

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

ABN 98 415 348 576

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

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DIRECTORS' REPORT

The directors of Diversa Trustees Limited (the "Trustee"), as trustee for The Macquarie University Professorial Superannuation Scheme (the "Scheme"), submit herewith the annual report of the Scheme for the financial year ended 30 June 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors of the Trustee report as follows:

Principal activities

The Macquarie University Professorial Superannuation Scheme is operated for the purpose of providing retirement (pensions) benefits to members or in the case of the death of the member, to their beneficiaries.

No significant changes in the nature of the Scheme's activity occurred during the financial year.

Review of operations

During the financial year, the Scheme recorded net investment income of \$339K (2023: \$388K) and expenses of \$213K (2023: \$233K). The net assets available for members benefits equal to \$6,410K (2023: \$7,014K).

Volatility in investment markets, alongside high inflation and interest rates, has influenced the outcomes of superannuation activities. Throughout the financial year, the Scheme engaged in investments, with the carrying value of investments amounting to \$6,170K as at 30 June 2024 (2023: \$6,815K). Details regarding the valuation of the Scheme's assets are provided in Note 6 of the financial report.

The Scheme operates within a dynamic environment characterised by various risks that may impact its financial prospects. Embracing a risk management approach aligned with industry best practices and regulatory expectations, the Scheme aims to strike a balance between risk and reward for the benefit of its members. Key material business risks faced by the Scheme include:

Regulatory and Legislative Changes: The dynamic regulatory landscape governing superannuation undergoes frequent adjustments, potentially presenting challenges to compliance and operational effectiveness. The Trustee diligently monitors regulatory developments, proactively adapting to changes, and maintains robust governance frameworks. Furthermore, the Trustee adjusts its strategies and operations to align with evolving legal requirements.

Operational Risk: Operational risks include various factors, including those associated with the operations of the Trustee oversight model and its service providers delivering services to the Scheme. These risks may arise from deficiencies or failures in the governance processes, internal controls, or operational procedures related to the oversight of the Trustee's activities. Potential risks include inadequate oversight of investment decisions, compliance failures, conflicts of interest, and ineffective management of third-party service providers. To mitigate operational risks, we maintain rigorous governance frameworks, conduct regular assessments of the Trustee oversight model, implement robust internal controls, and foster a culture of accountability and transparency.

Climate Change: Climate change presents both physical and transitional risks to investments, affecting asset valuations and long-term sustainability. Environmental, social, and governance (ESG) developments, along with emerging risks and opportunities, may impact investment returns for members. This is an emerging risk and the Trustee will monitor any ESG developments to identify issues that may impact investment returns for members.

Changes in state of affairs

During the financial year, there was no significant change in the state of affairs of the Scheme.

Subsequent events

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Scheme as at 30 June 2024 or on the results and cashflows of the Scheme for the year ended on that date.

Future developments

Information about future developments in the operations of the Scheme and the expected results of those operations in future financial years have not been included in this report, as disclosure of the information would be likely to result in unreasonable prejudice to the Scheme.

There are no other future developments that the Scheme needs to disclose.

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the Investment Policy Statement. The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Environmental regulations

The Scheme's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. However, the Trustee believes that the Scheme has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they may apply to the Scheme.

Audit and non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are disclosed in the table below.

	2024 \$'000	2023 \$'000
Statutory assurance services required by legislation to be provided by the auditor	34	31
Other Services	6.5	-
Total	40	31

The auditor of The Macquarie University Professorial Superannuation Scheme is the Audit Office of New South Wales and during the financial year, the auditor did not provide non-audit services to the Scheme. Further details on the compensation paid to the auditor is provided in Note 17 Remuneration of auditors to the financial statements including details of audit-related services provided during the year is \$44K (2023: \$34K).

Indemnities and insurance premiums for officers or auditors

Under the Trust Deed, the Trustee including its officers and employees, is indemnified out of the Scheme's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Scheme.

The Scheme has not indemnified any auditor of the Scheme.

During the financial year the Trustee paid premiums in respect of its officers for professional indemnity insurance contracts for the year ended 30 June 2024. The Trustee has paid or agreed to pay in respect of the Scheme, premiums in respect of such insurance contracts for the year ending 30 June 2024. The Scheme did not reimburse the Trustee for such costs. Details of the nature of the liabilities covered or the amount of the premium paid have not been included as such disclosure is prohibited under the terms of the contracts.

