefits	Superannuation contributions	Termination Benefits	Long Service Leave
Year ended 30 June 2022						
Don Luke (Chair)	106,315	-	-	10,627	-	-
Bruce Cowley	53,157	-	-	5,314	-	-
Mary- Anne Curtis[1]	-	-	-	-	-	-
Michael Drew	53,438	-	-	-	-	-
Shayne Maxwell	53,298	-	-	2,657	-	-
Sandra McCullagh	53,157	-	-	5,314	-	-
Elizabeth Mohle	53,438	-	-	-	-	-
Kate Ruttiman	53,438	-	-	-	-	-
Janine Walker	17,789	-	-	3,915	-	-

Name	Director fees	Incentives	Non-monetary benefits	Superannuation contributions	Termination Benefits	Long Service Leave
Year ended 30 June 2021						
Don Luke (Chair)	127,443	-	-	12,107	-	-
Bruce Cowley	63,722	-	-	6,054	-	-
Mary-Anne Curtis[1]	-	-	-	-	-	-
Michael Drew	64,126	-	-	-	-	-
Walter Ivessa	55,821	-	-	5,303	-	-
Shayne Maxwell	63,924	-	-	3,027	-	-
Sandra McCullagh	52,892	-	-	16,884	-	-
Elizabeth Mohle	64,126	-	-	-	-	-
Kate Ruttiman	64,126	-	-	-	-	-

1. In accordance with policy, directors of the Trustees who are active Queensland Public Sector employees are not entitled to be remunerated for their Board activities.

Notes to the Financial Statements For the year ended 30 June 2022

Note 11 Key management personnel

Executive Remuneration

The following table details the remuneration paid and payable to executives of Australian Retirement Trust. Remuneration is for the entire year ended 30 June 2022 except for former Sunsuper executives as indicated by footnote 1.

Name	Salary including short-term leave[2]	Incentives[3]	Non-monetary benefits	Superannuation contributions	Termination Benefits	Other incentive amounts[4]	Long Service Leave
Year ended 30 June 2022							
Bernard Reilly [1]	321,658	127,277	-	28,323	-	-	5,514
Anne Browne	399,037	152,691	-	38,844	-	(3,508)	26,944
Simonne Burnett	135,564	-	-	12,588	-	-	1,087
Stevhan Davidson	150,457	139,248	-	12,902	-	-	29,657
Lachlan East [1]	134,255	105,916	-	12,587	-	-	7,065
Philip Fraser	378,497	143,609	-	38,631	-	(3,162)	9,200
Rodney Greenaway [1]	176,078	138,034	-	15,734	-	-	6,951
Helen Jackson	169,364	96,137	-	15,734	-	-	1,355
Deanne Wilden	118,018	28,636	-	20,210	-	-	5,248
Paul Landy	110,902	-	3,648	12,833	448,818	(3,428)	-
Karin Muller	470,157	172,705	-	45,712	-	(3,945)	26,134
Jason Murray	196,533	-	-	23,675	497,046	(4,387)	-
Ian Patrick [1]	246,207	425,319	-	20,769	-	-	23,494
Michael Pennisi	166,603	-	3,569	28,759	440,744	(7,630)	-
Anthony Rose	237,015	255,290[5]	-	22,028	-	-	1,891
John Seccombe	233,915	149,730	-	30,345	-	(1,687)	4,086
Teifi Whatley [1]	168,448	175,770	-	14,161	-	-	41,078
David Woodall [1]	206,592	160,518	-	16,521	-	-	21,550
Charles Woodhouse	553,326	398,147	-	51,530	-	(4,278)	10,756

1. These executives were executives of Sunsuper prior to the SFT date. All remuneration, excluding incentives, in this table is for the period of SFT date through to the end of the financial year only. The reported incentives include amounts accrued whilst the KMP worked for Sunsuper.
2. The total cost of salary, including annual leave, allowances and any salary sacrificed benefits (excluding superannuation which is in superannuation contributions column).
3. Incentives include STI amounts (including any payments deferred to a later date) and can include retention payments made to certain employees.
4. Unvested benefits accrued in respect of STI amounts deferred in prior years.
5. Includes $165,000 as the first of two equal tranches of a contractual retention arrangement in lieu of forgone deferred equity and incentive entitlements from the KMP's previous employer.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 11 Key management personnel

Name	Salary including short-term leave[1]	Incentives[2]	Non-monetary benefits	Superannuation contributions	Termination Benefits	Other incentive amounts[3]	Long Service Leave
Year ended 30 June 2021							
Michael Pennisi	609,124	396,813	9,492	89,991	-	27,982	15,602
Anne Browne	350,124	179,780	-	31,694	-	13,408	19,999
Philip Fraser	365,095	179,148	-	31,606	-	10,377	7,824
Kim Hughes	93,968	-	-	19,664	290,595	4,253	-
Paul Landy	380,943	176,385	9,492	38,296	-	12,617	10,509
Karin Muller	422,164	208,235	-	41,774	-	13,169	18,712
Jason Murray	371,562	175,633	-	30,886	-	12,738	12,547
John Seccombe	358,180	174,241	-	30,551	-	-	15,808
Kulwant Singh-Pangly	-	-	-	-	-	7,966	-
Charles Woodhouse	455,697	441,933	-	38,678	-	-	13,872

