Brighter Super Annual Report

For the year ended 30 June 2024

Brighter SUPER

right by your side

SUPERANNUATION | INVESTMENT | ADVICE | INSURANCE

Contents

This Annual Report has been produced by LGIAsuper Trustee ABN 94 085 088 484 AFS Licence No. 230511 as trustee for LGIAsuper ABN 23 053 121 564 trading as Brighter Super and provides general information for Brighter Super members. Current information about investment performance and other issues will be published on our website and in our newsletters. We will send you a printed copy at your request.

Directors’ Report

The directors of LGIAsuper Trustee (the ‘Trustee’), as trustee of LGIAsuper (the ‘Fund’) present their report together with the financial statements of the Fund for the financial year ended 30 June 2024. LGIAsuper rebranded to trading as Brighter Super effective from 1 July 2022. The legal name remained LGIAsuper Trustee as trustee for LGIAsuper until the legislative change to Local Government Act (2009), effective 1 July 2024.

Principal activity

The principal activity of the Fund is providing superannuation and retirement benefits. The Fund is a hybrid fund providing services for defined contribution, defined benefit, market linked and guaranteed pension products. In addition, the Fund provides members with life and income protection insurance products through a combination of the Fund’s group insurance arrangements and retail insurance products in partnership with life insurers.

Review of operations

Operating results and investment earnings

Results attributable to member benefits as a result of the Fund’s activities for the year ended 30 June 2024 was $2.5B for defined contribution (including pension) members and $93M for defined benefit member benefits. Results from superannuation activities were as follows:

	2024 $’000	2023 $’000
Superannuation activities		
Total net income	**2,974,429**	**2,447,027**
Total expenses	**211,606**	**227,616**
Results from superannuation activities before income tax expense	**2,762,823**	**2,219,411**
Income tax benefit/(expense)	(137,657)	(131,013)
Results from superannuation activities after income tax expense	**2,625,166**	**2,088,398**
Net benefits allocated to defined contribution members	2,513,060	2,071,075
Net change in defined benefit member benefits	82,449	128,426
Operating result after income tax	**29,657**	**(111,103)**

Net income has increased 22% from the prior year to $2.97B, primarily driven by a 7% increase in the value of the Fund’s equity investments and unlisted trusts.

The Fund benefited from strong Australian and International equity markets and the MySuper, Balanced and Growth investment options delivered high single digit and double-digit investment returns for the year, beating peer industry medians.

Total expenses for the year reduced to $212M, down 7% from the prior year. This result was driven by a 32% reduction in administration expenses but offset by a 28% increase in investment expenses.

Administration expenses reduced following the completion of the successor fund transfer of the SPSL Master Trust and the implementation of our target operating model with expected synergies achieved. This resulted in a 16% reduction in staff salaries and costs (down to $39.1M), a 61% reduction in consultancy costs (down to $11M) and a 28% reduction in maintenance and service agreements and other administration expenses (down to a combined $30.6M).

Investment expenses increased primarily due to an $21.8M increase in investment related withholding taxes and fees and a $7M increase in investment administration expenses. The investment administration expenses were offset by a $7M reduction in investment management and performance fees as the Fund achieved better pricing efficiencies from the increased scale following our mergers over the past two years.

The defined benefit reserves are well funded to meet defined benefit entitlements and the next full triennial valuation will be completed in December 2024.

Directors' Report (continued)

Investment Performance

The Fund delivered very strong investment performance for the year. Except for Secure, all Ready-Made Multi-Manager investment options beat the relevant SuperRatings SR Index medians and ranked in the top 10* of competitor super funds. This is very pleasing and demonstrates the strong investments made into the Fund's investment ecosystem and scale benefits following the mergers. The table below highlights the 1-year performance against the relevant SuperRatings Index:

Investment option	30 June 2024 1 year return	30 June 2024 1 Year Median*
MySuper	9.07%	9.00%
Growth	11.91%	10.74%
Balanced	10.57%	8.87%
Conservative Balanced	8.54%	7.27%
Capital Stable	6.79%	5.67%
Secure	4.05%	4.46%

**Based on the 30 June 2024 1-year super fund rankings and median returns of the SuperRatings SR 50 MySuper Index, SR 50 Growth Index, SR 50 Balanced Index, SR 25 Conservative Balanced Index, SR 50 Capital Stable Index and SR25 Secure Index.*

Member Outcomes

The Trustee conducted its annual Member Outcome Assessment in February 2024 and determined that the financial interests of members are being promoted by the Trustee. Of note, the Fund passed the Your Future Your Super performance test, scoring 0.18% above the benchmark which was a 35-basis point improvement from the previous year. The assessment also concluded the Fund's overall fees and investment performance were competitive and delivered high levels of member services.

Administration fees and product changes

Administration fees charged to members increased to $82.9M due to the increased assets and members following the successor fund transfer of the SPSL Master Trust in May 2023.

The higher administration fees enabled the Fund to complete the payback to the Returning Reserve for the 2022 acquisition of the Suncorp Superannuation business ahead of schedule.

The early payback enabled the Fund to complete the product harmonisation and simplification program on 31 May 2024 following the successor fund transfer of the SPSL Master Trust in the previous year. This included the consolidation of more than 50 investment options down to 16, simplifying the operations of the Fund, and the harmonisation of fee structures, which resulted in significant fee reductions of up to 70% for members.

This simplification will result in further reduced operating costs, and the reduction in fees charged to members in FY2025.

Change in Group Insurance Arrangements

Zurich Life Limited was appointed as the Fund's lead insurer effective 1 July 2023 and took on group insurance arrangement for the local government and energy industry insurance arrangements. This change enabled stable premiums to continue for members and an uplift in online services for members.

TAL Life Limited retained the group insurance arrangements for the transferred SPSL members, with the Fund delivering a 28% reduction in insurance premiums for members on 1 February 2024.

Member contribution, transfers, rollouts and benefit payment cashflows

Member contributions and transfers from other funds increased by 45% to $2.2B, offset by $2.4B in benefit payments and rollouts to other funds. With the completion of mergers and integration work, the Fund embarked on a strategic pivot to focus on organic growth, service excellence and investments.

To enable this new strategic focus, an organisational realignment was undertaken in October 2023 that established end to end accountability for service delivery excellence under the Chief Operating Officer, as well as the creation of Chief Commercial Officer and Chief Member Officer roles to set and drive the Fund's Organic Growth and Retention Strategy.

The Fund is focussed on materially reducing the size of rollouts to other superannuation funds through our signature member education and advisory initiatives, and continuing to invest in partnerships with Independent Financial Advisers. These initiatives are a core focus in FY2025 and are designed to lead to improved member retention as members approach and transition to retirement.

Directors’ Report (continued)

Environmental, Sustainability and Governance

During the last year, the Fund also made the decision to close our two Socially Responsible investment options. We considered a range of factors, including diminishing member interest and the impact this was having on costs. Whilst regrettable, the closure did allow us to refocus our specialist resourcing to taking a fund-wide approach to assessing climate risks across our entire investment portfolio, thus protecting more assets for more members over the long-term. We also partnered with the Australian Council of Superannuation Investors (ACSI) to refine our understanding of company-specific ESG risks in our portfolios, so we can use advocacy to reduce them whilst maintaining investment returns.

The Brighter Super Sustainability Report will be published and made available at Brightersuper.com.au later this year.

The Fund has also established its inaugural Innovate Reconciliation Action Plan (RAP) to appropriately recognise and support First Nation peoples, communities and members. The Brighter Super Reconciliation Action Plan will be published and made available at Brightersuper.com.au in November 2024.

Changes in state of affairs

There were no other significant changes in the state of affairs of the Fund that occurred during the financial year.

Events since the end of the financial year

Effective 1 July 2024, LGIAsuper Trustee changed its legal name to Brighter Super Trustee. Effective from this date, all references relating to LGIAsuper will be updated to Brighter Super.

On 2 September 2024 the Fund’s custodian and investment administration services transitioned from National Australia Bank Ltd to State Street Corporation. State Street Corporation has become a material outsource provider to the Fund.

On 1 August 2024 LGIAsuper Trustee board approved the successor fund transfer of approximately 61,000 members of the Zurich OneCare Super and Wealth Protection insurance risk only products from the Smart Future Trust. The transfer is expected to occur 1 October 2024. Zurich Financial Services Limited will be appointed as the Fund administrator and insurer for these products and will be a material outsource provider to the Fund. Benefits from this successor fund transfer includes increased revenue for trustee service fees that will be used to reduce fees for all Brighter Super members as noted under likely developments below.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected the Fund’s operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

Future fee changes

The Fund is conducting a review of its current fee settings across products offered to members and will reduce the fees charged to members on 1 January 2025. The changes are expected to provide better financial outcomes to members and increase the Fund’s competitive position.

Queensland Asset Strategy

The investment landscape of Queensland continues to present good opportunities. The Fund has identified the strategic importance of identifying and allocating capital to meaningful Queensland assets and projects that ultimately drive solid performance to members and create positive impacts to Queensland and its community. This is particularly important with 85% of the Fund’s assets owned by our Queensland members. The strategy commits a further $500M to invest in Queensland assets, a 50% increase to the $1B already invested.

Future sale of subsidiary

On 27 March 2024, the Fund and Globe Hold Co Pty Ltd, a wholly owned subsidiary of the Fund, entered into a share sale agreement with an external party for 100% ownership of SPSL Limited, the sale remains conditional on the final determination of all necessary regulatory, prudential and fiduciary requirements.

Environmental regulation and performance

The operations of the Fund are not currently subject to any particular or significant environmental regulation under any law of the Commonwealth of Australia or any of its states and territories.

Directors' Report (continued)

Audit and non-audit services

Details of the amounts paid or payable to the auditors (PricewaterhouseCoopers Australia) for audit or non-audit services during the year are disclosed in note 19.

The directors of the trustee, in accordance with the advice provided by the Finance and Audit Committee, are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditors did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Finance and Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants.*

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Rounding of amounts to the nearest thousand dollars

Amounts in the directors' report and the financial statements are rounded to the nearest thousand dollars, in accordance with *Australian Securities and Investments Commission Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Directors’ Report (continued)

Remuneration Report

The directors present the Fund’s remuneration report for the year ended 2024, outlining key aspects of our remuneration policies and framework, and remuneration awarded this year. The Remuneration Report forms part of the Directors’ Report and has been audited in accordance with section 300C of the Corporations Act 2001. The Remuneration Report details the remuneration arrangements for the Key Management Personnel (KMP) of the Fund which include those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Fund. For the Fund this includes the Board of Directors, Specialist Advisors, and executive key management personal.

