

\*\*\*Commercial in Confidence\*\*\*



**FIRST**  
**super**



**ABN 56 286 625 181**

**Annual Report**  
**for the financial year ended 30 June 2024**

## Contents

	<b>Page</b>
• Directors' report including remuneration report	1-15
• Auditor's independence declaration	16
• Independent auditor's report	17-19
• Directors' declaration	20
• Statement of financial position	21
• Income statement	22
• Statement of changes in member benefits	23
• Statement of changes in equity	23
• Statement of cash flows	24
• Notes to the financial statements	25-41

## Directors Report 2023/24

The directors of First Super Pty Limited (the Trustee), as trustee for First Super (the Fund), present their report together with the financial statements of the Fund for the financial year ended 30 June 2024.

Complying with the provisions of the Corporations Act 2001, the directors of the Trustee report as follows:

### Principal activities

First Super is a public offer superannuation fund operating for the purpose of providing retirement and death and permanent disablement benefits. First Super provides members with financial advice, education and information to enable members to achieve and maintain a dignified retirement.

First Super's office is in Carlton, Victoria where the majority of staff are based. First Super also has staff based in Adelaide, Mt Gambier, Tumut, Sydney and Goonellabah providing face to face member and employer servicing in those locations.

### Review of operations

Other than the Flare commercial partnership which is referred to on the following pages, during the financial year First Super made no significant changes to investment strategy or business strategy. First Super released a member mobile application during the period. There are now approximately 1,000 unique member log-ins each day. No other new products were introduced or any products withdrawn from market.

#### *Investment Performance*

No investment managers were terminated or appointed.

Investment returns were strong again in 2023/24 leading to all but the cash investment option returning above investment return targets. For multi-asset options, significant contributors to those returns in absolute terms were international and Australian listed equities and Australian private equity.

#### **Table 1**

Table 1 sets out the 2023/24 annual return for accumulation options, the annual performance metric and whether there was any excess return above the annual performance metric.

Accumulation - 2023/24 returns %	Metric <sup>1</sup>	Return	Excess
Shares Plus	7.8	10.79	2.99
Growth	7.55	9.92	2.37

<sup>1</sup> Metric in tables 1, 2, 3 and 4 is the performance target for each investment option set out in product disclosure statements and other product information published by First Super.

Balanced / Default	6.8	8.87	2.07
Conservative Balanced	5.3	6.41	1.11
Cash	4.37	4.35	-0.02

**Table 2**

Table 2 below sets average return for each accumulation option over the 10-year performance time horizon. It identifies any excess return.

Accumulation 10 year returns %	Metric	Return	Excess
Shares Plus	6.74	9.54	2.8
Growth	6.49	8.48	1.99
Balanced / Default	5.74	7.56	1.82
Conservative Balanced	4.24	5.69	1.45
Cash	2.74	2.08	-0.66

**Table 3**

Table 3 sets out the 2023/24 annual return for pension options, the annual performance metric and excess return above the annual performance metric. Pension option returns are higher than equivalent accumulation performance option as there is no tax paid on pension earnings.

Pension - 2023/24 returns %	Metric	Return	Excess
Shares Plus	8.3	11.86	3.56
Growth	8.05	10.87	2.82
Balanced	7.8	9.71	1.91
Conservative Balanced	6.3	7.05	0.75
Cash	4.37	5.12	0.75

**Table 4**

Table 4 below sets average return for each pension option over the 10-year performance time horizon. It identifies any excess return.

Pension - 10 year returns \$	Metric	Return	Excess
Shares Plus	7.24	10.29	3.05
Growth	6.99	9.49	2.5
Balanced	6.74	8.05	1.31
Conservative Balanced	5.24	6.37	1.13
Cash	2.23	2.43	0.2

### *Fund Membership*

During the 2023/24 period, there was a significant increase in fund membership and as a consequence of this and prior year membership increase, a 48.3% increase in net after tax contributions. The 32.7% increase in fund membership and net after tax contributions build on the same but not as significant increases that occurred in 2022/23.

The increase in fund membership was primarily generated through First Super's commercial partnership with Flare, which has also led to a material increase in member contributions from this cohort. The Flare partnership has been paused to enable First Super to evaluate the benefits and costs of this new membership source.

In addition, New Zealanders emigrating to Australia saw an increase in KiwiSaver members and transfer of their KiwiSaver benefits to First Super.

Compared with prior periods, the Fund experienced the following percentage changes in inflows and outflows. Growth in fund inflows relative to outflows has seen positive fund inflows in this and the last two financial years.

	% change year on year		
	21/22	22/23	23/24
Fund Inflow			
Employer contributions received	8.64	18.47	38.34
Member contributions	64.14	-9.37	54.12
Down sizer contributions	-39.48	312.27	33.47
Transfers from other funds	12.57	65.00	61.22
Government co-contributions and LISC	-12.05	17.43	5.62
Income tax paid on contributions	10.38	18.71	37.30
Net after tax contributions	13.80	29.87	48.29
Fund Outflows			
Benefits paid to members	-16.42	19.92	12.64
Insurance premiums paid	-1.46	2.52	2.80
Administration fees	5.65	1.75	23.38
Total Fund Outflows	-14.51	17.64	12.41
Net member benefit flows	<sup>2</sup>	119.51	189.32
Member benefits	2.06	11.87	14.19

<sup>2</sup> No percentage change is provided for this year as the prior year's number was negative and this year's was positive.

## **Changes in state of affairs**

Other than the increased fund membership and fund inflows there were no other significant changes in the state of affairs for the 23-24 financial year.

## **Governance – appointment and reappointment**

On 23 December 2023 Mr Tri Nguyen was appointed as an independent director for a three-year term replacing Mr Tim Chatfield whose term concluded in October 2023.

Mr Mick Stephens was appointed as an Associate Director in August 2023 as part of the Board's succession planning.

Ms Hayley Pope was appointed Executive Manager Governance commencing in August 2023, replacing Ms Lisa Rayner who resigned effective 30 June 2023.

Ms Jennifer Glass was appointed Company Secretary 16 August 2023, replacing Mr Simon Burns who was appointed interim Company Secretary on 1 July 2023, replacing Ms Rayner who had also performed the role of Company Secretary.

## **Events since the end of the financial year**

On 6 September 2024, APRA issued a media release confirming that it had commenced proceedings in the Federal Court of Australia seeking civil penalties and the disqualification of First Super's Co-Chair, Michael O'Connor. Mr O'Connor has voluntarily stepped down from his role as Co-Chair of First Super whilst these proceedings are ongoing. Any additional impacts of this legal action for First Super are currently being considered.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

## **Future developments**

First Super's annual business plan and three year strategy does not propose any new investment options, delivery of new services or the significant targeting any new membership markets.

Growth in membership and funds under management will be through organic growth generated through its workplace distribution strategy, digital initiatives and promotion of the Fund's KiwiSaver facility. First Super is not contemplating a merger with another fund.

The results of these initiatives will be affected by a number of factors, including investment performance which is not guaranteed.

### **Environmental Regulations**

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Directors are aware of the proposed introduction of a mandatory climate-related reporting regime and are considering its application to First Super's operations.

### **Non-audit services**

No non-audit services were acquired from the Fund's auditor, BDO Audit Pty Ltd by either the Trustee or the Fund during the financial year.

### **Auditor' Independence Declaration**

Directors have received an Independence Declaration from its auditors, which is included in the following pages.

## Remuneration Report

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the key management personnel of First Super for the financial year ended 30 June 2024. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, including any director (whether executive or otherwise) of the Trustee of the Fund, and members of the Executive Management Team. The prescribed details for each person covered by this report are detailed below under the following headings:

- Key management personnel
- Our approach to remuneration
- Remuneration of key management personnel
- Key terms of employment contracts.

### Key management personnel

<b>Executive team</b>		
<b>Name</b>	<b>Position</b>	<b>Term as KMP</b>
William Watson	Chief Executive Officer	Full year
Michelle Boucher	Deputy Chief Executive Officer	Full year
Andrew Jewell	Executive Manager – Financial Advice and Education	Full year
Hayley Pope	Executive Manager - Governance	From 9 August 2023
Laurie Kennedy	Risk Manager	Full year
Jennifer Glass	Senior Counsel and Company Secretary	From 16 August 2023
Simon Burns	Company Secretary	1 July 2023 to 15 August 2023
<b>Directors</b>		
<b>Name</b>	<b>Appointed by</b>	<b>Term as KMP</b>
Michael O'Connor (Co-Chair)	Employee – CFMEU – Manufacturing Division	Full year
Mike Radda (Co-Chair)	Employer – Australasian Furniture Association	Full year
Dean Brakell	Employer – Australian Cabinet and Furniture Association Ltd (ACFA)	Full year
Robyn Burns	Employer – Australian Cabinet and Furniture Association Ltd (ACFA)	Full year
Denise Campbell-	Employee – CFMEU – Manufacturing	Full year



Burns	Division	
Janet Gilbert	Employer – Timber Trade Industrial Association	Full year
Scott McDine	Employee – CFMEU – Manufacturing Division	Full year
Anthony Pavey	Employee – CFMEU – Manufacturing Division	Full year
Casey Thompson	Employee – CFMEU – Manufacturing Division	Full year
Lisa Marty	Independent	Full year
Deborah Smith	Employer – Peuker & Alexander Pty Ltd	Full year
Tim Chatfield	Independent	From 1 July – 30 September 2023
Tri Nguyen	Independent	From 23 December 2023

## Our approach to remuneration

At First Super, our approach to paying remuneration is to balance the need to pay appropriate remuneration to attract suitably qualified and experienced directors and staff while strictly avoiding any conflict between the method of remuneration and the interests of the beneficiaries of the Fund. We therefore do not pay variable remuneration to any directors or staff, including senior executives.