1. The total cost of salary, including annual leave, allowances and any salary sacrificed benefits (excluding superannuation which is in superannuation contributions)
2. Incentive amounts accrued during the reporting period (refer to table in STI criteria section for more details)
3. Unvested benefits accrued in respect of STI amounts deferred in prior years

Notes to the Financial Statements
For the year ended 30 June 2022

Note 11 Key management personnel

The following table sets out information about the performance related short-term incentive scheme granted to executives of the Fund.

Chief Officer	STI cash amount 2022 $	Deferred performance amount relating to 2022[1] $	Total STI 2022 $	Deferred performance amount relating to prior years[2] $
Year ended 30 June 2022				
Bernard Reilly	96,341	30,936	127,277	56,626
Anne Browne	122,911	29,780	152,691	80,788
Stevhan Davidson	94,884	44,364	139,248	51,572
Lachlan East	74,602	31,314	105,916	52,562
Philip Fraser	115,161	28,448	143,609	73,408
Rodney Greenaway	96,643	41,391	138,034	60,854
Helen Jackson	57,682	38,455	96,137	-
Deanne Wilden	28,636	-	28,636	-
Karin Muller	138,283	34,422	172,705	91,076
Ian Patrick	255,191	170,128	425,319	206,844
Anthony Rose	54,174	36,116	90,290	-
John Seccombe	86,047	28,683	114,730	41,873
Teifi Whatley	117,903	57,867	175,770	59,372
David Woodall	110,825	49,693	160,518	83,892
Charles Woodhouse	282,285	115,862	398,147	106,205

1. STI amounts earned in the current financial year which are deferred for a period of time in accordance with the relevant STI policies. Amounts are paid in future years at the discretion/on the approval of the Board.
2. The deferral amount relates to financial years other than what was awarded in the financial year 2022. Some deferred performance amounts will be paid in September 2022.

Notes to the Financial Statements For the year ended 30 June 2022

Note 11 Key management personnel

Chief Officer	STI cash amount 2021 $	Deferred performance amount relating to 2021[1] $	Total STI 2021 $	Deferred performance amount relating to prior years $
Year ended 30 June 2021				
Anne Browne	134,835	44,945	179,780	83,674
Philip Fraser	134,361	44,787	179,148	64,729
Kim Hughes	-	-	-	26,828
Paul Landy	132,298	44,096	176,394	78,705
Karin Muller	156,176	52,059	208,235	82,082
Jason Murray	131,725	43,908	175,633	79,453
Michael Pennisi	297,610	99,203	396,813	174,571
John Seccombe	130,682	43,560	174,242	-
Kulwant Singh-Pangly	-	-	-	50,243
Charles Woodhouse	331,450	110,483	441,933	-

1. Payment is held at risk until the end of the 2 year deferral period. The Deferral Amount will be converted into a notional number of units whose performance over the STI Deferral period will reflect the performance of the QSuper GAP Fund. The amount shown has been adjusted for any increase / (decrease) in future amounts payable attributable to this performance.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 12 Related parties

The Fund has several related parties with which transactions have occurred during the period. All amounts advanced to or payable to related parties are unsecured and are subordinate to other liabilities. The amounts outstanding will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties. All transactions and balances are recorded in the financial statements of the Fund.

Key management personnel, who are members of the Fund, contribute to the Fund on the same terms and conditions, and are entitled to the same benefits, as other members.

(a) QSuper Limited ("QSL")

QSL provides superannuation administration, procurement and investment services to the Fund and is paid an administration fee. The administration fee incorporates all administration costs including superannuation administration, cost of running self-insurance, medical costs, strategic and change initiatives, and investment services. QSL owns 100% of the ordinary shares of QIL, QInsure, OneQ, and QAM.

The following is a summary of transactions between the Fund and QSL during the period:

	2022 $'000	2021 $'000
• Fees paid by the Fund to QSL for procurement services	46,377	50,605
• Fees paid by the Fund to QSL for administration services	7,814	4,297
• Fees paid by the Fund for project related expenses	22,885	10,966
• The Fund paid other expenses to QSL	14,735	31,447
The following balances are included in the Fund's Statement of Financial Position and relate to QSL:		
• Net receivable/(payable) due from/(to) QSL	109	47,349

QSL is appointed by the Queensland Government for the administration services for the Judges' Pension Scheme, the Governors' Pension Scheme, and the Long Service Leave and Annual Leave Central Schemes for Queensland State Public Sector employees.

For the year ended 30 June 2022 it received compensation of $0.5m (2021: $0.5m) for providing these services.

Advertising and sponsorship paid by QSuper Limited during the financial year was $13m (2021: $9m). This was charged to the Fund as a procurement service fee.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 12 Related parties

(b) QInvest Limited ("QIL")

QIL provides financial planning services and is paid a financial planning fee by the Fund.