(a) Key management personnel

Name	Role	Term as KMP
Directors		
Mr J Smith	Independent chair	Full financial year
Mr R Dewhurst	Independent	Full financial year
Mr R Burton PSM	Member representative	Full financial year
Mr M Jamieson	Employer representative	Full financial year
Mr G Hallam AM PSM	Employer representative	Full financial year
Ms T Dyson	Employer representative	Full financial year
Ms J Thomas	Member representative	Full financial year
Mr P Scott	Member representative	Ceased 30 September 2023
Ms M Collopy	Employer representative	Full financial year
Mr H Capra	Member representative	Full financial year
Ms N Traill	Member representative	Appointed 9 April 2024
Specialist Advisors		
Mr A Cormie	Specialist Advisor Investment Committee	Ceased 12 October 2023
Mr J Wilson	Specialist Advisor Investment Committee	Full financial year
Mr R Wood	Specialist Advisor Investment Committee	Full financial year
Mr P Kazacos OAM	Specialist Advisor Technology Oversight Committee	Appointed 1 January 2024
Other executive key management personal		
Ms K Farrar	Chief Executive Officer (CEO)	Full financial year
Mr G Hollier	Chief Financial Officer (CFO)	Full financial year
Mr R Gajanayake	Chief Technology Officer (CTO)	Full financial year
Mr S Chan	Chief Risk Officer (CRO)	Full financial year
Mr H McKellar	General Counsel and Company Secretary	Ceased 4 July 2023
Ms L Kay	Chief Member Officer (CMO)	Full financial year
Mr S Marteene	Chief Commercial Officer (CCO)	Full financial year
Mr M Rider	Chief Investment Officer (CIO)	Full financial year
Mr J Gyton	Chief Operating Officer (COO)	Full financial year
Ms A Kelsall	Chief People Officer (CPO)	Full financial year
Mr B Ingram	Company Secretary (CS)	Appointed 4 July 2023

1. During the year the executive team was restructured, Mr J Gyton was appointed Chief Operating Officer effective 1 October 2023, previously Chief Transformation Officer. Mr S Marteene was appointed Chief Commercial Officer effective 1 October 2023, previously Chief Operating Officer and Ms Lisa Kay was appointed Chief Member Officer effective 1 October 2023, previously Chief Experience Officer. Each of the executives held a key management role before and after the restructure and therefore their KMP term has been considered for the full financial year.

Directors' Report (continued)

(b) Remuneration expenses

The following table show details of the remuneration expenses recognised for the directors of the Fund's trustee and other executive key management personnel including specialist advisors, for the period measured in accordance with the requirements of the accounting standards.

	Short-term			Long-term		Post-employment		Total[4]
Name	Salary and fees	Cash bonus	Other[6]	Long service[5] leave	Cash bonus	Superannuation	Termination benefits	
Directors								
Mr J Smith	185,459	-	-	-	-	22,255	-	207,714
Mr R Dewhurst	116,049	-	-	-	-	3,191	-	119,240
Mr R Burton PSM	97,331	-	-	-	-	11,680	-	109,011
Mr Jamieson	86,101	-	-	-	-	10,332	-	96,433
Mr G Hallam AM PSM	86,101	-	-	-	-	9,471	-	95,572
Ms T Dyson	97,331	-	-	-	-	10,706	-	108,037
Ms J Thomas[1]	132,554	-	-	-	-	-	-	132,554
Mr P Scott	28,700	-	-	-	-	3,157	-	31,857
Ms M Collopy	86,101	-	-	-	-	9,471	-	95,572
Mr H Capra	97,331	-	-	-	-	10,706	-	108,037
Ms N Traill	17,086	-	-	-	-	1,879	-	18,965
Total remuneration	**1,030,144**	**-**	**-**	**-**	**-**	**92,848**	**-**	**1,122,992**
Specialist Advisors								
Mr A Cormie	13,363	-	-	-	-	1,470	-	14,833
Mr J Wilson[2]	48,952	-	-	-	-	-	-	48,952
Mr R Wood	44,500	-	-	-	-	-	-	44,500
Mr P Kazacos OAM[3]	12,238	-	-	-	-	-	-	12,238
Total remuneration	**119,053**	**-**	**-**	**-**	**-**	**1,470**	**-**	**120,523**
Other executive key management personal[7]								
Ms K Farrar	558,940	48,477	5,551	25,993	12,232	27,476	-	678,669
Mr G Hollier	405,178	56,669	5,551	31,189	-	27,838	-	526,425
Mr R Gajanayake	280,065	32,717	-	20,518	-	27,567	-	360,867
Mr S Chan	320,609	41,911	5,124	14,755	-	27,625	-	410,024
Mr H McKellar	2,154	-	3,573	-	-	237	161,670	167,634
Ms L Kay	336,384	36,149	5,551	18,554	-	27,627	-	424,265
Mr S Marteene	334,553	35,243	5,551	15,233	-	27,628	-	418,208
Mr M Rider	417,304	111,326	5,551	2,141	-	27,673	-	563,995
Mr J Gyton	344,046	41,107	4,244	10,005	-	27,643	-	427,045
Ms A Kelsall	323,854	35,842	1,468	1,247	-	27,621	-	390,032
Mr B Ingram	293,186	13,654	1,645	9,160	-	27,648	-	345,293
Total remuneration	**3,616,273**	**453,095**	**43,809**	**148,795**	**12,232**	**276,583**	**161,670**	**4,712,457**

1. Ms J Thomas is a Member representative elected director and $132,554 attributable to the services of Ms J Thomas during the year were paid directly to The Services Union.
2. Mr J Wilson is a Specialist Advisor and $48,952 attributable to the services of Mr J Wilson during the year were paid directly to Jacob Williams Pty Ltd.
3. Mr P Kazacos OAM is a Specialist Advisor and $12,238 attributable to the services of Mr P Kazacos during the year were paid directly to Kazacos.ai Pty Ltd.
4. No non-monetary benefits were provided to KMP.
5. Long service leave represents the movement within associated provisions.
6. Other relates to underpayments of remuneration relating to previous financial years.
7. No key management personnel appointed during the period received a payment as part of their consideration for agreeing to hold the position.

Directors’ Report (continued)

(c) Remuneration policies

The People and Culture Committee is made up of five directors. The committee recommends and the board approves the remuneration policy and structure at least every two years to ensure it remains aligned to business needs, and meets the Fund’s remuneration principles. From time to time, the committee also engages external remuneration consultants to assist with this review. In particular, the board aims to maintain remuneration policies that:

- align with the Trustee’s business plan, strategic objectives and risk management framework;
- promote effective management of both financial and non-financial risks;
- promote performing its duties and exercising its powers in the best financial interests of beneficiaries; and
- support the prevention and mitigation of conduct risk.

The remuneration policies are designed to ensure that remuneration decisions across the Fund are consistent. The remuneration polices set out the following elements:

- to ensure fairness, remuneration decisions will consider objective criteria, will be administered through structured and authorised processes and will have the requisite oversight as required under APRA standards.
- job evaluation and external remuneration benchmarking will be adopted to provide an objective and industry-specific framework for the consideration of the Fund’s remuneration position;
- remuneration decisions consider individual merit and will reward differently based on employee performance and competency; and
- the Fund’s remuneration position will ensure compliance with all legislative requirements and will demonstrate a commitment to maintaining wage equality.

(d) Elements of remuneration

i) Fixed annual remuneration

Executives may receive their fixed remuneration as cash, or cash with non-monetary benefits. Fixed annual remuneration is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in other superannuation funds with similar funds under management. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the Fund and performance of the individual.

Superannuation is included in the fixed annual remuneration for all executives.

ii) Variable remuneration

Maximum opportunity

Maximum annual incentive opportunity under the respective remuneration policy, CEO 30% of fixed remuneration, CIO 30% of fixed remuneration, and other executive KMP 15% of fixed remuneration.

Performance metrics

In assessing performance both quantitative and qualitative factors are considered to determine the overall achievement over the financial year. The overall achievement of the annual incentive award is assessed on the following criteria:

- Organisational performance: 40%
- Individual performance: 40%
- Individual behaviours: 20%

The following gateways must be achieved to be eligible for the annual incentive award.

Gateways	Measures
Organisational compliance	Executives must demonstrate the Fund's policies, frameworks, values, standards, and procedures in the way they work. Executives are required to meet all training and assessment requirements for their position.
Regulatory compliance	Executives are required to meet all of the Fund's legislative and regulatory obligations.
Conduct	Executives must demonstrate the Fund's code of conduct and principals in the way they work.

Directors’ Report (continued)

(d) Elements of remuneration (continued)

Outcomes of organisational performance are based on the Fund’s scorecard for performance and risk measures, which is developed as part of the strategy and business plan at the start of the performance year. The Fund’s scorecard for the financial year is:

Area	Measures
Investment performance	**Delivering strong returns to our members** Measured by our investment returns, Your Future Your Super Returns and peer relative returns
Members	**Strengthening our brand and member growth** Measured by Net Promoter Score and number of members
Operations	**Strengthening our operations and offerings:** Measured by advice coverage, conversion to pension, net member cashflows and engagement with our risk culture employee survey
People	**Creating organisational health** Engagement with our Organisation Health Index employee survey
Financial performance	**Delivering our members sustainable financial outcomes** Measured by administration costs per members and reserve balances

The individual performance and behaviours are assessed separately for each individual executive.

Delivery of variable remuneration

The annual incentive is delivered as a cash bonus for eligible executives. Annual incentives earned for the financial year ended 30 June 2024 that are not subject to deferral were paid on 11 September 2024.

For the CEO, 40% of the eligible annual incentive was paid in cash on 11 September 2024, the remaining 60% of the CEO’s total annual incentive is deferred over a period of six years, vesting on a pro-rata basis in three equal instalments after four, five, and six years.

Forfeiture and termination

Conduct gateways apply which can reduce annual incentive outcomes (down to nil). Any deferred annual incentive arrangement is subject to malus and clawback criteria. Where an eligible employee terminates their employment within the performance year or where the employment comes to an end before the annual incentive award payment date, the employee will not be eligible to receive the annual incentive award that would have been otherwise payable. The Board has the discretion to grant any annual incentive award payment in circumstances where the employment comes to an end before the annual incentive award payment is due.

Directors' Report (continued)

(e) Performance based remuneration granted and forfeited during the year

The following table shows the annual incentive that KMP was awarded and how much was forfeited based on the satisfaction of the performance metrics and service conditions.

Name	Title	Maximum cash bonus $	Awarded %	Forfeited %	Vested $	Maximum[1] yet to vest $	Years in which remainder of cash bonus will be paid
Ms K Farrar	Chief Executive Officer	186,450	65%	35%	48,477	72,716	FY 2028 FY 2029 FY 2030
Mr G Hollier	Chief Financial Officer	62,966	90%	10%	56,669	N/a	N/a
Mr R Gajanayake	Chief Technology Officer	43,049	76%	24%	32,717	N/a	N/a
Mr S Chan	Chief Risk Officer	48,733	86%	14%	41,911	N/a	N/a
Mr H McKellar[2]	General Counsel and Company Secretary	N/a	N/a	N/a	N/a	N/a	N/a
Ms L Kay	Chief Member Officer	49,519	73%	27%	36,149	N/a	N/a
Mr S Marteene	Chief Commercial Officer	49,638	71%	29%	35,243	N/a	N/a
Mr M Rider	Chief Investment Officer	127,961	87%	13%	111,326	N/a	N/a
Mr J Gyton	Chief Operating Officer	52,701	78%	22%	41,107	N/a	N/a
Ms A Kelsall	Chief People Officer	47,161	76%	24%	35,842	N/a	N/a
Mr B Ingram	Company Secretary	42,689	32%	68%	13,654	N/a	N/a

1. The minimum value of the deferred compensation that is yet to vest is nil. Deferred annual incentive vests in instalments after four years as disclosed above.
2. Mr H McKellar was not eligible for the annual incentive award for the financial year, as he was not employed for the full performance year.