## Our Framework

Our remuneration framework encompasses a Remuneration Policy (Policy), Remuneration Committee established by a Remuneration Committee Charter (Charter), as well as performance management and disciplinary procedures, all of which form part of the Trustee’s risk management framework.

Our framework is aligned with our business plan and strategic objectives. The Policy covers all Trustee directors and employees, the approved auditor and internal auditor, and any other contractors who are covered by other APRA requirements. Remuneration arrangements for external service providers including investment managers are covered by the Trustee’s outsourcing framework and due diligence requirements.

## Governance and Oversight

The Trustee’s Remuneration Committee assists the Board in the review and management of remuneration, with the Board ultimately responsible for making decisions about remuneration. The Remuneration Committee makes at least annual recommendations to the Board on the remuneration of Directors, Officers, other

employees of First Super, and any other person or entity covered by the Remuneration Policy. The terms of reference for the Remuneration Committee are to provide quality assurance in respect of remuneration policies with a primary emphasis on the remuneration of the Chief Executive Officer and executives in senior responsible roles.

The Remuneration Committee comprises 5 directors, namely:

- Lisa Marty (Chair)
- Michael O'Connor
- Janet Gilbert
- Mike Radda
- Anthony Pavey

Responsibilities of the Committee include:

- definitions of materiality hurdles at which management must make recommendations to the Committee on proposed changes to remuneration and employee benefit policies;
- remuneration policies and any other forms of reward;
- oversight of the annual CEO performance review;
- alignment of remuneration with the Trustee's objectives and performance; and
- retirement, termination, retention and redundancy policies.

### **Consequence Management**

First Super has performance management procedures in place to manage poor performance or failure to effectively manage risk. In the absence of variable remuneration, consequence management includes non-remuneration-based consequences depending on the severity of the performance or conduct issue.

## Remuneration of key management personnel

### Executive KMP remuneration for the year ended 30 June 2024

Executive Officers	Position Held	Paid - Cash Component	Superannuation Contributions includes SG and Salary Sacrifice	Other <sup>1</sup>	Total remuneration
William Watson	CEO	\$448,281	\$27,500	\$10,741	\$486,522
Michelle Boucher	Deputy CEO	\$353,308	\$27,403	\$25,299	\$406,010
Andrew Jewell	Executive Manager - Financial Advice and Education	\$223,322	\$23,958	\$8,413	\$255,693
Laurie Kennedy <sup>3</sup>	Risk Manager - Risk	\$130,395	\$21,565	\$3,649	\$155,609
Hayley Pope <sup>4</sup>	Executive Manager - Governance	\$218,488	\$24,554	\$36,937	\$279,979
Jennifer Glass <sup>2</sup>	Senior Counsel and Company Secretary	\$177,891	\$22,355	\$19,340	\$219,586

<sup>1</sup> Other includes salary sacrificed benefits and long service leave accrued in the financial year.

<sup>2</sup> Jennifer Glass was appointed on 16 August 2023.

<sup>3</sup> Laurie Kennedy works part-time.

<sup>4</sup> Hayley Pope was appointed on 9 August 2023.

## **Directors' remuneration**

The Directors of First Super Pty Ltd are paid for the work they do for the Fund. In some cases, payment is made to a Director's employer to compensate for the time they spend managing the business of the Fund on the Trustee Board.

The fees paid to Directors are paid in respect of:

### **Board meetings**

Covering preparation for and attendance at Board meetings. Payment includes an allowance for travel and accommodation, where applicable.

### **Committee and subcommittee meetings**

Covering preparation and attendance at committee and subcommittee meetings. Payment includes an allowance for travel and accommodation, where applicable.

### **Workshop and training courses**

Covering Director participation in all approved workshop and training courses and relevant incurred expenses.

### **Conferences**

Covering Director participation in approved conferences and relevant incurred expenses for travel and accommodation, where applicable.

### **Extra duties**

On occasion the Board may require Directors to take on extra duties. An additional fee may be paid to the Director at the Board's discretion.

### **Interstate travel**

Directors travelling interstate for governance meetings and representation duties will be paid an Interstate Allowance Rate of \$1,250 for only one meeting on the first day and no additional Interstate Allowance Rate for any other meetings held on the same or successive days. However, those Directors shall be reimbursed for accommodation, meals and incidentals at the prevailing ATO reasonable travel rate applying to the location at which the meeting is held for second and subsequent days.

### **Intrastate travel**

Directors travelling intrastate for governance meetings and representation duties are paid an Intrastate Allowance Rate of \$500 per day where an overnight stay is required.

## Professional development

On accepting a position on the Board, all Directors are required to participate in a thorough induction program leading up to and following their appointment. All Directors maintain their skills and competencies by meeting the required professional development each year. Professional development may include participation in industry programs, seminars and conferences, relevant presentations at Board and committee meetings, and other approved workshops and training courses.

## Hospitality and gifts

First Super Directors and senior management may on occasion accept hospitality and gifts within the constraints of the Hospitality and Gifts Policy. All hospitality and gifts that are accepted are recorded in the Hospitality and Gifts Register. The Register is provided to the Audit and Compliance Committee at each meeting and is published on the First Super website.

## First Super Directors' fees and allowances

Role/Activity	Fees and Allowances
<b>Co-Chairpersons</b>	\$1,815.50 per calendar month or part thereof
<b>Co-Chairpersons and Directors</b> - Board Meetings and Strategic Planning Day(s)	\$3,630.90 a meeting \$1,210.30 a meeting of three hours or less
- Committee Meetings, Ad-Hoc Committee and Sub- Committee meetings and AGM	\$1,815.70 a meeting
- Administration and Marketing, Audit and Compliance or Investment Committee Meetings, Ad-Hoc Committee and Sub-Committee meetings and AGM	\$605.15 a meeting of three hours or less
<b>Associate Directors:</b> - Board Meetings and Strategic Planning Day(s)	\$2,723.20 a meeting \$907.75 a meeting of three hours or less
- Committee Meetings, Ad-Hoc Committee and Sub- Committee meetings and AGM	\$1,362.15 a meeting
- Administration and Marketing, Audit and Compliance or Investment Committee Meetings, Ad-Hoc Committee and Sub-Committee meetings and AGM	\$454.40 a meeting of three hours or less
<b>Workshops/Training Courses (Co-Chairs, Directors and Associate Directors)</b>	\$1,815.50 a day

Role/Activity	Fees and Allowances
<b>Domestic Conferences (Co-Chairs and Directors)</b>	\$1,815.50 a day
<b>Representational Fee</b>	\$1,331.35 a day
SMC Chairs forums APRA consultations	\$2,723.20 a meeting (Plus, Allowance Rate where applicable)
<b>Where the Director is required to represent the Fund</b>	\$1,331.35 a day (Plus, Allowance Rate where applicable)
<b>Teleconferences</b>	Fees not applicable
<b>International Conferences &amp; Workshops (Co-Chairs and Directors)</b>	\$1,331.35 a day plus reimbursement of travel, accommodation and incidental costs as deemed appropriate by the Chair of the Remuneration Committee on advice from the CEO; or in respect of the Committee Chair, as deemed appropriate by the Co-Chairs of the Fund on advice from the CEO; with details of proposed or incurred costs reported to the next Board meeting.

### Director remuneration in 2023/24

The tables below set out the remuneration received during the 2023/24 financial year.