The following is a summary of transactions between the Fund and QIL during the period:

	2022 $'000	2021 $'000
• Fees paid by the Fund to QIL for financial planning services	34,423	40,847
The following balances are included in the Fund's Statement of Financial Position and relate to QIL:		
• Net receivable/(payable) due from/(to) QIL	(2,201)	(1,417)

(c) One QSuper Pty Ltd ("OneQ")

OneQ provides labour hire services to the Fund.

The following is a summary of transactions between the Fund and OneQ during the period:

	2022 $'000	2021 $'000
• Fees paid by the Fund to OneQ for labour hire services	118,177	100,873
• Superannuation contributions paid from OneQ on behalf of employees who are members of the Fund	22,101	21,072
• GST Recovery	117	122
The following balances are included in the Fund's Statement of Financial Position and relate to OneQ:		
• Net receivable/(payable) due from/(to) OneQ	(11,815)	(33,475)

(d) QSuper Asset Management Pty Ltd ("QAM")

QAM provides investment services to the Fund.

The following is a summary of transactions between the Fund and QAM during the period:

	2022 $'000	2021 $'000
• Fees paid by the Fund to QAM for investment services	56,242	46,201
The following balances are included in the Fund's Statement of Financial Position and relate to QAM:		
• Net receivable/(payable) due from/(to) QAM	(2,712)	(2,410)

Notes to the Financial Statements For the year ended 30 June 2022

Note 12 Related parties

(e) QInsure Limited ("QInsure")

QInsure provides group lump sum (death and TPD) and group disability (income protection) insurance policies and claims management to some members of the Fund.

The following is a summary of transactions between the Fund and QInsure during the period:

	2022 $'000	2021 $'000
• Fees paid by the Fund to QInsure for claims management services	5,951	6,686
The following balances are included in the Fund's Statement of Financial Position and relate to QInsure:		
• Net receivable/(payable) due from/(to) QInsure	1,828	2,375

(f) QSuper Board Pty Ltd ("QSuper Board")

QSuper Board acted as Trustee for the Fund until 28 February 2022. Expenses incurred by QSuper Board in relation to the trusteeship and its directors were paid by QSuper Board or OneQ and then charged to the Fund in the form of trustee service or labour hire fees respectively. All other expenses incurred by QSuper Board in relation to administration of the Fund prior to 28 February 2022 were paid by QSuper Board, OneQ, and QSL.

The following is a summary of transactions between the Fund and the QSuper Board in the period to 28 February 2022:

	2022 $'000	2021 $'000
• Fees paid by the Fund to QSuper Board for trustee services provided for the year[1]	550	663
• Amounts charged by the Fund for expenses paid by the Fund on behalf of QSuper Board. These charges were determined on the basis of the Trustee's direct share of expenses incurred by the Fund	121	207
The following balances are included in the Fund's Statement of Financial Position and relate to QSuper Board:		
• Net receivable/(payable) due from/(to) QSuper Board	180	246

The Fund received superannuation contributions from QSuper Board in relation to superannuation guarantee contributions and salary sacrifice contributions made in relation to the QSuper Board directors who are members of the Fund up until 28 February 2022.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 12 Related parties

(g) Australian Retirement Trust Pty Ltd (the "Trustee")

Australian Retirement Trust Pty Ltd acts as the trustee of the Fund. All expenses incurred by the Trustee in relation to the Trustee and its directors, were paid by Australian Retirement Trust Pty Ltd and then charged to the Fund in the form of trustee service fees. All other expenses incurred by the Trustee in relation to administration of the Fund are paid by the Fund.

The following is a summary of transactions between the Fund and the Trustee during the period, noting the amounts for FY22 are from 28 February 2022:

	2022 $'000	2021 $'000
• Fees paid by the Fund to the Trustee for the trustee services provided for the year[1]	414	-
• Amounts charged by the Fund for expenses paid by the Fund on behalf of the Trustee. These charges were determined on the basis of the Trustee's direct share of expenses incurred by the Fund	1	-
• The Fund paid other expenses incurred by the Trustee	9	-
The following balances are included in the Fund's Statement of Financial Position and relate to the Trustee:		
• Net receivable/(payable) due from/(to) the Trustee on behalf of the Fund	600	-

[1] Fee reflects merger costs and capitalisation of Trustee given changed operating environment and regulatory changes.

The Fund received superannuation contributions from Australian Retirement Trust Pty Ltd in relation to superannuation guarantee contributions and salary sacrifice contributions made in relation to the Trustee Directors who are members of the Fund.

Notes to the Financial Statements For the year ended 30 June 2022

Note 12 Related parties

(h) Precision Administration Services Pty Ltd ("PAS")

PAS is a wholly owned entity of the Fund and provides administration services to the Fund.