The annual incentive awards were granted 11 September 2024.

(f) Contractual arrangements

During the financial year, the following new contracts for services were negotiated between the Fund and a member of KMP.

Component	P Kazacos OAM	N Traill	B Ingram
Base fee/fixed remuneration	$36,713	$83,106	$307,500
Employment terms	Specialist Advisor, Technology Oversight Committee	Director, Member representative	Executive contract
Variable remuneration	Not applicable	Not applicable	Entitled to an annual incentive based on the achievement of the Fund, function and individual outcomes over a 12-month period.

(g) Directors and Specialist Advisor remuneration

Directors and Specialist Advisors receive a board role fee and fees for chairing or participating on board committees. They do not receive performance-based compensation or retirement allowances. The fees are inclusive of superannuation. All Directors and Specialist Advisors are reimbursed for reasonable expenses incurred when conducting business on behalf of the Fund.

Fees are reviewed annually by the board taking into account comparable roles and market data provided by the board's independent remuneration adviser. The current based fees were reviewed with effect from 1 July 2023.

All Directors and Specialist Advisors enter into a service agreement with the Trustee in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of the Director or Specialist Advisors.

Directors’ Report (continued)

This report in made in accordance with a resolution of directors.

John Smith

Chair

24 September 2024, Brisbane

Teresa Dyson

Director

Auditor’s Independence Declaration

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

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Paul Collins
Partner
PricewaterhouseCoopers

Brisbane
24 September 2024

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Consolidated statement of financial position as at 30 June 2024

	Note	2024 $'000	2023 $'000
Assets			
Cash at bank	16	222,368	199,521
Cash and cash equivalents for investing activities	8	3,305,707	2,655,328
Receivables/unsettled trades	9	186,513	186,660
Fixed interest securities	8	505,014	1,235,769
Listed equity investments and trusts	8	17,768,814	15,759,378
Unlisted equity investments and trusts	8	10,936,356	10,947,276
Life insurance policies	8	379,262	410,295
Derivative assets	8	199,518	506,634
Intangible assets	10	-	17,188
Right of use assets		7,845	10,201
Other assets		7,465	8,501
Total assets		**33,518,862**	**31,936,751**
Liabilities			
Derivative liabilities	8	24,451	599,733
Lease liability		11,868	14,951
Payables/unsettled trades	11	107,932	252,325
Income tax payable	15	30,532	3,111
Deferred tax liability (net)	15	556,414	396,019
Other liabilities		6,955	10,202
Total liabilities excluding member benefits		**738,152**	**1,276,341**
Net assets available for member benefits		**32,780,710**	**30,660,410**
Defined contribution (DC) member liabilities		30,627,827	28,486,420
Defined benefit (DB) member liabilities		1,384,752	1,463,265
Total allocated member liabilities		**32,012,579**	**29,949,685**
Unallocated to members	12(c)	10,700	(20,695)
Total member liabilities		**32,023,279**	**29,928,990**
Total net assets		**757,431**	**731,420**
Equity			
Reserves	14	226,505	218,560
Defined benefits that are over/(under) funded	12(e)	416,339	465,399
Unallocated surplus	14	114,587	47,461
Total equity		**757,431**	**731,420**

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated income statement for the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Superannuation activities			
Interest revenue		188,863	132,710
Dividends & trust distributions		978,146	943,692
Net change in fair value of financial instruments	4	1,792,440	1,288,183
Other investment revenue and sundry revenue	5	14,980	82,442
Total net income		**2,974,429**	**2,447,027**
Investment expenses	6	106,711	83,691
Administration expenses	7	83,516	122,934
Depreciation, impairment, and amortisation	7	21,379	20,991
Total expenses		**211,606**	**227,616**
Results from superannuation activities before income tax expense		**2,762,823**	**2,219,411**
Income tax benefit/(expense)	15	(137,657)	(131,013)
Results from superannuation activities after income tax expense		**2,625,166**	**2,088,398**
Net benefits allocated to defined contribution members		2,513,060	2,071,075
Net change in defined benefit member benefits		82,449	128,426
Operating result after income tax		**29,657**	**(111,103)**

The above Consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in member benefits for the year ended 30 June 2024

	DC member liabilities $'000	Energy DB member liabilities $'000	City DB & DC member liabilities $'000	Regional DB member liabilities $'000	Total $'000
Balance at 1 July 2023	**28,486,420**	**830,968**	**55,825**	**576,472**	**29,949,685**
Employer contributions	1,391,154	12,553	532	12,106	1,416,345
Member contributions	398,942	1,116	221	1,709	401,988
Transfers from other funds	416,066	-	110	-	416,176
Income tax on contributions	(207,338)	(1,883)	(80)	(1,816)	(211,117)
Net after tax contributions	**1,998,824**	**11,786**	**783**	**11,999**	**2,023,392**
Benefits paid	(1,074,863)	(66,763)	(6,966)	(108,069)	(1,256,661)
Transfers to other funds	(1,127,332)	-	(110)	-	(1,127,442)
Insurance premiums charged	(240,196)	(2,274)	(223)	(485)	(243,178)
Insurance claims proceeds	68,967	-	37	318	69,322
Other fees	(2,705)	-	(4)	-	(2,709)
Transfers between member funds	924	(390)	-	(534)	-
Transfers to/(from) reserves	4,728	-	(67)	-	4,661
Net benefits allocated to members, comprising:					
Investment income	2,595,917	-	-	-	2,595,917
Administration fees	(82,857)	-	-	-	(82,857)
Net change in defined benefit member benefits	-	58,514	1,957	21,978	82,449
Balance at 30 June 2024	**30,627,827**	**831,841**	**51,232**	**501,679**	**32,012,579**

The above Consolidated statement of changes in member benefits should be read in conjunction with the accompanying notes.

Consolidated statement of changes in member benefits for the year ended 30 June 2023

	DC member liabilities $'000	Energy DB member liabilities $'000	City DB & DC member liabilities $'000	Regional DB member liabilities $'000	Total $'000
Balance at 1 July 2022	**20,036,546**	**829,318**	**58,189**	**631,112**	**21,555,165**
Transfer from SPSL Master Trust	6,466,992	-	-	-	6,466,992
Employer contributions	970,707	9,941	601	13,582	994,831
Member contributions	309,886	1,152	224	1,902	313,164
Transfers from other funds	232,029	-	-	-	232,029
Income tax on contributions	(146,181)	(1,491)	(90)	(2,037)	(149,799)
Net after tax contributions	**7,833,433**	**9,602**	**735**	**13,447**	**7,857,217**
Benefits paid	(712,373)	(67,584)	(7,377)	(128,139)	(915,473)
Transfers to other funds	(689,827)	-	(233)	-	(690,060)
Insurance premiums charged	(101,561)	(2,195)	(190)	(469)	(104,415)
Insurance claims proceeds	44,245	-	-	62	44,307
Other fees	(1,330)	-	(3)	-	(1,333)
Transfers between member funds	1,372	(361)	-	(1,011)	-
Transfers to/(from) reserves	4,840		(64)	-	4,776
Net benefits allocated to members, comprising:					
Investment income	2,125,037	-	-	-	2,125,037
Administration fees	(53,962)	-	-	-	(53,962)
Net change in defined benefit member benefits	-	62,188	4,768	61,470	128,426
Balance at 30 June 2023	**28,486,420**	**830,968**	**55,825**	**576,472**	**29,949,685**

The above Consolidated statement of changes in member benefits should be read in conjunction with the accompanying notes.

Consolidated statement of changes in reserves for the year ended 30 June 2024

2023	Operational Risk reserve $'000	General reserve $'000	Returning reserve $'000	Other reserves and balances $'000	DB over/ (under) funded $'000	Unallocated surplus/ (deficit) $'000	Total Reserves $'000
Opening balance	**55,542**	**37,611**	**75,801**	**27,293**	**484,741**	**57,913**	**738,901**
Transfer from SPSL Master Trust	-	-	16,408	-	-	-	16,408
Other transfers to/(from) reserves	-	8,028	805	-	-	83,157	91,990
Transfers between reserves	16,791	200	(16,800)	-	(5,700)	5,509	-
Member net transfer to/(from) reserves	-	64	(4,840)	-	-	-	(4,776)
Operating result	5,512	1,030	(5,267)	382	(13,642)	(99,118)	(111,103)
Closing balance	**77,845**	**46,933**	**66,107**	**27,675**	**465,399**	**47,461**	**731,420**

2024	Operational Risk reserve $'000	General reserve $'000	Returning reserve $'000	Other reserves and balances $'000	DB over/ (under) funded $'000	Unallocated surplus/ (deficit) $'000	Total Reserves $'000
Opening balance	**77,845**	**46,933**	**66,107**	**27,675**	**465,399**	**47,461**	**731,420**
Other transfers to/(from) reserves	(391)	(5,754)	-	-	-	7,160	1,015
Transfers between reserves	(63)	28,403	1,961	(7,512)	(3,437)	(19,352)	-
Member net transfer to/(from) reserves	-	67	(4,728)	-	-	-	(4,661)
Operating result	6,948	(627)	(10,775)	416	(45,623)	79,318	29,657
Closing balance	**84,339**	**69,022**	**52,565**	**20,579**	**416,339**	**114,587**	**757,431**

The above Consolidated statement of changes in reserves should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows for the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Purchase of financial instruments		(13,934,188)	(7,358,052)
Sale of financial instruments		13,416,917	6,645,485
Purchase/(sale) of other assets		1,639	(381)
Interest received		190,086	109,967
Other income		8,130	81,328
Dividends and trust distributions received		980,451	940,047
Other general administrative and investment expenses		(186,330)	(186,182)
Income tax paid on investment earnings		24,105	1,639
Insurance premiums paid		(242,399)	(103,081)
Insurance proceeds received		67,442	45,265
Net cash from operating activities	**16**	**325,853**	**176,035**
Cash flows from investing activities			
Net cash flows from investing activities		**-**	**-**
Cash flows from financing activities			
Employer contributions		1,414,083	998,836
Member contributions		401,989	313,164
Transfers from other superannuation funds		416,176	232,029
Transfers to other super funds		(1,127,442)	(690,060)
Benefits paid		(1,259,354)	(919,548)
Income tax paid on contributions		(148,458)	(52,858)
Successor Fund Transfer SPSL Master Trust		-	29,216
Net cash flows from financing activities		**(303,006)**	**(89,221)**
Net increase in cash held		22,847	86,814
Cash at the beginning of the financial year		199,521	112,707
Cash at the end of the financial year	**16**	**222,368**	**199,521**

The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 1. General information

LGIAsuper (the 'Fund') is a superannuation fund domiciled in Australia. The Fund is constituted by a Trust Deed dated 30 June 2021, as amended, which established the Fund with effect from 1 July 2021 and provides retirement benefits to its members. The Fund comprises a defined contribution fund, three defined benefit funds and a pension division.

The Trustee of the Fund is LGIAsuper Trustee (the 'Trustee'), and the registered office is Level 20, 333 Ann Street, Brisbane, Queensland, 4000.

The Fund accepts contributions from its members. In relation to defined benefit members, the contribution rate is the rate agreed by the actuary and the employer. In relation to defined contribution members, contributions are compulsory for permanent employee members in most instances and members may also make voluntary pre-tax and post-tax contributions.