#### Director remuneration1

Directors	Position Held	FY Year	Meeting Fees Paid	Travel allowance, training and other expenses paid	Total remuneration	Superannuation payments	Recipient Organisation/Entity
Dean Brakell	Director	2023/2024	\$38,609	\$4,121	\$42,730	n/a	ACFA <sup>2</sup>
Robyn Burns	Director	2023/2024	\$45,690	\$2,420	\$48,110	n/a	Robyn Burns
Denise Campbell-Burns	Director	2023/2024	\$37,677	\$0	\$37,677	n/a	CFMEU - Manufacturing Division
Timothy Chatfield <sup>3</sup>	Independent Director	2023/2024	\$8,849	\$0	\$8,849	n/a	Timothy Chatfield
Julie George <sup>4</sup>	Director	2023/2024	\$0	\$650	\$650	n/a	Busi Culture Pty Ltd
Janet Gilbert	Director	2023/2024	\$49,247	\$2,340	\$51,587	n/a	Janet Gilbert
Lisa Marty	Director	2023/2024	\$53,920	\$0	\$53,920	n/a	Lisa Marty
Scott McDine	Director	2023/2024	\$24,328	\$1,198	\$25,526	n/a	CFMEU - Manufacturing Division
Tri Duc Nguyen <sup>5</sup>	Director	2023/2024	\$14,645	\$0	\$14,645	n/a	Tri Duc Nguyen
Michael O'Connor	Co-Chair	2023/2024	\$76,899	\$2,645	\$79,544	n/a	CFMEU - Manufacturing Division
Anthony Pavey	Director	2023/2024	\$42,004	\$2,923	\$44,926	n/a	CFMEU - Manufacturing Division
Mike Radda	Co-Chair	2023/2024	\$34,389	\$0	\$34,389	n/a	Sterad Pty Ltd

Deborah Smith	Director	2023/2024	\$33,466	\$7,288	\$40,753	n/a	A & D Holdings (QLD) Pty Ltd
Mick Stephens <sup>6</sup>	Associate Director	2023/2024	\$18,611	\$5,893	\$24,504	\$2,289	Michael Stephens
Casey Thompson	Director	2023/2024	\$42,835	\$0	\$42,835	n/a	CFMEU - Manufacturing Division

<sup>1</sup> The remuneration above includes fees paid to Directors for travel and accommodation, and GST and superannuation where applicable for current and former directors. Not all directors are registered for GST.

<sup>2</sup> ACFA = Australian Cabinet and Furniture Association.

<sup>3</sup> Timothy Chatfield's term concluded as a director on 1 October 2023.

<sup>4</sup> Julie George's term as a director concluded on 2 February 2023. The above expense was an airfare for Ms George to attend a board dinner for First Super which related to the period when Ms George was a director. Ms George remains a director of Super Benefits Administration Pty Ltd.

<sup>5</sup> Tri Duc Nguyen was appointed as a director on 23 December 2023.

<sup>6</sup> Mick Stephens was appointed as an associate director on 14 September 2023. An Associate Director can be appointed under the Constitution of First Super Pty Ltd as part of Board succession planning. Associate Directors can attend meetings and receive relevant training and professional development to develop their suitability for appointment to the Board in the event of a vacancy. Associate Directors have no powers or entitlements as a director, and no vote.



## Key terms of employment contracts

First Super Executives are employed on individual employment contracts with remuneration based upon advice from the recruitment consultant engaged to manage the recruitment process and internal pay relativities. Executive employment contracts do not provide any guaranteed remuneration increase or potential bonus. First Super does not pay any staff member bonuses.

Ms Jennifer Glass' remuneration was agreed on the same basis. Ms Glass is covered by an enterprise agreement which is now expired. A new enterprise agreement which is being negotiated may provide remuneration increases.

This directors' report is signed in accordance with a resolution of directors of the Trustee made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors of the Trustee

*Lisa Marty*

[Lisa Marty \(Sep 18, 2024 10:29 GMT+10\)](#)

Lisa Marty  
Chair of Remuneration Committee

Dated this 18th day of September 2024.  
Melbourne



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## DECLARATION OF INDEPENDENCE BY JAMES DIXON TO THE DIRECTORS OF FIRST SUPER PTY LTD

As lead auditor of First Super for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of First Super during the period.

BDO  
A handwritten signature in black ink, appearing to read 'James Dixon', is written over the printed name.

**James Dixon**

**Director**

**BDO Audit Pty Ltd**

Melbourne, 18 September 2024

## INDEPENDENT AUDITOR'S REPORT

First Super (ABN 56 625 181)

### Report by the Registrable Superannuation Entity's Auditor to the trustee and members

#### Opinion

We have audited the financial report of First Super ('the RSE') comprising the statement of financial position as at 30 June 2024, the income statement, the statement of changes in members' benefits, the statement of changes in equity, the statement of cash flows for the year then ended and the trustee's declaration, including material accounting policy information and the trustee's declaration.

In our opinion the accompanying financial report of the RSE, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the RSE's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our 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 Report* section of our report. We are independent of the RSE in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the trustee, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Other information

The trustee is responsible for the other information. The other information comprises the information in the RSE's Directors report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the trustee for the financial report**

The RSE's trustee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001 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 report that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf)

This description forms part of our auditor's report.

### **Report on the Remuneration Report**

#### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included on pages 6 to 15 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of First Super, for the year ended 30 June 2024, complies with section 300C of the *Corporations Act 2001*.



### **Responsibilities**

The directors of the trustee are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300C of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit Pty Ltd**

BDO

A handwritten signature in black ink, appearing to read 'James Dixon'.

**James Dixon**

**Director**

Melbourne, 18 September 2024

## Directors' declaration

In the opinion of the directors of the Trustee of First Super:

(a) the accompanying financial statements and notes set out on pages 21 to 40 are in accordance with the *Corporations Act 2001*, including:

(i) Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Fund's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and

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

Signed in accordance with a resolution of First Super Pty Ltd (A.B.N. 42 053 498 472)

Dated in Melbourne this 18th day of September 2024.



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Director

*Lisa Marty*

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[Lisa Marty \(Sep 18, 2024 10:29 GMT+10\)](#)

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Director

## First Super

### Statement of Financial Position as at 30 June 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
Cash and Cash Equivalents	13	11,208,686	8,448,329
Investments	4,7	4,674,810,793	4,092,260,123
Plant and Equipment		1,006,647	693,013
Trade and other receivables		267,132	390,696
<b>Total assets</b>		<b>4,687,293,258</b>	<b>4,101,792,161</b>
<b>Liabilities</b>			
Trade and other payables		(9,776,081)	(8,214,119)
Benefits payable		(1,226,285)	(524,089)
Current tax liability		(12,211,891)	(15,157,686)
Deferred tax liability	11	(79,343,033)	(59,240,915)
Employee provisions		(1,483,517)	(1,036,052)
<b>Total liabilities excluding member benefits</b>		<b>(104,040,807)</b>	<b>(84,172,861)</b>
<b>Net assets available for member benefits</b>		<b>4,583,252,451</b>	<b>4,017,619,300</b>
<b>Member benefits</b>		<b>4,564,430,466</b>	<b>3,997,010,052</b>
<b>Total net assets</b>		<b>18,821,985</b>	<b>20,609,248</b>
<b>Equity</b>			
Operational Financial Risk Reserve	10	10,530,164	9,891,317
Administration Reserve	10	7,802,008	10,476,938
Undistributed Earnings	10	489,813	240,993
<b>Total equity</b>		<b>18,821,985</b>	<b>20,609,248</b>

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

## First Super

### Income Statement for the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Superannuation activities</b>			
Interest income		22,321,493	6,780,261
Dividends and distributions		128,203,684	106,962,266
Other income		2,183,907	2,587,678
Net changes in assets and liabilities measured at fair value	6	<u>245,482,494</u>	<u>264,224,727</u>
<b>Total superannuation activities revenue</b>		<b>398,191,578</b>	<b>380,554,932</b>
Direct investment expenses		(6,990,144)	(9,445,999)
Other investment expenses		(3,405,455)	(2,809,742)
Administration expenses		(17,653,787)	(13,091,276)
Other operating expenses	12	<u>(5,415,656)</u>	<u>(4,593,323)</u>
<b>Total expenses</b>		<b>(33,465,042)</b>	<b>(29,940,340)</b>
<b>Results from superannuation activities before income tax expense</b>		<b>364,726,536</b>	<b>350,614,592</b>
<b>Income tax (expense)/benefit</b>	11	<b>(18,664,267)</b>	<b>(21,091,027)</b>
<b>Results from superannuation activities after income tax expense</b>		<b>346,062,269</b>	<b>329,523,565</b>
Less: Net benefits allocated to members' accounts		(347,845,242)	(329,542,583)
<b>Operating result after income tax</b>		<u><b>(1,782,973)</b></u>	<u><b>(19,018)</b></u>

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



## First Super

### Statement of Changes in Member Benefits for the year ended 30 June 2024

	2024 \$	2023 \$
<b>Opening balance of member benefits</b>	<b>3,997,010,052</b>	<b>3,572,958,028</b>
Contributions:		
Employer contributions	279,812,240	202,204,669
Member contributions	41,081,646	26,615,941
Downsizer contributions	3,230,000	2,420,000
Transfers from other funds	200,691,331	124,469,898
Government co-contributions and low income super contributions	1,614,256	1,527,994
Income tax on contributions	(43,667,977)	(31,719,356)
<b>Net after tax contributions</b>	<b>482,761,496</b>	<b>325,519,146</b>
Benefits to members	(260,112,363)	(230,507,179)
Insurance premiums charged to members accounts	(18,485,461)	(17,986,726)
Death and disability benefits credited to members' accounts	15,411,500	17,484,200
Benefits allocated to members' accounts, comprising:		
Net investment income and other	361,404,984	340,548,602
Administration fees	(13,559,742)	(11,006,019)
	<u>84,658,918</u>	<u>98,532,878</u>
<b>Closing balance of members benefits</b>	<b>4,564,430,466</b>	<b>3,997,010,052</b>