The following is a summary of transactions between the Fund and PAS during the period, noting the amounts for FY22 are from 28 February 2022:

	2022 $'000	2021 $'000
• Fees paid by the Fund for the employer and member administration services provided for the year	57,168	-
• Fees paid by the Fund for project related expenses	21,732	-
• Amounts reimbursed by the Fund for expenses paid by PAS on the Fund's behalf	323	-
• Amounts charged by the Fund for expenses paid by the Fund on behalf of PAS. These mainly included Office rental, operating losses and salaries. These charges were determined on the basis of the company's direct share of expenses incurred by the Fund	3,396	-
• Interest charged by the Fund on the loan facility to PAS	92	-
• Interest on property leases	-	-
• Loan repayments made by PAS to the Fund	-	-
The following balances are included in the Fund's Statement of Financial Position and relate to PAS:		
• Loan receivable	25,000	-
• Net receivable/(payable) due from/(to) PAS	(27,933)	-

On 10 February 2016, a loan facility was agreed between Sunsuper and PAS for a maximum of $50m. This loan facility was part of the assets transferred to the Fund on SFT date under the terms of the original agreement. As at 30 June 2022, $25m had been drawn down. The repayment date per the loan agreement is 30 June 2026.

The Fund received superannuation contributions from PAS in relation to superannuation guarantee contributions, salary sacrifice contributions and member voluntary contributions made in relation to subsidiary employees who are members of the Fund.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 12 Related parties

(i) Sunsuper Financial Services Pty Ltd ("SFS")

SFS is a wholly owned entity of the Fund and provides financial advice to members and employers, and actuarial consulting services to defined benefit funds held within the Fund and external parties.

The following is a summary of transactions between the Fund and SFS during the period, noting the amounts for FY22 are from 28 February 2022:

	2022 $'000	2021 $'000
• Amounts charged by the Fund for expenses paid by the Fund on behalf of SFS. These mainly included actuarial consulting services and other operating expenses. These charges were determined on the basis of the company's direct share of expenses incurred by the Fund	69	-
• Other expenses paid by the Fund such as Professional Fees and Actuarial Consulting	69	-
The following balances are included in the Fund's Statement of Financial Position and relate to SFS:		
• Net receivable/(payable) due from/(to) SFS	10	-

(j) Sunsuper Pooled Superannuation Trust ("PST")

Sunsuper Pooled Superannuation Trust (PST) is an investment vehicle supporting the overall investment strategy of the Fund. The following is a summary of transactions and balances between the Fund and PST, noting the amounts for FY22 are from 28 February 2022:

	2022 $'000	2021 $'000
• The Fund made a net purchase/(redemption) of units in PST	2,994,398	-
• The estimated fair value of PST (the fair value is included in investments in the Fund's financial statements)	16,727,166	-

Note 12 Related parties

(k) Sunsuper Infrastructure Trust 3 ("SIT3")

SIT3 is an investment vehicle supporting the infrastructure investment strategy of the Fund. The following is a summary of transactions and balances between the Fund and SIT3, noting the amounts for FY22 are from 28 February 2022:

	2022 $'000	2021 $'000
• The estimated fair value of SIT3 (the fair value is included in investments in the Fund's financial statements)	202,610	-

Notes to the Financial Statements For the year ended 30 June 2022

Note 12 Related parties

Investments in associated entities

(I) Controlled Entities [1]

Parent entity	Country of	Ownership interest 2022	2021
Australian Retirement Trust			
Controlled entities			
Sunsuper Financial Services Pty Ltd [2]	Australia	100%	-
Precision Administration Services Pty Ltd [2]	Australia	100%	-
Beston Accommodation Parks Trust	Australia	95%	-
CCP Bidco Trust 2	Australia	76%	-
Corporate Opportunity Fund 2A LP	Australia	83%	-
CWC Corporate Opportunity 1A Trust	Australia	100%	-
CWC Corporate Opportunity 1B Trust	Australia	100%	-
Discovery Parks Holdings Pty Ltd	Australia	95%	-
Eveleigh Trust 2	Australia	100%	-
Riversdale Investment Op Trust	Australia	100%	-
Riversdale Investment Prop Trust	Australia	100%	-
Sunsient Ltd	Cayman Islands	100%	-
Sunsuper Infrastructure Trust 1	Australia	100%	-
Sunsuper Infrastructure Trust 3	Australia	100%	-
Sunsuper Infrastructure Trust 4	Australia	100%	-
Sunsuper Infrastructure Trust 5	Australia	100%	-
Sunsuper Pooled Superannuation Trust	Australia	100%	-
SunVest LLC	USA	100%	-
Sunkina Choice LP	Jersey	100%	-
Sunrock Discretionary Co-Investment Fund, LLC	USA	100%	-
Sunvard LP	USA	100%	-
Sunsuper AUD Collateral Trust	Australia	100%	-
Sunsuper USD Collateral Trust	USA	100%	-
SunVest II LLC	USA	100%	-
Sunstone Real Estate LP	USA	100%	-
Sunsuper Retail Property Trust 1	Australia	100%	-
CorSun LLC	USA	100%	-
SunRock Discretionary Co-Investment Fund II LLC	USA	100%	-
Sunberg PE Opportunities Fund LLC	USA	99%	-
PAG-S AR Co-Investment Fund LP	Cayman Islands	100%	-
Sunstone PE Opportunities Fund LLC	USA	100%	-
Manikay Sunsuper Co-Investment Fund LLC	USA	100%	-
Sunbridge Investments LLC	USA	100%	-
SunSIRA Infrastructure Fund, LLC	USA	100%	-
Australian Pub Fund	Australia	72%	-
MHC Lambton Park Trust	Australia	88%	-
Pacific Equity Partners Secure Assets Fund Coinvestment Trust A	Australia	100%	-