The Fund obtained from the Australian Prudential Regulation Authority (APRA) its RSE licence on 5 September 2005 (registration number R1000160) and its MySuper licence on 24 May 2013 (registration number 23053121564638).

On 31 May 2023 the Fund undertook a Successor Fund Transfer (SFT) with SPSL Master Trust (ABN 98 250 952 022). SPSL Master Trust was a superannuation fund domiciled in Australia and was a defined contribution superannuation fund, providing retirement benefits to its members.

The financial statements were approved by the Board of Directors of the Trustee on 24th September 2024. The directors of the Trustee have the power to amend and re-issue these financial statements.

Note 2. Summary of material accounting policies

This note provides a summary of material accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already disclosed in other notes below. The policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of the Fund and its subsidiaries.

(a) Basis of preparation

The Fund has prepared general purpose financial statements in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), the *Corporations Act 2001* and *Corporations regulations 2001* and the provisions of the Trust Deed of the Fund.

The principal standard AASB 1056 applies to the financial statements, other standards are also applied where necessary except to the extent that they differ from AASB 1056.

The financial statements are presented in Australian Dollars, which is the functional currency of the Fund.

The Consolidated 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, derivative liabilities and net assets available for member benefits.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 2. Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

(i) *New and amended accounting standards and interpretation adopted by the Fund:*

The Fund has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates *[AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]*
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction *[AASB 112]*
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules *[AASB 112]*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) *New standards and interpretations effective after 1 July 2024 and have not been early adopted:*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024 and have not been adopted early in preparing these financial statements. None of these are expected to have a material impact on the financial statements of the Fund.

(iii) *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. Comparative figures have been adjusted to conform to the current year's presentation.

(b) Principles of consolidation

Subsidiaries are entities over which the Fund has control. The Fund controls an entity when the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group (see note 2(f)).

Inter-company transactions, balances, and unrealised gains on transactions between Fund companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(i) *Subsidiaries*

The following entities comprise the significant trading and holding entities of the Fund:

Parent and Head entity: LGIAsuper Subsidiaries (all balances dates 30 June)	Acquisition date	Ownership interest
LGIAsuper Corporate Services Pty Ltd	10/11/2021	100%
ESI Financial Services Pty Ltd	1/07/2021	100%
Globe Hold Co Pty Ltd	10/11/2021	100%
SPSL Limited	31/03/2022	100%
SPSL Services Pty Ltd	31/03/2022	100%

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 2. Summary of material accounting policies (continued)

(c) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

(d) Revenue recognition

(i) *Interest revenue*

Interest revenue is recognised in profit or loss for all financial instruments that are held at fair value through profit or loss using the effective interest method. Income from cash and cash equivalents is presented as interest income. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 8 to the financial statements.

(ii) *Dividend and trust distributions*

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.

(iii) *Other income*

Other income is recognised when due and receivable, and if not received at reporting date, are reported as a receivable.

(e) 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 the control of the contribution or transfer has transferred to the Fund. They are recognised gross of any taxes.

(f) Business combinations

The acquisition method of accounting is used to account for all business acquisitions, regardless of whether equity instruments or other assets acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 2. Summary of material accounting policies (continued)

(f) Business combinations (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(g) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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 8 for details.

The Fund makes estimates and assumptions in relation to the valuation of defined benefit member liabilities, details of which are set out in note 12.

The Fund also makes estimates and assumptions in relation to the valuation of investments in life insurance policies, which are valued by reference to the amount advised by the insurer as the current surrender value. If the policies were redeemed rather than held for their contracted duration, details of which are set out in note 8.

The Fund also makes estimates and assumptions in relation to the valuation of intangible assets, details of which are set out in note 10.

(h) Cash

For the purpose of presentation in the Consolidated statement of financial position and Consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents held for investing activities is reported separately in the Consolidated statement of financial position.

(i) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Fund's entities are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars ($), which is the Fund's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. All other foreign exchange gains and losses are presented in the Consolidated income statement.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 2. Summary of material accounting policies (continued)

(j) Reserves

(i) *Operational Risk Reserve*

Superannuation Prudential Standard 114: *Operational Risk Financial Requirement*, (SPS 114) which became effective 1 July 2013, requires Registered Superannuation Entity (RSE) licensees to maintain adequate financial resources to address losses arising from operational risks that may affect such entities within their business operations. The Fund's Operational Risk reserve has been established for this purpose.

As a minimum the Fund aims to hold a target amount equal to 25 basis points of assets under management subject to a predetermined tolerance limit. The tolerance limit is set by the Trustee to reduce the need for small transfers to or from the Operational Risk reserve for immaterial fluctuations in the reserve's value.

The Operational Risk reserve may only be used to make a payment to address an operational risk event as defined by SPS 114.

When the amount falls below the tolerance limit, additional funds are transferred into the Operational Risk reserve. Any transfers to the Operational Risk reserve must be approved by the Trustee.

(ii) *General Reserve*

The Fund maintains a General reserve for the Accumulated Benefits Fund to ensure solvency should expenditures exceed fees charged to members, as well as supporting the Fund's sustainability over time by funding strategic initiatives which deliver net benefits to members. The General reserve assists with the management of the operational risks of the Fund, which are not met from the Operational Risk reserve. The Fund has a long-term target of 15 basis points of assets under management.

(iii) *Returning Reserve*

The Fund maintains a Returning reserve for the benefit of pre 1 July 2021 members. This reserve funded the acquisition of SPSL Limited. The Returning reserve has paid all costs and expenses that were payable on the acquisition completion and the SFT, including all costs and expenses associated with implementation, integrating, unbundling and transition of SPSL's business.

(iv) *Other Reserves and Balances*

The Fund maintains a number of smaller specific reserves that were transferred as part of the Energy Super SFT. Further details are outlined at note 14.

(l) Impairment of intangible assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 3. Operation of the Fund

LGIAsuper continues in existence under the *Local Government Act (2009)*, which was amended to legally change the Fund's name to Brighter Super Trustee effective 1 July 2024.

The Fund is a hybrid fund which incorporates both Defined Benefits Funds and a Defined Contributions Fund.

The Fund consists of three separate closed Defined Benefits Funds, namely, the Regional Defined Benefits Fund (pertaining to previous LGsuper members), the City Defined Benefits Fund (relating to previous City Super members) and Energy Defined Benefits (transferred as part of the SFT from Energy Super effective 1 July 2021) and a combined Defined Contributions Fund.

Benefits of members in the Defined Benefits Funds are calculated by way of formula as defined in the Trust Deed. Benefits of members of the Defined Contributions Fund are equal to the member's account balance, which is credited each year with contributions and a proportionate share of net investment earnings (positive or negative), expenses, insurance premiums and income tax expense of the Fund.

On 28 April 2021, LGIAsuper entered into an agreement to purchase 100% of SPSL Limited (SPSL) from Suncorp Group (Suncorp's superannuation business). The acquisition was completed on 31 March 2022. At the time of acquisition SPSL was the trustee of the SPSL Master Trust and SPSL Pooled Superannuation Trust. Effective 31 May 2023 the Trustee of SPSL Master Trust determined that the Fund was to be wound up and the Fund's net assets, members' benefit liabilities and reserves transferred to LGIAsuper in the form of a successor fund transfer ("SFT").

On 1 July 2022, LGIAsuper rebranded to Brighter Super, the legal name remained LGIAsuper Trustee as trustee for LGIAsuper until the legislative change to *Local Government Act (2009)*, effective 1 July 2024. The Brighter Super Group has been formed by LGIAsuper, Energy Super and SPSL Master Superannuation Trust.

From 16 September 2022, the administration of former Energy Super members were migrated into LGIAsuper, resulting in a change in the administrator of members' funds from Link Market Services to Tech Mahindra.

From 1 June 2023, the administration of SPSL Master Trust's members were migrated into LGIAsuper, resulting in a change in the administrator of members' funds from SPSL to Tech Mahindra.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 4. Net change in fair value of financial instruments

	2024 $'000	2023 $'000
Fair value through profit or loss		
Fixed interest securities	11,164	(54,788)
Equity investments and unlisted trusts	1,816,477	1,352,566
Derivatives	(40,756)	(10,270)
Life insurance policies	5,555	675
Total	**1,792,440**	**1,288,183**

The changes in net market value of financial instruments reflect investment market conditions prevailing as at balance date in respect of investments held at balance date and during the year in respect of investments realised during the period.

Note 5. Other investment and sundry revenue

	2024 $'000	2023 $'000
Management fee rebates and securities lending	7,054	7,806
Investment and administration fees	-	19,934
Financial planning revenue	2,369	2,173
Management fees related party	18	33,022
Trustee administration reimbursements from related party	-	17,373
Other	5,539	2,134
Total	**14,980**	**82,442**

Note 6. Direct investment expenses

	2024 $'000	2023 $'000
External investment management fees	21,404	26,723
Master custodian fees	5,805	4,086
Administration expenses – Fund investment operations	18,170	11,208
Withholding tax and other fees	53,146	31,361
Performance fees	6,602	8,264
Asset consultant fees	1,584	2,049
Total	**106,711**	**83,691**

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 7. Administration expenses and depreciation

	2024 $'000	2023 $'000
Staff salaries and associated costs	39,110	46,615
Consultants' fees	11,151	28,931
Actuarial fees	183	99
Maintenance and service agreements	23,193	28,644
Trustee administration expenses from related party	-	566
Marketing, communication and sponsorship expenses	2,425	4,153
Other administration expenses	7,454	13,926
Total administration expenses	**83,516**	**122,934**

Depreciation on property plant and equipment	1,835	1,141
Depreciation on right to use assets	2,356	2,443
Impairment of intangible assets	905	7,668
Amortisation of intangible assets	16,283	9,739
Total depreciation, impairment and amortisation	**21,379**	**20,991**

Included in the prior year administration expenses above are costs associated to administer both LGIAsuper and SPSL Master Trust (SMT). SPSL Limited provided management services to SMT until the SFT with LGIAsuper on 31 May 2023. The expenses incurred for providing these services to SMT were reimbursed through management fees received and trustee administration reimbursements (refer to note 5 and note 20(e)). Subsequent to SFT, SMT was wound up and SMT's net assets, members' benefit liabilities and reserves were transferred to LGIAsuper. Administration expenditure has decreased in the current year due to cost efficiencies achieved from operating as a combined fund.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 8. Investments and derivatives

	2024 $'000	2023 $'000
Cash and cash equivalents for investing activities		
Cash accounts	3,230,415	2,596,745
Futures deposit accounts	75,292	58,583
Total cash and cash equivalents for investing activities	**3,305,707**	**2,655,328**
Fixed interest securities		
Discount securities	11,023	78,104
Corporate bonds	104,621	275,367
Floating rate notes	85,115	317,151
Government and semi-government bonds	255,522	438,519
Other fixed interest securities	48,733	126,628
Total fixed interest securities	**505,014**	**1,235,769**
Listed equity investments and trusts		
Equity investments	16,657,471	14,751,625
Property, Infrastructure and other trusts	1,111,343	1,007,753
Total listed equity investments and trusts	**17,768,814**	**15,759,378**
Unlisted equity investments and trusts		
Equity investments	9,337,570	8,751,978
Property, Infrastructure and other trusts	1,598,786	2,195,298
Total unlisted equity investments and trusts	**10,936,356**	**10,947,276**
Life insurance policies		
Life insurance policies	379,262	410,295
Total life insurance policies	**379,262**	**410,295**

Note 8. Investments and derivatives (continued)

	2024 $'000	2023 $'000
Derivative assets		
Futures	6,335	5,911
Swaps floating	-	166,164
Swaps fixed	-	322,997
Forward foreign exchange	193,183	11,562
Total derivative assets	**199,518**	**506,634**
Total investment assets	**33,094,671**	**31,514,680**
Derivative liabilities		
Futures	(4,684)	(19,831)
Swaps floating	-	(337,460)
Swaps fixed	-	(154,693)
Forward foreign exchange	(19,767)	(87,749)
Total derivative liabilities	**(24,451)**	**(599,733)**
Other financial assets		
Investment revenue receivable	92,347	101,757
Other receivables/unsettled trades	89,359	79,491
Other financial liabilities		
Other payables/unsettled trades	(70,185)	(216,710)
Net investment assets	**33,181,741**	**30,879,485**

The use of derivative swaps has reduced following the termination of a fund manager during the product harmonisation and simplification program.