Rounding of amounts

The Macquarie University Professorial Superannuation Scheme is an entity of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

REMUNERATION REPORT

The directors of the Trustee present the Remuneration Report for the Scheme for the year ended 30 June 2024. 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 Directors and the Key Management Personnel (KMP) of the Fund which includes persons who directly, indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Fund.

1. Remuneration objectives and principles

Our remuneration objectives and principles are firmly aligned with our commitment to both our members and colleagues. They serve as guiding principles in the development and implementation of our remuneration structures.

To ensure compliance with regulatory standards, the Trustee Board has established the Remuneration and Nomination Committee, as mandated by APRA Prudential Standards SPS 510 Governance (SPS 510) and CPS 511 Remuneration (CPS 511).

Our remuneration strategy undergoes an internal review on, at least, an annual basis, considering factors such as the size, complexity, and responsibilities of roles, individual performance and behaviour, as well as skills and experience consistent with our fiduciary duties and the best financial interests of our members. This review includes the utilisation of key performance indicators aligned with the trustee's strategic objectives and risk tolerance.

The policy may also be reviewed by an independent third party. No external review of the policy has been undertaken during the year.

2. Key management personnel

The directors of the Trustee and other key management personnel of the Trustee during the financial year were:

3. Directors of the Trustee

Name	Date of appointment	Status
V. Plant (Chairperson)	4 May 2017	Independent
A. Peterson	28 June 2019	Chief Executive Officer
F. McNabb	28 June 2019	Independent
R. Beard	18 February 2021 (Resigned 27 July 2024)	Independent
S. Thomas	15 August 2023	Non-Executive
M. Walter	26 June 2023	Independent

Other key management personnel

Name	Date of appointment	Position
J. Hartnett	14 February 2022	General Manager Office of Superannuation Trustees
J. Haymes	15 February 2022	General Manager Strategy
R. Griffith	12 July 2021	General Manager Investment Oversight & Board Company Secretary

The following section provides remuneration disclosures for the Key Management Personnel of the Trustee. As the Trustee manages multiple Schemes, the disclosed remuneration incorporates awards granted across all Schemes under its management, and as such, the amounts below are not specific to this Scheme alone. Directors of the Trustee and other key management personnel do not receive remuneration directly from the Scheme.

The executive remuneration and reward framework has three components:

- base pay;
- short-term discretionary bonuses; and
- other remuneration such as superannuation, annual leave and long service leave.

The combination of these comprises the executive's total remuneration.

FY24 remuneration for Directors and Key Management Personnel

2024	Short-term employee benefits		Post-employment benefits	Long-term employee benefits	Termination Benefits	Total Incl accrued leave entitlements
	Cash Salary & Fees	Cash Bonus	Superannuation	Annual and Long Service Leave*		
	\$	\$	\$	\$		
Directors of the Trustee						
V. Plant	\$220,000	-	\$24,200	-	-	\$244,200
A. Peterson	\$750,000	\$630,000	\$27,399	\$117,411	-	\$1,524,810
F. McNabb	\$155,000	-	\$17,050	-	-	\$172,050
R. Beard	\$161,096	-	\$17,721	-	-	\$178,817
S. Thomas	\$145,001	-	\$15,950	-	-	\$160,951
M. Walter	\$142,404	-	\$15,664	-	-	\$158,068
Other key management personnel						
J. Hartnett	\$252,317	\$45,669	\$27,399	\$18,883	-	\$344,268
J. Haymes	\$229,585	\$45,514	\$25,618	(\$5,587)	-	\$295,130
R. Griffith	\$393,068	\$79,511	\$25,125	\$41,458	-	\$539,162

*Annual Leave and Long Service Leave accrued during the year takes into consideration the impact of changes to the Superannuation Guarantee percentage. The amount represents the accrued amount less any time taken during the year and does not represent the amount paid.

4. Non Cash Benefits

The Trustee does not pay non-cash benefits to its Directors or Key Management Personnel.

5. Bonuses granted in the current financial year

Cash bonuses

Key management personnel were granted and paid cash bonuses totalling \$800,694. The cash bonus was given in recognition of the substantial effort to negotiate and implement trustee's strategy and these are discretionary in nature.

These bonuses are discretionary in nature and are based on the performance of individuals against financial and non-financial criteria as laid out in individual employee contracts. This performance is considered as part of the annual performance review process and the bonuses are subject to Executive approval. The bonus of the CEO is approved by the Remuneration and Nomination Committee.

6. Service agreements

Remuneration arrangements for executives are formalised through employment agreements. These agreements outline the terms and conditions of employment, including the structure of remuneration packages and performance criteria.