Notes to the Financial Statements
For the year ended 30 June 2022

Note 12 Related parties

Investments in associated entities

(m) Controlled Entities (1)

Controlled entities	Country of incorporation	Ownership interest 2022	Ownership interest 2021
Sunsuper Asia Co-investment Pty. Ltd.	Singapore	100%	-
Tanarra Capital Private Investment Fund 1	Australia	100%	-
Carnegie Catalyst Healthcare Real Estate Trust	Australia	100%	-
Macquarie Special Situations Limited	Bermuda	69%	-
Pellicano Trust	Australia	50%	-
Waud Capital Align Coinvest	USA	59%	-
Caspian Suncas Fund LP	Canada	100%	-
Macquarie Air Finance LP	UK	25%	-
Sunhay LP	Cayman Islands	100%	-
SunMan European Trust	Luxembourg	100%	-
Sunsuper Co-Investment Opportunity Fund 2019 Trust	Australia	100%	-
EIG Sunsuper Co-Investment II LP	Cayman Islands	100%	-
Sunvard Opportunity Fund LP	USA	100%	-
Sunbern Alternative Opportunities Fund LLC	USA	100%	-
Summit Coinvestment (Australiasia) Unit Trust	Australia	100%	-
SC Lowy SUNS CI LLC	Cayman Islands	100%	-
SunVac Locomotive Trust	Australia	100%	-
NZ Healthcare HoldCo Limited	New Zealand	40%	-
Stafford Spring Fund Trust	Australia	100%	-
Stafford Private Credit Income Opportunities Trust	Australia	100%	-
BVF V W3 Co Investment II LP	USA	55%	-
Sentient Global Resource Trust II	Cayman Islands	100%	-
SunMan LLC	USA	55%	-
QSuper Limited (2)	Australia	100%	100%
QInvest Limited (2)	Australia	100%	100%
QInsure Limited (2)	Australia	100%	100%
One QSuper Pty Ltd	Australia	100%	100%
QSuper Asset Management Pty Ltd	Australia	100%	100%
QSuper Investment Holdings Pty Ltd	Australia	100%	100%
QS International Strategy Trust*	Australia	100%	100%
QS US Strategy Trust*	Australia	100%	100%
QSuper Global Real Estate Trust*	Australia	100%	100%
QSuper US RE Trust No. 1*	Australia	100%	100%
QSuper Global Infrastructure Trust*	Australia	100%	100%
QSuper US Infrastructure Trust*	Australia	100%	100%
QSuper US Infrastructure Trust No. 2*	Australia	100%	100%
QSuper European Infrastructure Trust*	Australia	100%	100%
QSuper Australian Infrastructure Equity Trust*	Australia	100%	100%
QSuper NZ Infrastructure Equity Trust*	Australia	100%	100%
QSuper Investments Trust*	Australia	100%	100%
QSuper Investment Company Pty Ltd*	Australia	100%	100%
QS High Duration Bonds Trust*	Australia	100%	100%

Notes to the Financial Statements
For the year ended 30 June 2022

Note 12 Related parties

Investments in associated entities

(n) Controlled Entities [(1)]