Note 8. Investments and derivatives (continued)

Financial instruments

(i) *Classification*

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

(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 Consolidated income statement.

Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through the Consolidated income statement are measured at fair value. Gains and losses are presented in the Consolidate income statement in the period in which they arise as net changes in the fair value of financial instruments.

(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.

(v) *Significant accounting estimates and assumptions*

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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, have little price transparency and require varying degrees of judgement depending on liquidity and uncertainty of market factors. These instruments are fair valued using alternative valuation techniques.

Valuation techniques use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require some degree of estimation. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Investment in life insurance policies are based on the current surrender value advised by the insurer. Life insurance policy investments are held in trusts. Investments backing these policies are investments in funds that invest in cash, corporate bonds, government bonds, infrastructure and property.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 8. Investments and derivatives (continued)

(a) 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 over the counter derivatives using valuation models.

Level 3: one or more of the significant inputs are not based on observable market data, examples include implied unit prices, capitalisation rates, earnings multiples and recent comparable market transactions. The Trustee generally values units in unit trusts classified as level 3 instruments using the implied unit price provided by the underlying fund manager unless there is a specific verifiable reason to vary from the unit price provided. The level 3 unit trusts held by the Fund may include closed funds which are illiquid investments. The level 3 unit trusts hold assets such as property and private equity.

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.

30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Listed equities and trusts	17,765,980	1,097	1,737	17,768,814
Unlisted trusts	-	7,995,141	2,941,215	10,936,356
Fixed interest securities	371	491,374	13,269	505,014
Life insurance policies	-	379,262	-	379,262
Derivatives	6,335	193,183	-	199,518
Financial liabilities	-	-	-	-
Derivatives	(4,684)	(19,767)	-	(24,451)
Total	**17,768,002**	**9,040,290**	**2,956,221**	**29,764,513**

Investments not included in the above table are cash, cash equivalents, deposits and short-term receivables and payables as the carrying amount is a reasonable approximation of fair value.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 8. Investments and derivatives (continued)

(a) Fair value hierarchy (continued)

30 June 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Listed equities and trusts	15,759,118	260	-	15,759,378
Unlisted equities and trusts	-	7,771,253	3,176,023	10,947,276
Fixed interest securities	501	1,217,293	17,975	1,235,769
Life insurance policies	-	410,295	-	410,295
Derivatives	5,911	500,723	-	506,634
Financial liabilities				
Derivatives	(11,176)	(588,557)	-	(599,733)
Total	**15,754,354**	**9,311,267**	**3,193,998**	**28,259,619**

Investments not included in the above table are cash, cash equivalents, deposits and short-term receivables and payables as the carrying amount is a reasonable approximation of fair value.

(b) A reconciliation of movements in Level 3 of the fair value hierarchy between the beginning and end of the reporting period is disclosed in the following table:

30 June 2024	Listed equities and trusts $'000	Unlisted equities and trusts $'000	Fixed interest securities $'000	Total $'000
Balance at 1 July 2023	-	3,176,023	17,975	3,193,998
Purchases	6,732	112,800	-	119,532
Sales	(5,698)	(294,150)	(3,190)	(303,038)
Transfers into level 3	356	-	93	449
Transfers out of level 3	-	-	(258)	(258)
Unrealised gains/(losses)	(3,907)	83,434	258	79,785
Realised gains/(losses)	4,254	(136,892)	(1,609)	(134,247)
Balance at 30 June 2024	**1,737**	**2,941,215**	**13,269**	**2,956,221**

Note 8. Investments and derivatives (continued)

(b) A reconciliation of movements in Level 3 of the fair value hierarchy between the beginning and end of the reporting period is disclosed in the following table (continued):

30 June 2023	Listed equities and trusts $'000	Unlisted equities and trusts $'000	Fixed interest securities $'000	Total $'000
Balance at 1 July 2022	-	3,481,013	30,996	3,512,009
Purchases	181	183,362	-	183,543
Sales	-	(537,307)	(12,824)	(550,131)
Transfers into level 3	10,978	-	253	11,231
Transfers out of level 3	-	-	-	-
Unrealised gains/(losses)	(11,159)	51,198	(94)	39,945
Realised gains/(losses)	-	(2,243)	(356)	(2,599)
Balance at 30 June 2023	**-**	**3,176,023**	**17,975**	**3,193,998**

Valuation inputs and relationship to fair value

The Fund has an Asset Valuation Policy which sets out its approach to determining the carrying value of investment assets. The Asset Valuation Policy is governed by the Trustee appointed Investment Committee and describes the Fund's use of asset valuations calculated by investment managers or other third parties.

Valuations of unlisted investment assets are conducted by the Fund's investment managers, or their administrators or responsible entities, notwithstanding that the ultimate responsibility lies with the Trustee. The inputs used to calculate valuations for these investments include discount cash flow models and observable transactions in similar securities.

The following table summarises quantitative information about significant unobservable inputs used in level 3 fair value measurements. See (a) above for the valuation techniques adopted.

	Valuation approach	Key unobservable inputs	Inter-relationship between unobservable inputs and fair value
Equity securities	Last traded price	Trading price	Less actively traded equities or trading in less developed markets may alter the fair value
Unlisted unit trusts	Investment manager - net asset value/ redemption price	Unit prices/valuation of underlying investments	Increase/(reduction) in the value of Fund investments will result in higher/(lower) fair values
Fixed interest securities	Discounted cashflow	Face value and interest rate of notes/bonds	Increase/(decrease) in interest rate results in an increase/(decrease) in fair value
Derivatives	Pricing models	Yields, cash flows, volatility, default probability	Higher/(lower) yields, cash flows and counterparty credit quality will result in higher/(lower) fair values

Note 8. Investments and derivatives (continued)

(c) Movements between levels in the fair value hierarchy are as follows:

30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Listed equities and trusts	(1,429)	1,073	356	-
Unlisted unit trusts	-	-	-	-
Fixed interest securities	-	165	(165)	-
Total	**(1,429)**	**1,238**	**191**	-

30 June 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Listed equities and trusts	-	(10,978)	10,978	-
Unlisted unit trusts	-	(253)	253	-
Fixed interest securities	-	-	-	-
Total	**-**	**(11,231)**	**11,231**	-

Note 9. Receivables/unsettled trades

	2024 $’000	2023 $’000
Investment revenue receivable		
Interest receivable	30,999	32,562
Dividends receivable	52,987	48,097
Trust distributions receivable	8,361	21,098
	92,347	**101,757**
Other		
Sundry & other debtors	4,807	5,412
Other receivables & unsettled trades	89,359	79,491
	94,166	**84,903**
Total	**186,513**	**186,660**

Receivable amounts are generally received within 30 days of being recorded as receivables. Recovery of receivables is reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 10. Intangible assets

	Goodwill $'000	Management Rights $'000	Computer software $'000	Total $'000
Opening balance 1 July 2022	7,668	25,560	1,367	34,595
Additions	-	-	-	-
Amortisation	-	(9,498)	(241)	(9,739)
Impairment	(7,668)	-	-	(7,668)
Closing balance 30 June 2023	**-**	**16,062**	**1,126**	**17,188**
Opening balance 1 July 2023	-	16,062	1,126	17,188
Additions	-	-	-	-
Amortisation	-	(16,062)	(221)	(16,283)
Impairment	-	-	(905)	(905)
Closing balance 30 June 2024	**-**	**-**	**-**	**-**

Recognition and measurement

The intangible assets are carried at cost, which includes direct and incremental acquisition costs less accumulated amortisation and any accumulated impairment for Goodwill. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. Otherwise, expenditure is recognised in the profit and loss in the year in which the expenditure is incurred. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit and loss. The Fund has determined the carrying amounts approximate net market value.

Goodwill

Goodwill represents the excess purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of SPSL. Goodwill is tested at least annually for impairment; more often where impairment indicators are present. Goodwill was fully impaired on the SFT of SPSL Master Trust (SMT). The net impact to the income statement was nil, due to the release of the associated deferred tax liability.

Management rights

Management rights were identified and valued as part of the acquisition of SPSL on 31 March 2021, being the right to receive a fee for managing and administering the members of SMT and SPSL Pooled Superannuation Trust (SPST). The fair value of the management rights on acquisition was assessed as $27.39M using the discounted forecast cash flows for the valuation. The discount rate applied was 21.6%. The amortisation period for the management rights had been assessed as 2.25 years being the period that the cashflows are expected to be realised over. Management rights were fully amortised in June 2024, reaching the end of their useful life of 2.25 years.

Note 10. Intangible assets (continued)

Computer software

Computer software represent capitalised costs associated with an IT software development project.

Amortisation/impairment of assets

Amortisation and impairment are calculated using the following method over the asset's estimated useful economic life.

	Amortisation / Impairment Method	Useful Life
Goodwill	Cash generating unit assessment	Indefinite
Management rights	Straight line	2.25 years
Computer software	Straight line	10 years

The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

See note 2(l) for the Funds policy regarding impairments.

Note 11. Payables/unsettled trades

	2024 $'000	2023 $'000
Other payables/unsettled trades	70,185	216,710
Sundry creditors	37,747	35,615
Total	**107,932**	**252,325**

Note 12. Member liabilities

(a) 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.

(i) *Defined contribution member liabilities*

Defined contribution member liabilities are calculated as the difference between the carrying amounts of assets and the carrying amounts of liabilities (including income tax liabilities) as at the reporting date.

(ii) *Defined benefit member liabilities*

Defined benefit member liabilities are measured as 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.

The valuation of accrued benefits for the Energy Defined Benefits, Regional Defined Benefits Fund and the City Defined Benefits Fund were undertaken by the actuary as part of an actuarial review as at 30 June 2024. Together, with the latest data set and actuarial assumptions, this review has been used as the basis for determining the accrued benefits at 30 June 2024. The actual triennial review was last conducted in December 2021.

Note 12. Member liabilities (continued)

(b) Defined contribution member liabilities

Defined contribution members liabilities are disclosed in two categories in the Consolidated statement of changes in member benefits (DC member liabilities and included in City DB and DC member liabilities) and bear the investment risk relating to the underlying investment options.

(c) Unallocated to members

Amounts unallocated to members of $11M (2023: ($21M)) primarily represent timing differences arising from soft close unit prices being applied to member account balances and hard close unit prices used for accounting purposes at reporting date.