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

## First Super

### Statement of Changes in Equity for the year ended 30 June 2024

For the year ended 30 June 2024

	Opening balance \$	Profit/(loss) for year \$	Other (insurance, anti- detriment) \$	Net transfers to/(from) reserve \$	Total Equity \$
Unallocated surplus/deficiency		(1,782,973)	-	1,782,973	-
Operational Financial Risk Reserve	9,891,317	-	-	638,847	10,530,164
Administration Reserve	10,476,938	-	(4,290)	(2,670,640)	7,802,008
Undistributed Earnings	240,993	-	-	248,820	489,813
	<u>20,609,248</u>	<u>(1,782,973)</u>	<u>(4,290)</u>	<u>-</u>	<u>18,821,985</u>

For the year ended 30 June 2023

	Opening balance \$	Profit/(loss) for year \$	Other (insurance, anti- detriment) \$	Net transfers to/(from) reserve \$	Total Equity \$
Unallocated surplus/deficiency	-	(19,018)	-	19,018	-
Operational Financial Risk Reserve	9,260,550	-	-	630,767	9,891,317
Administration Reserve	11,050,534	-	(3,355)	(570,241)	10,476,938
Undistributed Earnings	318,530	-	-	(77,537)	240,993
	<u>20,629,614</u>	<u>(19,018)</u>	<u>(3,355)</u>	<u>2,007</u>	<u>20,609,248</u>

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

## First Super

### Statement of Cash Flows for the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Interest received		529,994	271,448
Proceeds from group life policies		15,411,500	17,484,200
Group life premiums paid		(18,308,898)	(18,014,942)
Administration expenses paid		(22,016,213)	(15,487,482)
Investment expenses paid		(3,288,157)	(2,843,921)
Income tax paid		(23,772,291)	378,064
<b>Net cash inflows/(outflows) from operating activities</b>	<b>14(a)</b>	<b>(51,444,065)</b>	<b>(18,212,633)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments		(228,553,519)	(107,500,000)
Sale of investments		36,598,266	17,674,088
Payments for fixed assets and other items		(443,947)	(467,118)
<b>Net cash inflows/(outflows) from investing activities</b>		<b>(192,399,200)</b>	<b>(90,293,030)</b>
<b>Cash flows from financing activities</b>			
Employer contributions received		279,812,240	202,204,670
Member contributions received		45,925,902	30,563,935
Transfers from other funds		200,691,331	124,469,898
Benefits paid		(243,998,610)	(213,217,610)
Group life proceeds paid to members		(14,325,300)	(16,994,700)
Lease payments for rent		(98,311)	(227,603)
Income tax paid on contributions received		(21,403,630)	(19,822,526)
<b>Net cash inflows/(outflows) from financing activities</b>		<b>246,603,622</b>	<b>106,976,064</b>
<b>Net increase/(decrease) in cash</b>		<b>2,760,357</b>	<b>(1,529,599)</b>
<b>Cash at the beginning of the financial year</b>		<b>8,448,329</b>	<b>9,977,928</b>
<b>Cash at the end of the financial year</b>		<b>11,208,686</b>	<b>8,448,329</b>

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

## First Super

### Notes to the Financial Statements

	Page
1 General information	26
2 Summary of significant accounting policies	26
<b>Financial instruments</b>	
3 Financial risk management	28
4 Fair value measurement	31
5 Offsetting financial assets and financial liabilities	33
6 Net changes in fair value of financial instruments	34
7 Structured entities	34
<b>Member liabilities and other areas of risk</b>	
8 Member liabilities	35
9 Insurance arrangements	35
10 Reserves	35
11 Income tax	35
12 Other operating expenses	36
<b>Cash flow information</b>	
13 Cash and cash equivalents	36
14 Reconciliation of cash flows from operating activities	36
<b>Unrecognised items</b>	
15 Investment commitments	37
16 Contingent liabilities and contingent assets	37
17 Events occurring after the reporting period	37
<b>Other information</b>	
18 Related party transactions	37
19 Remuneration of auditors	41

## Notes to the Financial Statements

### 1 General information

First Super (the "Fund") is a superannuation fund domiciled in Australia. The address of the Fund's registered office is Level 1, 165 Bouverie Street, Carlton VIC 3053. The Fund was established by a Trust Deed dated 25 March 1985, as amended.

For the purposes of the Superannuation Industry (Supervision) Act 1993 and its Regulations, the Fund is a defined contribution and pension fund.

The Fund provides retirement benefits for its members. The Fund welcome all Australian residents regardless of their occupation or location but does have particularly strong links to the furniture and joinery industry, the pulp and paper industry and the timber industry.

In accordance with amendments to the Superannuation Industry (Supervision) Act 1993, the Fund was registered with the Australian Prudential Regulation Authority on the 9th June 2006 (registration no. R106735).

The Trustee of the Fund is First Super Pty Ltd (RSE No L0003049).

The financial statements were authorised for issue by the Board of Directors of the Trustee on 17 September 2024.

### 2 Summary of significant accounting policies

Unless covered in other notes to the Financial Statements, the principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies adopted are consistent with those of the prior year unless otherwise stated.

#### (a) Basis of preparation

The financial statement is a general purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 1056, other applicable Accounting Standards, and the provisions of the Trust Deed and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial investments, derivatives and net assets available for member benefits.

#### (b) Financial instruments

##### (i) Classification

The Fund's investments are classified as at fair value through the income statement in accordance with AASB 1056.

Derivative financial instruments such as futures, forward contracts, options and interest rate swaps are included under this classification.

Financial assets that are not held for investment purposes and which may be sold are investments in exchange traded debt and equity instruments, unlisted trusts and commercial paper.

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

##### (ii) Recognition/derecognition

Financial assets and financial liabilities are recognised on the date the Fund becomes party to the contractual agreement (trade date) and changes in the fair value of the financial assets or financial liabilities are recognised from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

##### (iii) Measurement

At initial recognition, the Fund measures a financial asset or liability at fair value. Transaction costs are expensed in the income statement.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through income statement 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.

For further details on how the fair values of financial instruments are determined refer to note 4.

##### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability at the same time.

## Notes to the Financial Statements

### 2 Summary of significant accounting policies (continued)

#### (c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

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

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from investing activities as movements in the fair value of these securities represent the Fund's main income generating activity.

#### (d) Revenue recognition

Interest income from financial instruments that are held at fair value is determined based on the contractual coupon interest rate and includes interest from cash and cash equivalents.

Dividend and trust distribution income is recognised gross of withholding tax in the period in which the Fund's right to receive payment is established.

#### (e) Foreign currency translation

The functional and presentation currency of the Fund is Australian dollars (\$).

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

Foreign exchange differences arising on the translation are recognised in the income statement in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### (f) Receivables

Receivable amounts are generally received within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount. The receivable is recognised inclusive of any GST and is not discounted.

#### (g) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period. These amounts are unsecured and are usually paid within 30 days of recognition. The payable is recognised inclusive of any GST and there is not discounted.

#### (h) Benefits paid/payable

Benefits paid/payable are valued at the amounts due to members at reporting date. Benefits paid/payable comprise pensions accrued at balance date and lump sum benefits of members who are due a benefit but had not been paid at balance date.

#### (i) Contributions received and transfers from other funds

Contributions received and transfers from other funds are recognised in the statement of changes in member benefits when control of the contribution or transfer has transferred to the Fund. They are recognised gross of any taxes.

#### (j) Use of estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, provisions, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel. Refer to note 4 for details.

## Notes to the Financial Statements

### 2 Summary of significant accounting policies (continued)

#### (k) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in the current or prior periods or that will effect future periods.

#### (l) New and amended standards not yet adopted by the Fund

Subject to the level of gross assets under its control, the Fund may be required to make climate-related financial disclosures for the first time for the 2026-27 year of reporting. There are no standards that are not yet effective and that would be expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable transactions.

#### (m) Employee provisions

Liabilities for employee benefits for salaries, annual leave and long-service leave that are expected to be settled within 12 months of the reporting date earned in return for their service in the current and prior periods, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Fund expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

The Fund's net obligation in respect of long-term employee benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates and expected settlement dates, and is discounted using the rates attached to the Corporate Bonds at the balance sheet date which have maturity dates approximating to the terms of the Fund's obligations.

In conjunction with Note 2 (j) 'Use of estimates', reporting the future long service leave provisions required the Fund to use estimates around items such as salary increases, settlement dates and discounting rates. These estimates are considered appropriate but actual results may differ from the estimates.

### 3 Financial risk management

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Fund has an Investment Governance Statement and Manual (IGS) established by the Trustee. The IGS sets out the Trustee's policies and procedures for the selection, management and monitoring of investments for the Fund. For each investment option offered by the Fund, the Trustee seeks to maximise the returns derived for the level of risk to which the Fund is exposed.

#### (a) Market risk

##### (i) Price risk

The Fund is exposed to equity securities and derivative price risk. These arise from investments held by the Fund for which prices in the future are uncertain.