Controlled entities	Country of incorporation	Ownership interest 2022	Ownership interest 2021
QSuper Diversified Alternatives Trust*	Australia	100%	100%
QSuper Global Private Equity Trust*	Australia	100%	100%
QSuper Global Real Estate Debt Trust*	Australia	100%	100%
QSuper Long Term Risk Hedging 10 Trust*	Australia	100%	100%
QSuper Long Term Risk Hedging 20 Trust*	Australia	100%	100%
QS Diversified Infrastructure Fund No. 1*	Australia	100%	100%
QSuper Diversified Alternatives Trust No. 2*	Australia	100%	100%
QSuper Global Infrastructure Debt Trust*	Australia	100%	100%
QSuper US Infrastructure Trust No. 3*	Australia	100%	100%
QSuper Term Deposit Trust*	Australia	100%	100%
QS Infrastructure Mandate No.2 Trust*	Australia	100%	100%
QS Infrastructure Mandate No.2A Trust*	Australia	100%	100%
QS Ports Trust No.1A*	Australia	100%	100%
QS Ports Trust No.1B*	Australia	100%	100%
QSuper Investments Trust No. 2*	Australia	100%	100%
QSuper Australian Infrastructure Equity Trust No. 2*	Australia	100%	100%
QS Australian Infrastructure Equity Trust No. 3*	Australia	100%	100%
QS US Real Estate Trust No. 2*	Australia	100%	100%
QS US Infrastructure Trust No. 4*	Australia	100%	100%
QS Diversified Alternatives Trust No. 3*	Australia	100%	100%
QS Global Real Estate Trust No. 2*	Australia	100%	100%
QS Infrastructure Mandate No. 2B Trust*	Australia	100%	100%
QS Infrastructure Mandate No. 1B Trust*	Australia	100%	100%
QS NZ Power Trust No. 2*	Australia	100%	100%
QS UK Infrastructure Trust No. 1*	Australia	100%	100%
QS US Real Estate Trust No. 3*	Australia	100%	100%
QS Australian Infrastructure Equity Trust No. 4*	Australia	100%	100%
QS Global Infrastructure Trust No.2*	Australia	100%	100%
QS US Real Estate Trust No.4*	Australia	100%	100%
QS Iona Holdings Pty Ltd*	Australia	100%	100%
QS High Duration Bonds Trust No.2*	Australia	100%	100%
QS Sovereign Bonds Trust*	Australia	100%	100%
QS Diversified Alternatives Trust No. 4*	Australia	100%	100%
QS Diversified Alternatives Equity Trust No. 5*	Australia	100%	100%
QS US Real Estate Trust No.5*	Australia	100%	100%
QS Cash Management Trust*	Australia	100%	100%
QS Diversified Alternatives Trust No.6*	Australia	100%	100%
QS Global Equity Trust No.1*	Australia	100%	100%
QS Global Real Estate Trust No. 3*	Australia	100%	100%
QS Australian Infrastructure Equity Trust No.5*	Australia	100%	100%

Notes to the Financial Statements
For the year ended 30 June 2022

Note 12 Related parties

Investments in associated entities

(o) Controlled Entities [(1)]

Controlled entities	Country of incorporation	Ownership interest 2022	2021
QS Diversified Alternatives Trust No.7*	Australia	100%	100%
QS Global Infrastructure Trust No. 3*	Australia	100%	100%
QS Global Real Estate Trust No.4*	Australia	100%	100%
QSuper Global Assets Pty Limited	Australia	100%	100%

(1) Refer to Note 1 (i) Consolidation for accounting of Controlled Entities

(2) Refer to Note 1 (i) Consolidation for accounting of Subsidiaries not material to the user of the Fund's Financial Statements

* Trusts are not legal entities in their own right; so Country of Incorporation relates to the Corporate Trustee of these trusts.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 13 Insurance arrangements

The Fund provides death and disability benefits to its members. The Trustee has policies in place with insurance companies to insure these death and disability benefits for the members of the Fund. The Fund collects premiums from members on behalf of the insurers. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the Fund and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members accounts are recognised in the statement of changes in members benefits.

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

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

The main policies in place are with QInsure Limited and AIA Australia Limited and the arrangements are detailed below.

QInsure Limited ("QInsure")

QInsure is a life insurer registered by APRA and holds an Australian Financial Services Licence (licence number 483057). It is a wholly-owned subsidiary of QSL that provides group lump sum (death and TPD) and group disability (income protection) insurance policies to the Fund only.

The Fund holds a participating life insurance policy with QInsure. Under this policy, the operating profit arising from the participating business is allocated between the shareholder and the participating policyholder and is governed by the Life Insurance Act 1995 (Cth), QInsure's constitution, the in-force Insurance Policy and QInsure's Participating Business Management Framework.

The principles of allocation arising from QInsure profits are as follows:

i. Investment income on retained earnings in respect of participating business is allocated 80% to the policyholder and 20% to the shareholder.
ii. Other profits arising from participating business are allocated 80% to the policyholder and 20% to the shareholder.
iii. All investment income on shareholder capital and retained earnings (excluding those dealt with in (i) above) are fully allocated to the shareholder.

As at reporting date, the value of the unvested policyholder profits recorded by QInsure is $263m (2021: $155m). Payment of this amount requires approval from the Board of QInsure and any such payment would be recognised as income by the Fund once declared by the Board of QInsure.

Notes to the Financial Statements For the year ended 30 June 2022

Note 13 Insurance arrangements

On 1 April 2022 QInsure entered into new reinsurance treaties, increasing the quota share to 60% and diversifying by adding three new reinsurers. Whilst this increases the exposure of risk to reinsurer's default, this arrangement was structured to mitigate the concentration of insurance and credit risk.