(d) Significant estimates

The Fund has identified two assumptions (discount rate and rate of salary adjustment) for which changes are reasonably possible and would have a material impact on the amount of the defined benefit liabilities.

(i) *Discount rate*

The assumed discount rate for the three plans has been determined by reference to the investment returns expected on the investment portfolio which reflects the Fund's actual investments and investment strategy in respect of defined benefit member liabilities. The assumed discount rate is the same for each of the three defined benefit plans.

(ii) *Rate of salary adjustment*

Member benefits in each of the Fund's three defined benefit plans are based on an average of each member's salary at specified anniversary dates in each of the last three years of their expected membership of their plan. The assumed annual salary adjustments for each of the Fund's three plans has been determined by reference to the Wage Price Index produced by the Australian Bureau of Statistics and in consultation with the employer-sponsors.

Note 12. Member liabilities (continued)

The Trustee considers the potential impact of changes to key variables about which assumptions need to be made. The following are sensitivity calculations for each of the discount rate and rate of salary assumptions used for the Defined Benefit Funds.

Defined benefit fund	Assumption	Assumed at reporting date		Reasonably possible change		Change in member benefit liability	
		2024	2023	2024	2023	2024 $'000	2023 $'000
Energy Defined Benefits	Discount rate	6.30%	6.00%	1.0%/(1.0%)	1.0%/(1.0%)	(46,852)/53,924	(46,889)/53,835
	Salary adjustment rate	4.50%	4.50%	1.0%/(1.0%)	1.0%/(1.0%)	50,388/(44,200)	50,362/(44,284)
Regional Defined Benefits Fund	Discount rate	6.30%	5.50%	1.0%/(1.0%)	1.0%/(1.0%)	(3,010) / 3,010	(3,246) / 3,637
	Salary adjustment rate	4.00%	4.00%	1.0%/(1.0%)	1.0%/(1.0%)	0 / 0	260 / 163
City Defined Benefits Fund	Discount rate	6.30%	5.50%	1.0%/(1.0%)	1.0%/(1.0%)	(1,579) / 1,580	(1,582) / 1,758
	Salary adjustment rate	4.00%	4.00%	1.0%/(1.0%)	1.0%/(1.0%)	1,062 / (1,062)	1,178 / (1,091)

At year end, the Accrued Benefits Index for the Energy Defined Benefits was 94.1% (2023: 95.7%), Regional Defined Benefits Fund was 100.0% (2023: 99.3%), and City Defined Benefits Fund was 93.7% (2023: 95.0%).

(e) Defined Benefit Funds that are over funded

For the three defined benefit superannuation funds, there were no unexpected events that changed defined benefit member liabilities materially. The Trustee has no information that would lead it to adjust the assumptions around pension index rates, resignations and mortality, which are all unchanged from the previous reporting period.

The Fund’s three defined benefit funds are over-funded by the amounts disclosed below:

	2024 $’000	2023 $’000
Energy Defined Benefits Fund	323,749	371,114
Regional Defined Benefits Fund	67,802	68,711
City Defined Benefits Fund	24,788	25,574
Total	**416,339**	**465,399**

All defined benefits continue to remain in surplus. A defined benefit holiday is in place for City and Energy Defined Benefit employers. The Regional Defined Benefit employers are contributing at the rate recommended by the actuary.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 13. Insurance arrangements

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

The Fund collects premiums from members on behalf of the insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim to, or for the benefit of the member. Therefore, insurance premiums are not revenues or expenses of the Fund and do not give rise to insurance contract liabilities. Insurance premiums charged to members' accounts are recognised in the Statement of changes in members' benefits.

Note 14. Reserves

(i) *Operational Risk Reserve*

The Operational Risk Financial Reserve (ORFR) may be used in certain circumstances to address operational risk events or claims against the Fund arising from operational risk in accordance with SPS 114. The Trustee has assessed an ORFR target of 0.25% (2023: 0.25%) of funds under management as appropriate for the Fund.

(ii) *General Reserve*

The General reserve is maintained to ensure that LGIAsuper remains solvent should expenditures exceed fees charged to members, as well as supporting LGIAsuper's sustainability over time by funding strategic initiatives which deliver net benefits to members. The General reserve assists with the management of the operational risks of the Fund, including meeting losses from events not covered by insurance, and not met from the ORFR. The reserve supports expenses and capital investments in technology assets to enhance the efficiency of LGIAsuper's operations and supports investments in new products or enhancements to existing products.

(iii) *Returning Reserve*

As part of the merger with Energy Super, a general reserve equalisation process was undertaken which resulted in a reserve for the future benefit of pre-1 July 2021 members. A further general reserve equalisation process was completed in the current year. A $4.7M distribution was made from this reserve in the year with the balance expected to be distributed over a period of 10 years unless utilised for other approved purposes.

(iv) *Other Reserve and Balances*

As part of the transition of Energy Super to public offer status, self-insurance arrangements ceased from 1 November 2009, and from that date, death, total and permanent disablement (TPD) benefits, and total and temporary disablement (TTD) benefits for defined benefit members were covered by external insurers. Funds were retained in reserves to cover known and contingent claims. As at 30 June 2024, the total balance of this reserve remaining is $3.1M, which will be distributed to eligible defined benefit employers once all claims have been finalised.

During the year ended 30 June 2018, Energy Super undertook a segregation of its assets supporting pension members, a reserve was created at the time of segregation. As part of the Energy Super SFT on 1 July 2022, this reserve was transferred into other reserves or balances. Subsequently, the assets were desegregated, the reserve is now no longer required and has been amalgamated into the General reserve in the current year.

There have been no further transfers into this reserve.

(v) *Unallocated surplus*

Amounts unallocated to members and disclosed in reserves was $115M (2023: $47M). This represents residual net assets supporting the fund operations.

Transfers in and out of the reserves are made only at the authorisation of the Trustee and in accordance with the Fund's reserve policies.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 15. Income tax

Taxation of the Fund

The Fund is a complying superannuation fund for the purposes of the provisions of the Income Tax Assessment Act. Accordingly, the concessional tax rate of 15% has been applied to the Fund's taxable income. However, the Fund also controls a number of corporate subsidiaries that are subject to income tax at a rate of 30%. A list of the subsidiaries which have been consolidated for financial accounting purposes are included in note 2(b)(i).

(i) Income tax (benefit)/expense

	2024 $'000	2023 $'000
Current tax on profits for the year	(21,452)	(19,784)
Adjustments for current income tax of prior periods	(2,519)	17,362
Total current tax (benefit)/expense	**(23,971)**	**(2,422)**
Decrease/(increase) in deferred tax assets	9,592	17,544
(Decrease)/increase in deferred tax liabilities	152,036	115,891
Total deferred tax expense/(benefit)	**161,628**	**133,435**
Total tax expense/(benefit)	**137,657**	**131,013**

(ii) Reconciliation of income tax expense to prima facie tax payable

	2024 $'000	2023 $'000
Operating result before income tax expense	**2,762,823**	**2,219,411**
Tax at the rate of 15%	414,106	334,438
Tax at the rate of 30%	633	(3,053)
Non-deductible expenses	23,229	27,073
Other non-assessable income	(45,482)	(39,051)
Dividend imputation and foreign tax credits (net)	(115,006)	(87,850)
Discount on capital gains	(20,712)	(8,556)
Adjustments for current tax of prior periods	(2,519)	17,362
Other movements in deferred tax assets/deferred tax liabilities (net)	(116,592)	(109,350)
Income tax expense/(benefit)	**137,657**	**131,013**

Note 15. Income tax (continued)

	2024 $'000	2023 $'000
Deferred income tax		
Deferred income tax at 30 June relates to the following:		
Deferred income tax liabilities		
Taxable temporary differences – assets subject to CGT	564,796	410,483
Taxable temporary differences – other assets	373	2,650
	565,169	**413,133**
Movements:		
Opening balance at 1 July	413,133	279,654
Acquisition of SPSL	-	17,588
Charged/(credited) to the Consolidated income statement	152,036	115,891
Closing balance at 30 June	**565,169**	**413,133**

	2024 $'000	2023 $'000
Deferred income tax assets		
Taxable temporary differences – assets subject to CGT	2,615	15,886
Taxable temporary differences – other assets	6,140	1,228
	8,755	**17,114**
Movements:		
Opening balance at 1 July	17,114	34,658
Charged/(credited) to the Consolidated income statement	(9,592)	(17,544)
Current year losses	1,233	-
Closing balance at 30 June	**8,755**	**17,114**
Net deferred tax liability	**556,414**	**396,019**

Income tax in the Statement of financial position for the year comprises current and deferred tax.

Current income tax expense is the expected tax payable on the taxable income for the year using the concessional tax rate of 15% for Fund income and all other subsidiaries (refer to note 2(b)(i)) expected tax payable on the taxable income for the year using the corporate tax rate of 30% for the income.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Note 15. Income tax (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 16. Cash flow statement reconciliation

	2024 $'000	2023 $'000
Cash at bank	222,368	199,521
Reconciliation of net cash from operating activities to net profit after Income tax		
Profit/(loss) after income tax	29,657	(111,103)
Adjustments for:		
Purchases of financial assets	(13,934,188)	(7,358,052)
Sales of financial assets	13,416,917	6,645,485
Purchases/(sale) of other assets	1,639	(381)
Net change in fair value of financial instruments	(1,792,440)	(1,288,183)
Depreciation, impairment and amortisation	21,379	20,991
Increase/(decrease) in employee provisions	(3,168)	2,932
Increase/(decrease) in lease liabilities	(3,083)	(2,916)
Net benefits allocated to defined contribution members	2,513,060	2,071,075
Net change in defined benefit member benefits	82,449	128,426
Insurance premiums paid	(242,399)	(103,081)
Insurance proceeds received from insurer	67,442	45,265
Change in operating assets/liabilities		
(Increase)/decrease in receivables	4,923	(27,518)
(Decrease)/increase in payables	1,315	11,205
Increase/(decrease) in income tax payable	162,350	141,890
Net cash outflows from operating activities	**325,853**	**176,035**

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

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 17. Financial instruments and risk management

The Trustee holds overall responsibility for risk management within the Fund's business operations. The Trustee and management recognise that effective risk management is critical to the achievement of the Fund's objectives. The Risk and Compliance Committee (RCC) has delegated authority from the Board to oversee the adequacy and effectiveness of the risk management frameworks and processes within the Fund.

The Fund has a Risk Management Framework (RMF), which includes the Risk Management Strategy (RMS) and Risk Appetite Statement (RAS), and which are reviewed annually by the RCC and approved by the Trustee. The RMF is the totality of systems, structures, policies, processes and people within the Fund's business operations that identifies, assesses, manages, mitigates and monitors all internal and external sources of risk that could have a material impact on the Fund's business operations or the interests of members. The RMF was adopted by the Trustee and Management for managing risks within the Fund's business as required by APRA Prudential Standard SPS 220 Risk Management, and the requirements of the *Superannuation Industry (Supervision) Act 1993 (SIS Act)*.

The Fund also has an Investment Governance Framework (IGF) established by the Trustee. This Framework sets out the Trustees' 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. The IGF is reviewed by Investment Committee and approved by the Trustee.