The Trustee mitigates price risk through diversification and a careful selection of securities and the use of defensive hedges to manage the Fund's exposure to price risk. Compliance with the IGS and supporting investment guidelines are monitored by the Trustee on a regular basis.

At 30 June, the fair value of equities and related derivatives exposed to price risk were as follows:

	2024	2023
	\$	\$
Equities	1,225,274,468	1,097,527,755
Property	228,245,821	255,457,528
Infrastructure	585,373,739	551,015,594
Mandates	1,277,229,054	1,049,418,255
Net exposure to price risk	<u>3,316,123,082</u>	<u>2,953,419,132</u>

##### (ii) Foreign exchange risk

The Fund has assets and liabilities denominated in foreign currencies. Foreign exchange risk arises as the value securities denominated in foreign currencies will fluctuate due to changes in exchange rates.

The Fund's policy is to economically hedge a portion of the direct foreign currency exposure on the financial assets and liabilities using forward foreign exchange contracts. Compliance with the Fund's hedging policy is monitored by the Trustee on a regular basis.

The table below summarises the Fund's financial assets and liabilities which are denominated in foreign currencies.

	2024				
	US dollars	Euro	GBP	JPY	Other
	\$	€	£	¥	
Cash and cash equivalents	8,903,713	653,596	69,066	149,553	170,113
Investments	491,120,631	55,323,063	86,374,600	44,206,908	52,929,883
Liabilities	(5,551)	(9,831)	-	-	-
Net exposure to foreign exchange risk	<u>500,018,793</u>	<u>55,966,828</u>	<u>86,443,666</u>	<u>44,356,461</u>	<u>53,099,996</u>
	2023				
	US dollars	Euro	GBP	JPY	Other
	\$	€	£	¥	
Cash and cash equivalents	9,253,013	631,814	23,608	212,900	95,593
Investments	389,425,982	52,937,398	56,869,023	34,318,468	47,297,196
Liabilities	-	(3,581)	-	-	-
Net exposure to foreign exchange risk	<u>398,678,995</u>	<u>53,565,631</u>	<u>56,892,631</u>	<u>34,531,368</u>	<u>47,392,789</u>

## Notes to the Financial Statements

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

##### (iii) Cash flow and fair value interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed interest rates expose the Fund to fair value interest rate risk.

The table below summarises the Fund's direct exposure to interest rate risk including the Fund's use of interest rate swap contracts which are used to manage exposure to interest rate risk.

	2024			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<b>Financial assets</b>				
Cash and cash equivalents	11,336,688	-	-	11,336,688
Investments	1,010,812,150	347,871,597	-	1,358,683,747
<b>Net exposure to interest rate risk</b>	<b>1,022,148,838</b>	<b>347,871,597</b>	<b>-</b>	<b>1,370,020,435</b>

  

	2023			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
<b>Financial assets</b>				
Cash and cash equivalents	8,448,329	-	-	8,448,329
Investments	928,247,319	210,593,672	-	1,138,840,991
<b>Net exposure to interest rate risk</b>	<b>936,695,648</b>	<b>210,593,672</b>	<b>-</b>	<b>1,147,289,320</b>

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to members to interest rate risk, foreign exchange risk and price risk. The reasonably possible movements in the risk variables have been based on the Trustee's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, foreign exchange rates and market volatility. Actual movements in the risk variables may be greater or less than anticipated due to a number of factors. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Price risk		Foreign exchange risk				Interest rate risk	
	Impact on operating profit before tax							
	-19.4% MSCI Index	+40% MSCI Index	-16.8% USD	+16.8% USD	-16.8% Euro	+16.8% Euro	-150 bps	+150 bps
2024	(643,327,878)	1,326,449,233	(84,003,157)	84,003,157	(9,402,427)	9,402,427	(2,055,031)	2,055,031
2023	(572,963,312)	1,181,367,653	(66,977,470)	66,977,470	(8,999,628)	8,999,628	(17,209,340)	17,209,340

## Notes to the Financial Statements

### 3 Financial risk management (continued)

#### (c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Fund.

The main credit risks, to which the Fund is exposed, arises from the Fund's investment in interest bearing securities. The Fund is also exposed to credit risk on derivative financial instruments, cash and cash equivalents and other receivables. The Trustee monitors the Fund's credit risk exposure on a regular basis.

##### (i) Fixed interest securities

The Fund invests in fixed interest securities which are rated by S&P Global via the Fund's custodian. An analysis of interest bearing securities by rating is set out in the following table.

	2024 \$	2023 \$
<b>Rating</b>		
AAA to AA-	-	-
AA+ to AA-	-	-
A+ to A-	485,649,484	448,522,871
BBB+ to B-	-	-
Unrated	<u>485,649,484</u>	<u>448,522,871</u>

##### (ii) Derivative financial instruments

The Trustee has established limits such that, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty. The Fund also restricts its exposure to credit losses on the trading of derivative instruments it holds by entering into master netting arrangements as set out in note 5.

##### (iii) Settlement of securities transactions

All transactions in listed securities are settled for upon delivery using brokers approved by the Trustee. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment.

##### (iv) Cash and cash equivalents

The Fund's exposure to credit risk for cash and cash equivalents is considered low as all counterparties have a rating of AA- (as determined by S&P Global) or higher (2023: AA-).

##### (v) Assets in custody

The clearing and depository for the Fund's security transactions are concentrated with one counterparty, namely BNP Paribas S.A, operating through its Australia Branch ARBN 000 000 117. BNP Paribas Securities Services is part of the global BNP Paribas group. BNP Paribas SA had a long term credit rating of A+ at 30 June 2024 (2023: A+).

##### (vi) Maximum exposure to credit risk

The Fund's maximum exposure to credit risk is the carrying amount of the financial assets. None of these assets are impaired nor past due.



## Notes to the Financial Statements

### 3 Financial risk management (continued)

#### (d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations to members or counterparties in full as they fall due or can only do so on terms that are disadvantageous.

The Fund is obligated to pay member benefits upon request. The Trustee's policy is therefore to primarily hold investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

#### (i) Maturities of financial liabilities

The tables below show the Fund's financial liabilities based on their contractual maturities using undiscounted cash flows. Amounts due to brokers and benefits payable are payable on demand. Liabilities to defined contribution members are payable upon request. The Fund considers it is highly unlikely that all liabilities to members would fall due at the same time.

2024	Less Than 1 Month \$	1-3 Months \$	3-6 Months \$	7-12 Months \$	1 year plus \$	Total \$
<b>Non-derivatives</b>						
Due to brokers - payable for securities purchased	2,243,967	-	-	-	-	2,243,967
Benefits payable	1,226,285	-	-	-	-	1,226,285
Other payables	9,667,081	-	-	-	-	9,667,081
Employee provisions	1,219,751	-	-	-	263,766	1,483,517
Defined contribution member liabilities	4,564,430,466	-	-	-	-	4,564,430,466
<b>Derivatives</b>						
Net settled derivatives	-	5,526	-	-	-	5,526
	<u>4,578,787,550</u>	<u>5,526</u>	<u>-</u>	<u>-</u>	<u>263,766</u>	<u>4,579,056,842</u>

2023	Less Than 1 Month \$	1-3 Months \$	3-6 Months \$	7-12 Months \$	1 year plus \$	Total \$
<b>Non-derivatives</b>						
Due to brokers - payable for securities purchased	1,858,073	-	-	-	-	1,858,073
Benefits payable	524,089	-	-	-	-	524,089
Other payables	8,214,116	-	-	-	-	8,214,116
Employee provisions	831,985	-	-	-	204,067	1,036,052
Defined contribution member liabilities	3,997,010,052	-	-	-	-	3,997,010,052
<b>Derivatives</b>						
Net settled derivatives	253,507	-	61,375	-	-	314,882
	<u>4,008,691,822</u>	<u>-</u>	<u>61,375</u>	<u>-</u>	<u>204,067</u>	<u>4,008,957,264</u>

### 4 Fair value measurement

#### Fair value hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly. The Trustee values fixed interest securities held by the Fund using broker quotes, units in unit trusts using the unit price provided by the underlying fund manager and OTC derivatives using valuation models.
- Level 3: one or more of the significant inputs are not based on observable market data, examples include discount rates and other material unobservable inputs. The Trustee values units in unit trusts classified as level 3 using the unit price provided by the underlying fund manager. These unit trusts hold illiquid investments such as unlisted property and private equity.

## Notes to the Financial Statements

### 4 Fair value measurement (continued)

*Fair value hierarchy (continued)*

*Recognised fair value measurements*

The table below sets out the Fund's financial assets and liabilities at fair value according to the fair value hierarchy.