An extract of key operating results and balances of QInsure for the year ended 30 June 2022 are as follows:

	2022 $m	2021 $m
Statement of profit or loss and other comprehensive income		
Premium revenue	718	619
Claims expense	(426)	(399)
Outwards reinsurance expense	(173)	(79)
Reinsurance recoveries	81	62
Tax & other expenses	(182)	(195)
Net result from insurance activities after-tax	**18**	**8**
Statement of financial position		
Total assets	1469	1,278
Gross policy liabilities	(788)	(776)
Other liabilities	(349)	(180)
Net assets	**332**	**322**

Notes to the Financial Statements For the year ended 30 June 2022

Note 13 Insurance arrangements

Assumptions	Details and process used to select assumption	Range of values
Discount rates	Discount rates are based on a risk-free yield curve derived from the Australian Commonwealth Government bond market yields as at the valuation date. Benefits under life insurance contracts are not contractually linked to the performance of the assets held. As a result, the policy liabilities are discounted for the time value of money using discount rates that are based on current observable, objective rates that relate to the nature, structure and term of the future obligations.	The effective discount rates adopted ranged from 0.9% to 4.2% per annum (2021: 0.01% to 2.96% per annum)
Incurred but not reported (IBNR) assumptions	Allowance was made for inherent delays in reporting claims based on investigations into the historic QSuper experience (as self-insurer) and QInsure results since commencement of operations. The IBNR is determined using a variety of methods. Death, IP and non-IP-linked TPD use the Bornhuetter-Ferguson method. The linked TPD IBNR is calculated based on the actual IP claims at valuation date using assumptions on the probability of conversions to TPD.	The overall loss ratios were between 42% and 108% (2021: 34% and 125%). The average claims reporting delays were between 2.1 months and 22.5 months (2021: 1.8 months and 25.5 months). The IP to TPD conversion rates were between 0.0% and 41.4% (2021: 1.0% and 50.9%).
Claim Termination	Relates to the duration of income protection claims. Rates are based on FSC-KPMG 2014 – 2018 industry standard tables. This is a new table introduced during the year. Claim termination rates are adjusted to reflect historic QSuper experience (as self-insurer) and QInsure's experience since the commencement of operations.	Refer to the FSC-KPMG 2014 – 2018 industry standard tables for values adopted. The range of factors extend from 52% to 494% (2021: 52% to 494% based on FSC-KPMG 2007-2011)
Claims expense	Claims expense assumptions for outstanding claims are set based on the expected cost of administering claims over the next year.	
Inflation	The outstanding income protection claims are assumed to increase each year in line with inflation. The inflation is based on the Brisbane "All Groups Consumer Price Index" for the period 1 July 2021 to 30 June 2022.	The inflation rate assumed was 6.0% for the indexation in August 2022 and reverts to 1.7% for future years (2021: 1.7%).

Notes to the Financial Statements
For the year ended 30 June 2022

Note 13 Insurance arrangements

AIA Australia Limited

Some members who have insurance cover have their premiums deducted from their superannuation account each month, noting the amounts for FY22 are from 28 February 2022. For comparison, the 30 June 2021 data has been included for the full year noting that these arrangements were not part of the Fund at this time.

	2022 $m	2021 $m
Insurance premiums charged to members' accounts (net of tax)	97	265
Tax benefit rebated to members	18	46
Member funded group life premiums	115	311
Insurance reserve funded group life premiums	-	1
Total insurance premium expense	115	312

Notes to the Financial Statements For the year ended 30 June 2022

Note 14 Remuneration of auditors

Auditor's remuneration

Deloitte Touche Tohmatsu	2022 $'000	2021 $'000
Fees paid by the Fund		
External audit services	987	305
Other non-audit services – advisory services	53	136
Fees paid by wholly-owned entities		
External audit services	848	681
Other non-audit services – advisory services	-	677
Total remuneration	**1,888**	**1,799**

KPMG	2022 $'000	2021[1] $'000
Fees paid by the Fund		
Internal audit support services	40	-
Other non-audit services – advisory services	93	-
Fees paid by wholly-owned entities		
Internal audit support services	(8)	-
Other non-audit services – advisory services	141	-
Total remuneration	**266**	-

1. Internal audit services were provided by PwC in the financial year 2021 and were paid by a related entity in the group.

Notes to the Financial Statements For the year ended 30 June 2022

Note 15 Remuneration of actuaries

Actuarial remuneration

	2022 $'000	2021 $'000
Queensland State Actuary		
Actuarial services	431	422
Mercer		
Actuarial services	88	-
Other non-actuarial services	205	-
	293	-
Sunsuper Financial Services Pty Ltd		
Actuarial services	13	-
AON		
Actuarial services	25	-
Tower Watson Australia Pty Ltd		
Actuarial services	179	-
Other non-actuarial services	75	-
	254	-
Total remuneration	**1,016**	**422**

The Queensland State Actuary Office, Queensland Treasury is the actuary for the Queensland Government Defined Benefit Scheme. Towers Watson Australia Pty Ltd is the actuary for OTIS, Amatil, Unilever, Australia Post Superannuation Scheme and RB Super defined benefit plans. Mercer is the actuary for IAG, NRMA and RACV defined benefit plans. AON is the actuary for DXC defined benefit plan. Sunsuper Financial Services Pty Ltd (see Note 12) is the actuary for the Fund's other defined benefit plans which comprises of CCH, Dulux Group (Australia), Goodman Fielder, Hanson Australia, Mondelez, Procter & Gamble, Simplot Australia and Swiss RE.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 16 Subsequent events

The Trustee entered into an agreement for a successor fund transfer with the trustee of the Incitec Pivot Employee Superannuation Fund. As at the date of this report, Incitec Pivot Employee Superannuation Fund had $193m in net assets that has been transferred into the Fund on 1 July 2022.