The following disclosures are made in respect of the Fund's exposure to variety of financial risks: market risk (including price risk, currency risk, and interest rate risk, credit risk and liquidity risk).

(a) Market risk

(i) *Foreign exchange risk*

The Fund operates internationally and has assets and liabilities denominated in currencies other than Australian Dollars. Foreign exchange risk arises as the value of securities denominated in foreign currencies fluctuates due to changes in exchange rates.

The Fund's policy is to economically hedge up to 100% of direct foreign currency exposure in the property, infrastructure, fixed income and alternative sectors and 15% of its currency exposure in the global equities sector, using forward foreign exchange contracts.

The table below summarises the Fund's financial assets and liabilities gross exposure to foreign currencies less the amount foreign exchange/derivative hedging. Through foreign exchange forward hedging, the Fund uses both the USD and EUR currencies as a proxy hedge against other comparative currencies. The exposures below have been grouped by the proxy hedged groups.

	USD Group[1]	EUR Group[2]	Other	Total net exposure
30 June 2024	**$'000**	**$'000**	**$'000**	**$'000**
Net exposure	(25,775)	(123,496)	117,263	(32,008)

	USD Group[1]	EUR Group[2]	Other	Total net exposure
30 June 2023	**$'000**	**$'000**	**$'000**	**$'000**
Net exposure	901,139	40,541	87,109	1,028,789

1. Included in the USD Group net exposure includes the following comparative currencies proxy hedged by the USD (listed below if exceeding $20M exposure): Canadian Dollar, Chinese Yuan, Hong Kong Dollar, Indian Rupee, Japanese Yen, South Korean Won, Thai Baht and Taiwan Dollar.

2. Included in the EUR Group net exposure includes the following comparative currencies proxy hedged by the EUR (listed below if exceeding $20M exposure): Swiss Francs, Danish Krone, Great British Pound, Swedish Krona and South African Rand.

Note 17. Financial instruments and risk management (continued)

(a) Market risk (continued)

(ii) *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.

	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
30 June 2024				
Assets				
Cash at bank	222,368	-	-	222,368
Cash and cash equivalents for investing activities	1,306,981	1,998,726	-	3,305,707
Fixed interest securities	125,222	379,792	-	505,014
Listed equity investments and trusts	-	-	17,768,814	17,768,814
Unlisted equity investments and trusts	-	-	10,936,356	10,936,356
Life insurance policies	-	-	379,262	379,262
Derivatives	3,077	-	196,441	199,518
Other financial assets	-	-	181,706	181,706
	1,657,648	**2,378,518**	**29,462,579**	**33,498,745**
Liabilities				
Derivatives	(3,206)	-	(21,245)	(24,451)
Other financial liabilities	-	-	(70,185)	(70,185)
	(3,206)	**-**	**(91,430)**	**(94,636)**
Total	**1,654,442**	**2,378,518**	**29,371,149**	**33,404,109**

	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
30 June 2023				
Assets				
Cash at bank	199,521	-	-	199,521
Cash & cash equivalents for investing activities	846,074	1,809,254	-	2,655,328
Fixed interest securities	514,942	720,827	-	1,235,769
Listed equity investments and trusts	-	-	15,759,378	15,759,378
Unlisted equity investments and trusts	-	5,609	10,941,667	10,947,276
Life insurance policies	-	-	410,295	410,295
Derivatives	493,684	-	12,950	506,634
Other financial assets	-	-	181,248	181,248
	2,054,221	**2,535,690**	**27,305,538**	**31,895,449**
Liabilities				
Derivatives	(510,324)	-	(89,409)	(599,733)
Other financial liabilities	-	-	(216,710)	(216,710)
	(510,324)	**-**	**(306,119)**	**(816,443)**
Total	**1,543,897**	**2,535,690**	**26,999,419**	**31,079,006**

Note 17. Financial instruments and risk management (continued)

(a) Market risk (continued)

(iii) *Price risk*

The Fund is exposed to securities and derivative price risk. This arises from investments held by the Fund for which prices in the future are uncertain. At 30 June, the fair value of securities exposed to price risk were as follows:

	2024 $'000	2023 $'000
Australian equities	14,306,307	14,174,413
International equities	11,334,536	9,825,468
Australian and international listed property	958,148	845,525
Asset backed securities	40,079	136,685
Life insurance policies	379,262	410,295
Australian and international infrastructure	2,106,800	1,861,239
Total	**29,125,132**	**27,253,625**

(b) Summarised sensitivity analysis

The Trustee has considered the impact financial market volatility on the Fund's significant estimates and judgements, the carrying values of its investments and financial risk management framework. Key considerations are as follows:

Significant estimates and judgements

In preparing these financial statements, the Trustee has taken into account judgements, estimates and assumptions that affect the amounts reported in the financial statements. These estimates and judgements are continually evaluated and are based on historical experience and various other factors, including reasonable expectations of future events. As such, actual results could differ from those estimates.

Note 17. Financial instruments and risk management (continued)

(b) Summarised sensitivity analysis (continued)

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 advice from the Fund's asset consultants, 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, historical variations in risk variables should not be used to predict future variations in the risk variables.

Price risk

Volatility factors – by asset class	2024	2024	2023	2023
	Reflects higher asset prices	Reflects lower asset prices	Reflects higher asset prices	Reflects lower asset prices
Australian equities	14%	(14%)	14%	(14%)
International equities	16%	(16%)	15%	(15%)
Australian and international listed property	16%	(16%)	15%	(15%)
Asset backed securities	7%	(7%)	7%	(7%)
Life insurance policies	5%	(5%)	5%	(5%)
Australian and international infrastructure	11%	(11%)	12%	(12%)
	$'000	$'000	$'000	$'000
Effect on net assets available to pay benefits	**4,223,230**	**(4,223,230)**	**3,838,499**	**(3,838,499)**

Note 17. Financial instruments and risk management (continued)

(b) Summarised sensitivity analysis (continued)

Interest rate risk

Volatility factors	2024	2024	2023	2023
	Reflects higher asset prices	Reflects lower asset prices	Reflects higher asset prices	Reflects lower asset prices
Australian sovereign bonds	0.74%	(0.74%)	0.68%	(0.68%)
Australian corporate bonds	0.74%	(0.74%)	0.68%	(0.68%)
International sovereign bonds	0.74%	(0.74%)	0.68%	(0.68%)
International corporate bonds	0.74%	(0.74%)	0.68%	(0.68%)
Australian real yields	0.74%	(0.74%)	0.68%	(0.68%)
International real yields	0.74%	(0.74%)	0.68%	(0.68%)
	$'000	$'000	$'000	$'000
Effect on net assets available to pay benefits	**29,844**	**(29,844)**	**27,741**	**(27,741)**

Foreign exchange risk

	Volatility factor %	Volatility factor %	Effect on net assets available to pay benefits $'000	Effect on net assets available to pay benefits $'000
	Reflecting a stronger AUD	Reflecting a weaker AUD	Gain/(loss) on stronger AUD	Gain/(loss) on weaker AUD
30 June 2024				
USD Group	7.00%	(7.00%)	1,804	(1,804)
EUR Group	7.00%	(7.00%)	8,645	(8,645)
Other	7.00%	(7.00%)	(8,208)	8,208
			2,241	**(2,241)**
30 June 2023				
USD Group	8.00%	(8.00%)	(72,091)	72,091
EUR Group	8.00%	(8.00%)	(3,243)	3,243
Other	8.00%	(8.00%)	(6,969)	6,969
Total			**(82,303)**	**82,303**

Note 17. Financial instruments and risk management (continued)

(c) 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 of. The Fund's assets include investments in unlisted investments, property and infrastructure, which are not traded in an organised public market, and which generally may be illiquid. As a result, the Fund may not be able to liquidate some investments at an amount close to their fair value in order to meet immediate liquidity requirements.

(i) *Maturities of financial liabilities*

The tables below show the Fund's financial liabilities based on their contractual maturities using undiscounted cash flows. Liabilities to defined contribution members are payable upon request. Liabilities to defined benefit members are payable upon the member meeting a vesting condition (such as resignation or retirement) in accordance with the terms of the Fund's Trust Deed. The Fund considers it is highly unlikely that all liabilities to members would fall due at the same time.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 17. Financial instruments and risk management (continued)

(c) Liquidity risk (continued)

(i) *Maturities of financial liabilities (continued)*

30 June 2024	Less than 1 month $'000	1–3 months $'000	3–12 months $'000	1–5 years $'000	More than 5 years $'000	Total $'000
Non-derivatives						
Payables/unsettled trades	(107,932)	-	-	-	-	(107,932)
Accrued employee entitlements	(7,160)	(33)	(269)	(413)	-	(7,875)
Lease liability	(319)	(638)	(2,524)	(8,387)	-	(11,868)
Unallocated member liabilities	(10,700)	-	-	-	-	(10,700)
Defined contribution member liabilities	(30,627,827)	-	-	-	-	(30,627,827)
Total non-derivatives	**(30,753,938)**	**(671)**	**(2,793)**	**(8,800)**	**-**	**(30,766,202)**
Gross settled derivatives						
Inflow	1,406,900	4,120,127	5,322,080	2,502	-	10,851,609
(Outflow)	(1,400,752)	(4,035,007)	(5,238,281)	(2,502)	-	(10,676,542)
Net settled derivatives	**6,148**	**85,120**	**83,799**	**-**	**-**	**175,067**

30 June 2023	Less than 1 month $'000	1–3 months $'000	3–12 months $'000	1–5 years $'000	More than 5 years $'000	Total $'000
Non-derivatives						
Payables/unsettled trades	(252,325)	-	-	-	-	(252,325)
Accrued employee entitlements	(5,063)	(4,598)	(112)	(424)	-	(10,197)
Lease liability	(312)	(624)	(2,147)	(11,868)	-	(14,951)
Unallocated member liabilities	20,695	-	-	-	-	20,695
Defined contribution member liabilities	(28,486,420)	-	-	-	-	(28,486,420)
Total non-derivatives	**(28,723,425)**	**(5,222)**	**(2,259)**	**(12,292)**	**-**	**(28,743,198)**
Gross settled derivatives						
Inflow	1,663,040	3,463,573	3,532,858	217,114	243,521	9,120,106
(Outflow)	(1,675,784)	(3,463,778)	(3,610,923)	(214,696)	(248,024)	(9,213,205)
Net settled derivatives	**(12,744)**	**(205)**	**(78,065)**	**2,418**	**(4,503)**	**(93,099)**

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 17. Financial instruments and risk management (continued)

(d) 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, arise 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, amounts due from brokers and other receivables.

(i) *Fixed interest securities*

The Fund invests in fixed-interest securities which are rated by market recognised rating agencies. For unrated assets the Trustee assesses credit risk using an approach similar to that used by rating agencies. An analysis of fixed interest securities by rating is set out in the following table.

	AAA to AA $'000	A+ to A– $'000	BBB+ to B- $'000	CCC+ to CCC- $'000	Not Rated $'000	Total $'000
2024	163,592	170,235	157,617	628	12,942	505,014
2023	308,086	411,998	487,632	9,089	18,964	1,235,769

(ii) *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.

(iii) *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 A+ (as determined by Standard and Poor's) or higher.

(iv) *Assets in custody*

Substantially all of the Fund's assets are held in custody by National Australia Bank (rated AA-), which also manages clearing and depository function for the Fund's security transactions. The financial position and credit quality of the custodian is monitored by the Trustee.