2024	Level 1	Level 2	Level 3	Total
Investments				
Australian Equities				
Listed Equities		210,156,475		210,156,475
Private Equity	3,234		296,769,744	296,772,978
International Equities				
International Share funds		353,926,427		353,926,427
International Private Equity		3,920,240	382,030	4,302,270
Property Funds				
Australian Infrastructure		228,148,450	97,372	228,245,822
International Infrastructure		244,253,805	83,003,388	327,257,193
Macquarie Transition	3,964	258,116,546		258,116,546
Fixed Interest				3,964
Cash Portfolio		707,410,154	43,448,320	750,858,474
Ausbil Australian	360,116,319	607,825,273		607,825,273
Eley Griffiths Small Companies Mandate	143,728,175			360,116,319
IFM Australian Equities Mandate	393,338,365			143,728,175
Perpetual Australian Equities Mandate	20,056			393,338,365
IFM Australian Credit Mandate		325,032		20,056
Metropolis Capital Global Equities Mandate	270,301,402			325,032
IFM International Equities Mandate	469,516,022			270,301,402
Total investments	1,637,027,537	2,614,082,402	423,700,854	4,674,810,793
2023	Level 1	Level 2	Level 3	Total
Investments				
Australian Equities				
Listed Equities	-	193,964,591	-	193,964,591
Private Equity	3,723,669	-	280,935,456	284,659,125
International Equities				
International Share funds	26,461	298,124,856	-	298,151,317
International Private Equity	3,704,598	55,600	441,546	4,201,744
Property Funds				
Australian Infrastructure	3,984,518	251,309,169	163,841	255,457,528
International Infrastructure	-	224,311,272	77,362,272	301,673,544
Macquarie Transition	-	249,342,050	-	249,342,050
Fixed Interest	3,964	-	-	3,964
Cash Portfolio	-	514,496,657	13,892,720	528,389,377
Ausbil Australian	37,010,154	573,441,460	-	610,451,614
Eley Griffiths Small Companies Mandate	316,547,014	-	-	316,547,014
IFM Australian Equities Mandate	118,504,134	-	-	118,504,134
Perpetual Australian Equities Mandate	342,726,138	681	-	342,726,819
IFM Australian Credit Mandate	16,461	-	-	16,461
Metropolis Capital Global Equities Mandate	3,619	321,720	-	325,339
IFM International Equities Mandate	219,780,968	-	-	219,780,968
Total investments	368,064,534	-	-	368,064,534
	1,414,096,232	2,305,368,056	372,795,835	4,092,260,123

## Notes to the Financial Statements

### 4 Fair value measurement (continued)

#### Movement in level 3 investments

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

	2024 \$	2023 \$
Opening balance	372,795,835	349,281,019
Purchases	27,554,831	4,035,157
Sales	-	-
Transfers between levels in the fair value hierarchy	-	-
Change in fair value	23,350,188	19,479,659
Closing balance	<u>423,700,854</u>	<u>372,795,835</u>

#### Valuation inputs and relationships to fair value

The Fund's level 3 investments comprise shares in unlisted private companies. The following table summarises the quantitative information about the significant unobservable inputs used by the Trustee in level 3 fair value measurements.

	Description	Fair value at 30 June \$	Unobservable inputs	Relationship of unobservable inputs to fair value
2024	Unlisted private equity and infrastructure	423,700,854	Redemption price	Higher redemption price (+33.5%) would increase fair value by \$141,939,786. Lower redemption price (-19.4%) would decrease fair value by \$82,197,966.
2023	Unlisted private equity and infrastructure	372,795,835	Redemption price	Higher redemption price (+39.9%) would increase fair value by \$148,745,538. Lower redemption price (-19.4%) would decrease fair value by \$72,332,392

#### Valuation process

The Trustee reviews valuations of the financial instruments required for financial reporting purposes, including level 3 fair values. Changes in level 2 and 3 fair values are analysed at each reporting date by the Trustee.

### 5 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. These amounts form part of the investment value recorded on the Statement of Financial Position. The table below shows the fair value and notional principal amount of derivative financial instruments. The fair value of derivatives shown represents the amount of unrealised gains and losses, whereas the notional amount is an aggregate exposure of all contracts.

Derivative Types	2024			2023		
	Fair Value		Contract / Notional	Fair Value		Contract / Notional
	Assets	(Liabilities)		Assets	(Liabilities)	
\$	\$	\$	\$	\$	\$	
Equity Futures	12,407	5,526	3,492,596	54,858	-	3,983,737
Interest Rate Futures	-	-	-	-	-	-
Exchange Traded Equity Options	-	-	-	-	-	-
Exchange Traded Interest Rate Options	-	-	-	-	-	-
OTC Equity Options	-	-	-	-	-	-
OTC Interest Rate Options	-	-	-	-	-	-
OTC Currency Options	-	-	-	-	-	-
Equity pair swaps	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-
Currency swaps	-	-	-	-	-	-
Swaptions	-	-	-	-	-	-
Credit default swaps	-	-	-	-	-	-
Options On Futures	-	-	-	-	-	-
Forward foreign exchange contracts	5,851,116	55,064	5,626,513	3,043,389	(616,474)	2,313,052
Contracts For Difference	-	-	-	-	-	-
Warrants	242	-	242	-	-	-
<b>Total</b>	<b>5,863,765</b>	<b>60,590</b>	<b>9,119,351</b>	<b>3,098,247</b>	<b>(616,474)</b>	<b>6,296,789</b>

#### Master netting arrangement - not currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the statement of financial position, but have been presented separately in the above table.

## Notes to the Financial Statements

### 6 Net changes in financial assets and liabilities measured at fair value:

	2024	2023
	\$	\$
Australian Equities	17,446,675	27,014,053
International Equities	40,350,359	73,868,327
Property Funds	(34,819,274)	(12,767,705)
Australian Infrastructure	19,075,620	18,474,462
International Infrastructure	8,774,496	27,206,127
Fixed Interest	11,725,936	(2,358,273)
Cash Portfolio	4,850,967	7,266,577
Macquarie Transition	-	-
Ausbil Australian	24,981,920	33,277,539
Eley Griffiths Small Companies Mandate	19,384,514	15,903,233
IFM Australian Equities Mandate	27,163,329	29,493,772
Perpetual Australian Equities Mandate	-	-
Metropolis Capital Global Equities Mandate	33,344,083	7,119,072
IFM International Equities Mandate	73,203,869	39,727,543
<b>Total</b>	<b>245,482,494</b>	<b>264,224,727</b>

### 7 Structured entities and investments

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.

The Fund considers all investments in managed investment schemes (funds) to be structured entities. The Fund invests in underlying managed funds for the purpose of capital appreciation and or earning investment income.

The investee funds' objectives are to achieve medium to long term capital growth. The investee funds invest in a number of different financial instruments, including equities and debt instruments.

The exposure to investments in investee funds at fair value, by investment class, is disclosed below:

	Fair value of investment	Fair value of investment
	2024	2023
	\$	\$
Australian Equities		
- Listed Equities	210,156,474	193,964,591
- Private Equity	296,772,978	284,659,125
International Equities		
- International Share Funds	353,926,427	298,151,317
- International Private Equity	4,302,270	4,201,744
Property Funds	228,245,821	255,457,528
Australian Infrastructure	327,257,193	301,673,544
International Infrastructure	258,116,546	249,342,050
Macquarie Transition	3,964	3,964
Ausbil Australian	360,116,319	316,547,014
Eley Griffiths Small Companies Mandate	143,728,174	118,504,134
IFM International Equities Mandate	469,516,025	368,064,534
IFM Australian Equities Mandate	393,338,365	342,726,819
Metropolis Capital Global Equities Mandate	270,301,402	219,780,968
Perpetual Australian Equities Mandate	20,056	16,461
IFM Australian Credit Mandate	325,032	325,339
	<b>3,316,127,046</b>	<b>2,953,419,132</b>

The Fund also holds additional investments in cash and term deposits which are not classified as investee funds. The exposure to these assets, by investment class, is disclosed below:

Fixed Interest	750,858,474	528,389,377
Cash and Liquid Cash	607,825,273	610,451,614
	<b>1,358,683,747</b>	<b>1,138,840,991</b>
<i>Total investments held under custody</i>	<b>4,674,810,793</b>	<b>4,092,260,123</b>

The fair value of the above financial assets is recorded as investments on the Statement of Financial Position.

The Fund's maximum exposure to loss from its interests in investee funds is equal to the total fair value of its investments in the investee funds.

During the year ended 30 June 2024, total gains incurred on investments in investee funds were \$245,482,494 (2023: gain \$264,224,727).

During the year the Fund earned fair value gains and distribution income as a result of its interests in other funds.

## Notes to the Financial Statements

### 8 Member liabilities

#### Recognition and measurement of 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.

Defined contribution member account balances are measured using crediting rates determined by the Trustee based on the underlying investment option values selected by members.

The defined contribution members bear the investment risk relating to the underlying investment options. The crediting rates used to measure defined contribution member liabilities are updated weekly for movements in investment values and credited to members either annually or upon exiting the Fund.

### 9 Insurance arrangements

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

Premiums for group insurance are collected by the Fund from member's accounts and remitted to the insurer under the terms of the policy. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to member's accounts and reinsurance recoveries allocated 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 external insurer pays the claim;
- insurance premiums are only paid through the Fund for administrative reason; and
- insurance premiums are effectively set directly by reference to premiums set by an external insurer.