Except as disclosed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Trustees, to significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future years.

Notes to the Financial Statements
For the year ended 30 June 2022

Note 17 Commitments, contingent assets, and contingent liabilities

Investment Commitments

The Fund has unfunded commitments with investment managers to the value of $12,472m as at 30 June 2022 (2021: $2,717m).

Contingent liabilities

A class action was filed in the Victorian Registry of the Federal Court on 24 November 2021 against the QSuper Board. The claim relates to the disclosure issued on 17 May 2016 for the change from self-insurance to the QInsure policy occurring on 1 July 2016.

The subject matter of the class action is similar to a previous claim made by a QSuper member, which ultimately resulted in a decision of the Federal Court in April 2020. In that matter, the Court observed that it was likely that QSuper had complied with its disclosure obligations under s1017B of the Corporations Act.

The Trustee is not in a position to estimate the outcomes from this action and accordingly no provisions have been made for any future legal costs or possible settlements should the Trustee be unsuccessful in the proceedings.

There are no other material commitments, contingent assets or contingent liabilities as at 30 June 2022.

Notes to the Financial Statements For the year ended 30 June 2022

Note 18 Other accounting policies

Standards and interpretations adopted during the year

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform. There is no impact on Fund's financial statements due to these amendments.

Standards and interpretations in issue not yet effective

At the date of authorisation of the financial statements, the Fund has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 17 Insurance Contracts and AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts	1 January 2023
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128, AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections and AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2025
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2023
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information	1 January 2023

Notes to the Financial Statements For the year ended 30 June 2022

Note 18 Other accounting policies

The initial application of the Standards and Interpretations issued but not yet effective will not have a material impact on the Fund's financial statements.

AASB 17 Insurance Contracts and AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts

AASB 17 Insurance Contracts and Associated Interpretations includes specific requirements for presenting insurance-related balances in the financial statements. In addition, the Standard will require extensive new disclosures showing how the components of recognised amounts have moved during the period.

AASB 17 was originally effective for annual reporting periods beginning on or after 1 January 2021 but was deferred to annual reporting periods beginning on or after 1 January 2023 by AASB 2020-5. Although AASB 2020-5 is effective for annual periods beginning on or after 1 January 2021, its amendments have the effect of deferring the effective date of AASB 17 to annual reporting periods beginning on or after 1 January 2023 (in addition to amending AASB 17 and AASB 4).

The Fund's wholly owned subsidiary QInsure will be impacted by the Standard. QInsure has established a project team to assess and implement the requirements of AASB 17 and is currently performing a detailed impact assessment of the standard.

Trustee's Statement
For the year ended 30 June 2022

In the opinion of the Directors of Australian Retirement Trust Pty Ltd (A.C.N. 010 720 840), being the Trustee of Australian Retirement Trust ("the Fund"):

(a) the accompanying financial statements and notes are in accordance with:

(i) Australian Accounting Standards and other mandatory professional reporting requirements, and

(ii) present fairly the Fund's financial position as at 30 June 2022 and of its performance for the financial year ended on that date,

(b) the Fund has been conducted in accordance with its constituent Trust Deed and the requirements of the Superannuation Industry (Supervision) Act 1993 and its accompanying Regulations; the relevant requirements of the Corporations Act 2001 and Regulations; the requirements under section 13 of the Financial Sector (Collection of Data) Act 2001, during the year ended 30 June 2022, and

(c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board of Directors of the trustee company, Australian Retirement Trust Pty Ltd.

Don Luke	Mary Elizabeth Hallett
Chair	Director
Sydney	Sydney
29 September 2022	29 September 2022

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Australian Retirement Trust
ABN 60 905 115 063

Report by the Registrable Superannuation Entity ("RSE") Auditor to the members

Opinion

We have audited the financial statements of Australian Retirement Trust for the year ended 30 June 2022 comprising the Statement of Financial Position, Income Statement, Statement of Changes in Member Benefits, Statement of Changes in Reserves and Statement of Cash Flows.

In our opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of Australian Retirement Trust as at 30 June 2022 and the results of its operations, cash flows, changes in reserves and changes in members' benefits for the year ended 30 June 2022.

Basis for Opinion

We conducted the audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the trustee for the Financial Statements

The RSE's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the RSE or cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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.

Deloitte.

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 these financial statements.

As part of an audit in accordance with the Australian Auditing Standards, we exercised professional judgement and maintained professional scepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our 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.
- Obtained an understanding of internal controls 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 RSE's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Concluded on the appropriateness of the trustee'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 RSE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicated with the trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.
- Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Rodgers
Partner
Chartered Accountants
Brisbane, 29 September 2022