(v) *Assets in life insurance policies*

Life insurance policies are held with TAL Life Limited who is wholly owned by the Dai-Ichi Life Group (rated A+), the financial position and credit quality of the TAL Life Limited is monitored by the Trustee.

(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 but not impaired.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 18. Structured entities

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 investee funds finance their operations by issuing redeemable shares which are puttable at the holder's option and entitle the holder to a proportional stake in the respective fund's net assets.

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

	Fair value of investment 2024 $'000	Fair value of investment 2023 $'000
Australian property funds	1,387,346	1,678,402
Australian infrastructure funds	1,363,303	1,361,261
Australian alternative funds	1,396,451	1,757,525
Australian fixed interest	3,762,118	2,154,805
Australian equity funds	70,150	139,379
International infrastructure funds	743,497	704,095
International property funds	366,167	361,234
International alternative funds	1,048,043	1,099,182
International equity funds	570,839	1,442,193
Other	228,442	243,592
Total	**10,936,356**	**10,941,668**

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, net fair value loss on investments in investee funds was $178.4M (2023: net fair value loss $15.8M).

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 19. Auditors' remuneration

	2024 $	2023 $
Auditors of the Fund – PwC and related network firms:		
Assurance services		
- Audit of financial statements and APRA return	545,242	694,769
Non - assurance services		
- Taxation services	458,735	580,637
- Taxation services – Other PwC Network	48,257	49,050
- Other consulting services for merger related activities	15,801	103,083
- Other consulting services	-	77,303
Total	**1,068,035**	**1,504,842**

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 20. Related parties

Key management personnel include both Directors and Executives who have authority and responsibility for planning, directing and controlling the activities of the Fund.

(a) Directors

The following persons were Directors of LGIAsuper Trustee for the year ended 30 June 2024:

Director	Director and committee member	Representative body	Appointment date	Resignation/ term expired date
Mr J Smith	Chair and committee member	Independent	1 December 2013 1 October 2016-Chair	
Mr R Dewhurst	Director and committee member	Independent	6 June 2018	
Mr M Jamieson	Director and committee member	Employer representative	1 July 2018	
Mr G Hallam AM PSM	Director and committee member	Employer representative	1 October 2020	
Ms T Dyson	Director and committee member	Employer representative	1 July 2021	
Ms M Collopy	Director and committee member	Employer representative	1 June 2023	
Mr R Burton PSM	Director and committee member	Member representative	1 July 2018	
Ms J Thomas	Director and committee member	Member representative	1 July 2021	
Mr P Scott	Director and committee member	Member representative	1 January 2023	30 September 2023
Mr H Capra	Director and committee member	Member representative	1 June 2023	
Ms N Traill	Director	Member representative	9 April 2024	

Note 20. Related parties (continued)

To assist the Trustee in their functions, specialist advisors to Trustee committees have been appointed by the Trustee.

The following persons were specialist advisors to Trustee committees for the year ended 30 June 2024:

Name	Position	Committee	Appointment date	Resignation date
Mr A Cormie	Specialist Advisor	Investment Committee	2 February 2017	12 October 2023
Mr J Wilson	Specialist Advisor	Investment Committee	6 February 2019	
Mr R Wood	Specialist Advisor	Investment Committee	1 July 2021	
Mr P Kazacos OAM	Specialist Advisor	Technology Oversight Committee	1 January 2024	

(b) Executives

The Chief Executive Officer (CEO) is appointed by LGIAsuper Trustee. The CEO in turn appoints the executives.

The following persons were executives of LGIAsuper Trustee for the year ended 30 June 2024:

	Position	Appointment date	Resignation date	Employment terms
Ms K Farrar	Chief Executive Officer	16 April 2018		Executive contract
Mr G Hollier	Chief Financial Officer	3 September 2018		Executive contract
Mr R Gajanayake	Chief Technology Officer	6 August 2022		Executive contract
Mr S Chan	Chief Risk Officer	1 October 2019		Executive contract
Mr H McKellar	General Counsel and Company Secretary	1 July 2021	4 July 2023	Executive contract
Ms L Kay[1]	Chief Member Officer	1 July 2021		Executive contract
Mr S Marteene[1]	Chief Commercial Officer	1 July 2021		Executive contract
Mr M Rider	Chief Investment Officer	14 February 2022		Executive contract
Mr J Gyton[1]	Chief Operating Officer	1 April 2022		Executive contract
Ms A Kelsall	Chief People Officer	24 October 2022		Executive contract
Mr B Ingram	Company Secretary	4 July 2023		Executive contract

[1] During the year the executive team was restructured, Mr J Gyton was appointed Chief Operating Officer effective 1 October 2023, previously Chief Transformation Officer. Mr S Marteene was appointed Chief Commercial Officer effective 1 October 2023, previously Chief Operating Officer and Ms Lisa Kay was appointed Chief Member Officer effective 1 October 2023, previously Chief Experience Officer. Each of the executives held a key management role before and after the restructure and therefore their KMP term has been considered for the full financial year.

Note 20. Related parties (continued)

(c) Remuneration of Directors and Specialist Advisors

Directors

	2024 $'000	2023 $'000
Short-term benefits	1,030	1,372
Post-employment benefits	93	104
Total remuneration	**1,123**	**1,476**

Included in the remuneration to directors above is director fees paid to The Services Union $132,554 (2023: $118,850).

Specialist Advisors

	2024 $'000	2023 $'000
Short-term benefits	119	88
Post-employment benefits	1	3
Total remuneration	**120**	**91**

Governance of remuneration arrangements for Directors occurs through the Trustee. The Trustee considers industry practice, an external independent review and members' interests in setting Directors' fees. All Directors are reimbursed for reasonable expenses incurred while conducting business on behalf of the Fund.

All remuneration is paid directly to each Director or their nominated entity. The remuneration shown above is the full remuneration and no Director receives remuneration from related parties for their role as a Director of LGIAsuper Trustee.

(d) Remuneration of executives

	2024 $'000	2023 $'000
Short-term benefits	4,113	4,330
Long-term and post-employment benefits	437	284
Termination benefits	162	249
Total remuneration	**4,712**	**4,863**

For full remuneration details of key management personnel, refer to Remuneration Report.

Executives and management staff are employed under individual employment contracts. Remuneration is benchmarked with market rates for employees in the financial services industry each year or as and when required by the role.

Note 20. Related parties (continued)

(e) Other related party transactions

SPSL Master Trust (SMT) and SPSL Pooled Superannuation Trust (SPST)

Transactions between SPSL Limited and SMT and SPST consisted of fee revenue received for superannuation fund management services. All these transactions were on a normal commercial basis. Transactions with SMT ceased on 31 May 2023 on SFT. Effective 1 October 2023, LGIAsuper Trustee was appointed trustee for SPST (previously SPSL Limited), transactions between SPSL Limited and SPST ceased at this date. LGIAsuper Trustee as trustee of SPST entered into a services agreement with SPSL Services Pty Ltd (a consolidated subsidiary of the LGIAsuper group refer to note 2(b)(i)) and SPST, to provide superannuation fund management services to SPST. Transactions between SPSL Services Pty Ltd and SPST in relation to this agreement consisted of fee revenue received for superannuation fund management services from 1 October 2023.

	2024 $'000	2023 $'000
The aggregate amounts included in the determination of profit/(loss) before tax resulted from transactions with SMT and SPST are:		
Management and investment fees received or due and receivable	20	43,995
Trustee administration reimbursements received or due and receivable	-	17,373
Other expense paid or due and payable	(1)	1,735

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 21. Commitments and contingent liabilities

(a) Except for the liability for accrued benefits (refer note 12) there were no material contingent assets or liabilities of a significant value at balance date.

(b) The Fund's infrastructure and property investment programs result in the Fund entering into arrangements with investment managers which can result in undrawn commitments of less than one year.

Details of investment commitments are as follows:

	2024 $'000	2023 $'000
Not later than one year	1,364,464	965,180
Total	**1,364,464**	**965,180**

Note 22. Significant post balance date events

On 1 July 2024, LGIAsuper Trustee changed its legal name to Brighter Super Trustee. Effective from this date, all references relating to LGIAsuper will be updated to Brighter Super.

On 2 September 2024 the Fund's custodian and investment administration services transitioned from National Australia Bank Ltd to State Street Corporation. State Street Corporation has become a material outsource provider to the Fund.

On 1 August 2024 the LGIAsuper Trustee board approved the successor fund transfer of approximately 50,000 members of the Zurich OneCare Super and Wealth Protection insurance risk only products from the Smart Future Trust. The transfer is expected to occur 1 October 2024. The Zurich OneCare Super and Wealth Protection products will be become new products in LGIAsuper. Zurich Financial Services Limited will be appointed as the Fund administrator and insurer for these products and will be a material outsource provider to the Fund.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected the Fund's operations, results or state of affairs, or may do so in future years

Notes to and forming part of the financial statements for the year ended 30 June 2024

Note 23. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2024 $'000	2023 $'000
Total assets	33,518,014	32,200,485
Total liabilities	737,107	1,536,797
Net assets available for member benefits	32,780,907	30,663,688
Total member liabilities	32,023,279	29,928,990
Net assets	757,628	734,698
Reserves	757,628	734,698
Operating result after income tax	26,286	(102,599)

(b) Guarantees entered into by parent entity

The parent entity did not have any guarantees as at 30 June 2024 or 30 June 2023.

(c) Commitments and contingent liabilities of the parent entity

Except for the liability for accrued benefits (refer note 12) there were no material contingent assets or liabilities of a significant value at balance date.

Details of investment commitments are as follows (refer to note 21):

	2024 $'000	2023 $'000
Not later than one year	1,364,464	965,180
Total	**1,364,464**	**965,180**

(d) Determining the parent entity information

The financial information for the parent entity has been prepared on the same basis as the Consolidated financial statements except as set out below.

Investments in subsidiaries are accounted for at cost and dividends received from subsidiaries are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

Notes to and forming part of the financial statements for the year ended 30 June 2024

Trustees' declaration

In the opinion of the Directors of LGIAsuper Trustee as trustee for LGIAsuper:

(a) the accompanying financial statements and notes set out on pages 15 to 59 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), 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 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 the Board of Directors of LGIAsuper Trustee as trustee for LGIAsuper.

John Smith	**Teresa Dyson**
Chair	Director

24 September 2024
Brisbane

Independent auditor's report

To LGIAsuper Trustee, the Trustee of LGIAsuper (ABN: 23 053 121 564)

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of LGIAsuper (the RSE) is in accordance with the *Corporations Act 2001*, including:

a) 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 then ended

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated income statement for the year then ended
- the consolidated statement of changes in member benefits for the year then ended
- the consolidated statement of changes in reserves for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the Trustees' declaration.

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

Independence

We are independent of the RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

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Other information

The directors of the Trustee are responsible for the other information. The other information comprises the information included in the annual 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 accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 on the other information that we obtained prior to the date of this auditor's report, 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 directors of the Trustee for the financial report

The directors of the Trustee (the directors) are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are 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 directors either intend to liquidate the RSE or to cease operations, or have 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 the 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 at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of LGIAsuper 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Paul Collins
Partner

Brisbane
24 September 2024

right by your side

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