### 10 Reserves

#### (a) Operational risk financial reserve

Under APRA Prudential Standards SPS 114; Operational Risk Financial Requirements (ORFR), the Fund is expected to maintain an ORFR reserve of at least 0.25% of the Fund's assets. However, the Fund's approved target level under their ORFR policy is 0.26% of funds under management (2023: 0.26%). The ORFR reserve is part of the financial management of the Fund and is operated in accordance with the Operational Risk Reserve Policy which is reviewed annually. The ORFR may be used in certain circumstances to address operational risk events or claims against the fund arising from operational risk.

#### (b) Fund reserves

The Trustee maintains a reserve for administration and operational purposes, such as paying costs and receiving investment income. The undistributed earnings reflect the difference between the cumulative amount of investment income (net of investment expenses) allocated to members' accounts compared with the cumulative investment income (net of investment expenses) earned by the Fund.

### 11 Income tax

#### (a) Accounting policy

Under the Income Tax Assessment Act, the Fund is a complying superannuation fund. As such, a concessional tax rate of 15% is applied on net investment earnings with deductions allowable for administrative and operational expenses. Financial assets held for less than 12 months are taxed at the Fund's rate of 15%. For financial assets held for more than 12 months, the Fund is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of investments.

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

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

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

(b) Income tax expense	2024	2023
	\$	\$
<b>Current Tax Expense</b>		
Current year	(1,545,143)	8,088,904
Under/(Over) provision from prior periods	107,292	3,588,004
<b>Deferred Tax Expense</b>		
Movement in temporary differences	20,102,118	9,414,119
Total income tax expense/(benefit)	<u>18,664,267</u>	<u>21,091,027</u>

## Notes to the Financial Statements

11	Income tax (continued)	2024	2023
		\$	\$
(c)	<b>Reconciliation of income tax expense to prima facie tax payable</b>		
	Profit/(loss) before income tax	364,726,536	350,614,592
	<b>Prima facie tax at the complying superannuation fund tax rate of 15%</b>	54,708,980	52,592,189
	Differences between Tax and Accounting arising in Prior Periods	107,292	3,588,004
	Insurance premium deduction	(2,773,463)	(2,698,512)
	Franking and foreign tax credits	(18,540,106)	(14,041,313)
	Non Assessable Investment Income	(14,838,436)	(18,349,341)
	<b>Income tax expense/(benefit)</b>	<b>18,664,267</b>	<b>21,091,027</b>
	Income tax expense - investments	24,511,638	26,138,277
	Income tax benefit - administration	(5,847,371)	(5,047,250)
		<b>18,664,267</b>	<b>21,091,027</b>

In addition to the above, \$43,667,977 (2023: \$31,719,356) is recognised in the statement of changes in members' benefits relating to tax on contributions and no-TFN tax deducted from member accounts.

(d)	Deferred tax balances		
	<b>Deferred tax asset relates to the following:</b>		
	Accrued expenses and provisions	85,290	224,161
	Annual and long service leave	222,528	155,408
	Insurance premiums	225,893	198,766
	Deferred Tax Asset	<b>533,711</b>	<b>578,335</b>
	<b>Deferred tax liability relates to the following:</b>		
	Unrealised capital gains	(79,594,022)	(60,098,876)
	Unrealised ordinary investment income	(282,722)	279,626
	Deferred Tax Liability	<b>(79,876,744)</b>	<b>(59,819,250)</b>
	<b>Deferred tax asset/(liability)</b>	<b>(79,343,033)</b>	<b>(59,240,915)</b>

12	Other operating expenses		
	Trustee Services Fee	(2,142,596)	(2,801,632)
	Audit fees	(311,784)	(360,871)
	Sponsorship	(100,264)	(150,463)
	Advertising and Marketing	(2,861,012)	(1,280,357)
	<b>Other operating expenses</b>	<b>(5,415,656)</b>	<b>(4,593,323)</b>

The 'Audit fees' amounts shown above include both external and internal audit services.

13	Cash and cash equivalents		
	Cash at bank	11,208,686	8,448,329
		<b>11,208,686</b>	<b>8,448,329</b>

14	Reconciliation of cash flows from operating activities		
(a)	<b>Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities</b>		
	Operating result after tax	(1,782,973)	(19,018)
	Adjustments for:		
	Depreciation	130,312	221,952
	Investment activities via custodian	(390,595,417)	(370,821,573)
	Lease payments	98,311	227,603
	Net benefits allocated to members	347,845,242	329,542,583
	Change in operating assets and liabilities		
	(Increase)/decrease in receivables	123,564	(52,676)
	Increase/(decrease) in payables	294,854	1,544,727
	Increase/(decrease) in tax payable	(5,108,025)	21,469,089
	Increase/(decrease) in employee provisions	447,465	205,422
	Death and disability proceeds received from insurer	15,411,500	17,484,200
	Insurance premiums paid	(18,308,898)	(18,014,942)
	<b>Net cash inflow/(outflow) from operating activities</b>	<b>(51,444,065)</b>	<b>(18,212,633)</b>

### (b) Non-cash financing activities

There were no non-cash financing activities during the year.

## Notes to the Financial Statements

### 15 Investment commitments

The Fund has outstanding capital commitments in relation to unlisted investments contracted for as at the reporting date but not recognised as liabilities as follows:

	2024	2023
	\$	\$
<b>Asset class</b>		
Private Equity	51,040,000	18,110,000
Infrastructure	-	-
Property	-	-
Floating Rate Debt	-	-
	<u>51,040,000</u>	<u>18,110,000</u>

### 16 Contingent liabilities and contingent assets

There are no outstanding contingent assets or liabilities as at 30 June 2024 (2023: nil).

### 17 Events occurring after the reporting period

On 6 September 2024, APRA issued a media release confirming that it had commenced proceedings in the Federal Court of Australia seeking civil penalties and the disqualification of First Super's Co-Chair, Michael O'Connor. Mr O'Connor has voluntarily stepped down from his role as Co-Chair of First Super whilst these proceedings are ongoing. Any additional impacts of this legal action for First Super are currently being considered.

There are no significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

### 18 Related party transactions

#### (a) Trustee

The Trustee of the Fund throughout the year was First Super Pty Ltd (ABN 42 053 498 472, RSE Licence No. L0003049). Amounts paid to the Trustee in form of fees and reimbursements are disclosed in note 12. As at 30 June 2024, \$303,566 (2023: \$932,42) was payable to the trustee and is included in 'other payables' in the statement of financial position.

#### (b) Directors

Key management personnel includes persons who were directors of First Super Pty Ltd at any time during or after the financial year as follows:

Dean Brakell	Robyn Burns
Denise Campbell-Burns	Timothy Chatfield (term concluded 1 October 2023)
Janet Gilbert	Lisa Marty
Scott McDine	Tri Duc Nguyen (appointed 23 December 2023)
Michael O'Connor (Co-Chair)	Anthony Pavey
Mike Radda (Co-Chair)	Deborah Smith
Casey Thompson	

#### Associate Directors

Mick Stephens (appointed 16 September 2023)

#### (c) Other key management personnel

Other key management personnel with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year were as follows:

William Watson is the Chief Executive Officer of First Super Pty Ltd. Lisa Rayner was the Company Secretary of First Super Pty Ltd until 30 June 2023. Other senior executives of the Fund are also included in the table illustrating the compensation of key management personnel (note 18(d)).

Simon Burns was appointed as Acting Company Secretary on 1 July 2023 and resigned on 16 August 2023. Jennifer Glass was appointed as Company Secretary on 16 August 2023. Hayley Pope was appointed as Executive Manager - Governance on 9 August 2023.

# Notes to the Financial Statements

## 18 Related party transactions (continued)

### (d) Key management personnel compensation

Director Remuneration <sup>1</sup>									
Directors	Position Held	FY Year	Meeting Fees Paid and Payable	Travel allowance, training and other expenses paid	Total remuneration	Remuneration from related entities		Recipient Organisation/Entity	
						SBA <sup>2</sup>	Frontier <sup>3</sup>		
Dean Brakell	Director	2023/2024	\$38,609	\$4,121	\$42,730	n/a	na	ACFA <sup>4</sup>	
		2022/2023	\$33,283	\$28,254	\$61,537	n/a	n/a		
Candy Broad	Independent Director	2022/2023	\$23,977	\$1,860	\$25,837	n/a	n/a	Candy Broad	
Robyn Burns	Director	2023/2024	\$45,690	\$2,420	\$48,110	n/a	n/a	Robyn Burns	
		2022/2023	\$44,188	\$11,189	\$55,377	n/a	n/a		
Denise Campbell - Burns	Director	2022/2023	\$37,677	\$0	\$37,677	n/a	n/a	CFMEU <sup>5</sup>	
		2022/2023	\$35,984	\$40,600	\$76,584	n/a	n/a		
Timothy Chatfield <sup>6</sup>	Independent Director	2023/2024	\$8,849	\$0	\$8,849	n/a	n/a	Timothy Chatfield	
		2022/2023	\$37,136	\$7,696	\$44,832	n/a	n/a		
Julie George <sup>7</sup>	Director	2023/2024	\$0	\$650	\$650	\$8,200	n/a	Busi Culture Pty Ltd	
		2022/2023	\$7,536	\$0	\$7,536	\$6,160	n/a		
Janet Gilbert	Director	2023/2024	\$49,247	\$2,340	\$51,587	n/a	n/a	Janet Gilbert	
		2022/2023	\$42,818	\$15,380	\$58,198	n/a	n/a		
Lisa Marty	Director	2023/2024	\$53,920	\$0	\$53,920	n/a	n/a	Lisa Marty	
		2022/2023	\$38,935	\$0	\$38,935	n/a	n/a		
Scott McDine	Director	2023/2024	\$24,328	\$1,198	\$25,526	n/a	\$17,164	CFMEU <sup>5</sup>	
		2022/2023	\$27,380	\$1,375	\$28,755	n/a	\$16,505		
Tri Duc Nguyen <sup>8</sup>	Director	2023/2024	\$14,645	\$0	\$14,645	n/a	n/a	Tri Duc Nguyen	
Michael O'Connor	Co-Chair	2023/2024	\$76,899	\$2,645	\$79,544	n/a	n/a	CFMEU <sup>5</sup>	
		2022/2023	\$42,004	\$6,929	\$91,495	n/a	n/a		
Anthony Pavey	Director	2023/2024	\$42,004	\$2,923	\$44,926	n/a	n/a	CFMEU <sup>5</sup>	
		2022/2023	\$38,857	\$9,994	\$48,851	n/a	n/a		
Mike Radda <sup>9</sup>	Co-Chair	2023/2024	\$34,389	\$0	\$34,389	\$3,630	n/a	Sterad Pty Ltd	
		2022/2023	\$54,814	\$0	\$54,814	n/a	n/a		
Deborah Smith	Director	2023/2024	\$33,466	\$7,288	\$40,753	n/a	n/a	A & D Holdings (QLD) Pty Ltd	
		2022/2023	\$5,445	\$6,380	\$11,825	n/a	n/a		
Michael Stephens <sup>10</sup>	Associate Director	2023/2024	\$18,611	\$5,893	\$24,504	n/a	n/a	Michael Stephens	
		2023/2024	\$42,835	\$0	\$42,835	n/a	n/a		
Casey Thompson	Director	2022/2023	\$31,808	\$7,666	\$39,474	n/a	n/a	CFMEU <sup>5</sup>	



Note:

- <sup>1</sup> The remuneration above includes GST and superannuation where applicable for current and former directors. Not all directors are registered for GST.
- <sup>2</sup> SBA = Super Benefits Administration Pty Ltd.
- <sup>3</sup> Frontier = Frontier Advisors Pty Ltd.
- <sup>4</sup> ACFA = Australian Cabinet and Furniture Association.
- <sup>5</sup> CFMEU = Manufacturing Division of the Construction Forestry Maritime Employees Union.
- <sup>6</sup> Timothy Chatfield's term as a director concluded on 1 October 2023.
- <sup>7</sup> Julie George's term as a director concluded on 2 February 2023. The above expense was an airfare for Ms George to attend a board dinner for First Super which related to the period when Ms George was a director. Ms George remains a director of Super Benefits Administration Pty Ltd.
- <sup>8</sup> Tri Duc Nguyen was appointed as a director on 23 December 2023.
- <sup>9</sup> Mike Radda was appointed as a director of Super Benefits Administration Pty Ltd on 6 May 2024. Mr Radda has not yet invoiced Super Benefits Administration Pty Ltd for his director fees in the 2024 financial year and this is the expected fee for his attendance during the 2024 financial year.
- <sup>10</sup> Michael Stephens was appointed as an associate director on 14 September 2023.

## Notes to the Financial Statements

### 18 Related party transactions (continued)

#### (d) Key management personnel compensation (continued)

Executive Remuneration						
Executive Officers	Position Held	FY Year	Paid - Cash Component	Superannuation Contributions includes SG and Salary Sacrifice	Other <sup>1</sup>	Total remuneration
William Watson	CEO	2023/24	\$448,281	\$27,500	\$10,741	\$486,522
		2022/23	\$435,949	\$27,812	\$22,119	\$485,880
Michelle Boucher	Deputy CEO	2023/24	\$353,308	\$27,403	\$25,299	\$406,010
		2022/23	\$342,125	\$27,500	-\$2,001	\$367,624
Jennifer Glass <sup>2</sup>	Senior Counsel and Company Secretary	2023/24	\$177,891	\$22,355	\$19,340	\$219,586
Andrew Jewell	Executive Manager - Financial Advice and Education	2023/24	\$223,322	\$23,958	\$8,413	\$255,693
		2022/23	\$211,450	\$22,202	\$210	\$233,863
Laurie Kennedy <sup>3</sup>	Risk Manager	2023/24	\$130,395	\$21,565	\$3,649	\$155,609
		2022/23	\$126,409	\$20,462	\$3,426	\$150,297
Hayley Pope <sup>4</sup>	Executive Manager - Governance	2023/24	\$218,488	\$24,554	\$36,937	\$279,979
Lisa Rayner <sup>5</sup>	Executive Manager - Governance	2022/23	\$287,709	\$25,292	-\$3,655	\$309,346

Note:

<sup>1</sup> Other includes salary sacrificed benefits along with long service leave and annual leave accrued in the financial year. The 2022/2023 amounts have been re-stated to include the movement in annual leave in that financial year.

<sup>2</sup> Jennifer Glass was appointed on 16 August 2023.

<sup>3</sup> Laurie Kennedy works part-time.

<sup>4</sup> Hayley Pope was appointed on 9 August 2023.

<sup>5</sup> Lisa Rayner resigned as Executive Manager - Governance and Company Secretary on 30 June 2023.

#### (e) Related party transactions

##### Transactions with related parties

The following Directors/officers of the Trustee Company are or were also members of the Fund:

Michelle Boucher	Dean Brakell
Robyn Burns	Denise Campbell-Burns
Julie George	Lisa Marty
Michael O'Connor	Anthony Pavey
Mike Radda	Deborah Smith
William Watson	Casey Thompson

Superannuation contributions and benefits are determined using the same Trust Deed provisions which apply to all members.

##### Other Related Party Transactions:

###### - Frontier Advisors Ltd:

First Super owns 7% of Frontier Advisors Ltd which provides investment advisory services to the Fund at a commercial arm's length basis. The total fees paid to Frontier in the year ended 30 June 2024 were \$703,578 (2023: \$659,203). Scott McDine is a director of Frontier Advisors Ltd.

###### - Super Benefits Administration Pty Ltd

First Super holds 100% of the shares of Super Benefits Administration Pty Ltd which provides administration services to the Fund on a commercial arm's length basis. These shares are held as an investment by First Super and as at 30 June 2024 are valued at \$3,365,785 (2023: \$3,400,451).

First Super also sub-leases office space from Super Benefits Administration Pty Ltd on a commercial arm's length basis. The cost for the year ended 30 June 2024 was \$98,311 (2023: \$227,603).

Separate consolidated financial statements have not been prepared as the Trustee is of the opinion that these would not be materially different from the financial statements of the Fund as an individual entity. Julie George is a director of Super Benefits Administration Pty Ltd. Mike Radda is the Chair of Super Benefits Administration Pty Ltd.

The following amounts are listed at year end in relation to Super Benefits Administration Pty Ltd:

	2024	2023
	\$	\$
Administration fees paid/payable to Super Benefits Administration Pty Ltd	7,094,401	5,096,309
Trade and Other Payables - Administration Fees Owing/(Receivable)	582,668	-

# Notes to the Financial Statements

**18 Related party transactions (continued)**

**(e) Related party transactions (continued)**

**- Manufacturing Division of the Construction Forestry Maritime Employees Union (CFMEU)**

Five directors of First Super are nominated by the CFMEU. Up until 31 March 2023, there were eleven personnel on a full and part-time basis employed by the CFMEU supplied on contract to First Super on a commercial arm's length basis. The total expense for the year ended 30 June 2024 was \$nil (2023: \$2,319,396). This arrangement was terminated on 31 March 2023 and the co-ordinators are now employed by First Super.

First Super has paid the CFMEU \$106,552 for shared office space at various locations used by the Fund's Member and Employer Services staff (2023: nil).

**- Sponsorship**

During the year ended 30 June 2024 the Fund made total sponsorship payments of \$100,264 (2023: \$150,463) for various activities and events. This included payments to shareholders in the Trustee Company as follows: CFMEU \$45,771 (2023: \$18,601) and Australian Cabinet and Furniture Association \$nil (2023:\$20,900).

**19 Remuneration of auditors**

	<b>2024</b>	<b>2023</b>
	\$	\$
Remuneration paid or payable for services provided by the auditor BDO Audit Pty Ltd:		
Audit and review of the Financial Statements	130,000	120,600
	130,000	120,600