7. Director's resolution

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



V. Plant
Chairperson
Melbourne, 30th September 2024



To the Board of Directors of the Trustee Company, Diversa Trustees Limited

Macquarie University Professorial Superannuation Scheme Auditor's Independence Declaration

As auditor for the audit of the financial statements of Macquarie University Professorial Superannuation Scheme for the year ended 30 June 2024, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit
- Prudential Standard SPS 510 'Governance' in relation to the audit.

I declare that, for the duration of the audit:

- I have remained independent, both in appearance and in fact
- I have had no conflict of interest situations
- I have no knowledge of any matter that could compromise my independence or that of the Audit Office.

Somaiya Ahmed
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

30 September 2024
SYDNEY

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Note	2024 \$'000	2023 \$'000
Assets			
Cash and cash equivalents	11	317	229
GST receivable		4	3
Investments held at fair value	4	6,170	6,815
Trust distributions receivable		46	100
Deferred tax assets	9	5	7
TOTAL ASSETS		6,542	7,154
Liabilities			
Benefits payable		21	15
Accounts payable and accrued expenses		57	109
Current tax liabilities		54	16
TOTAL LIABILITIES EXCLUDING MEMBER BENEFITS		132	140
NET ASSETS AVAILABLE FOR MEMBER BENEFITS		6,410	7,014
Defined benefit member liabilities	7	9,319	11,046
TOTAL NET ASSETS/(LIABILITIES)		(2,909)	(4,032)
Equity			
Operational risk reserve	8	41	40
Defined benefits that are (under)/overfunded	7	(2,950)	(4,072)
TOTAL EQUITY/(DEFICIT)		(2,909)	(4,032)

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

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$'000	2023 \$'000
Superannuation Activities			
Revenue			
Interest revenue		18	7
Distribution Income		69	127
Net changes in fair value of financial instruments	5	252	254
TOTAL REVENUE		339	388
Expenses			
Investment expenses	10	-	(20)
General administration expenses	10	(213)	(213)
TOTAL EXPENSES		(213)	(233)
RESULTS FROM SUPERANNUATION ACTIVITIES BEFORE INCOME TAX BENEFIT		126	155
Income tax benefit	9	43	27
RESULTS FROM SUPERANNUATION ACTIVITIES AFTER INCOME TAX BENEFIT		169	182
Net change in defined benefit member liabilities		954	(1,932)
OPERATING RESULT AFTER INCOME TAX		1,123	(1,750)

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

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

**STATEMENT OF CHANGES IN MEMBER BENEFITS
FOR THE YEAR ENDED 30 JUNE 2024**

	2024	2023
	\$'000	\$'000
OPENING BALANCE OF MEMBER BENEFITS (as at 1 July)	11,046	10,217
Contributions:		
Employer contributions	619	317
Income tax on contributions	(93)	(48)
Net after tax contributions	526	269
Benefit to members	(1,299)	(1,372)
Net change in defined benefit member accrued benefits from investing activities	(954)	1,932
CLOSING BALANCE OF MEMBER BENEFITS (as at 30 June)	9,319	11,046

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

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Operational risk reserve \$'000	Defined benefits that are (under) /overfunded \$'000	Total equity/(deficit) \$'000
Opening balance as at 1 July 2023	40	(4,072)	(4,032)
Operating result	1	1,122	1,123
Closing balance at 30 June 2024	41	(2,950)	(2,909)

	Operational risk reserve \$'000	Defined benefits that are (under) /overfunded \$'000	Total equity/(deficit) \$'000
Opening balance as at 1 July 2022	39	(2,321)	(2,282)
Operating result	1	(1,751)	(1,750)
Closing balance at 30 June 2023	40	(4,072)	(4,032)

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

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$'000	2023 \$'000
Cash Flows From Operating Activities			
Interest received		18	7
Administration expenses		(243)	(185)
Investment expenses		(23)	(20)
Income tax refund		83	52
Net Cash Outflow From Operating Activities	12	<u>(165)</u>	<u>(146)</u>
Cash Flows From Investing Activities			
Sale of Investments		1,020	3,794
Purchases of Investments		-	(2,594)
Net Cash Inflow From Investing Activities		<u>1,020</u>	<u>1,200</u>
Cash Flows From Financing Activities			
Employer contributions		619	317
Income tax paid on contributions received		(93)	(48)
Benefit payments to members or beneficiaries		(1,293)	(1,368)
Net Cash Outflow From Financing Activities		<u>(767)</u>	<u>(1,099)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		<u>88</u>	<u>(45)</u>
Cash and cash equivalents at the beginning of the financial year		229	274
Cash And Cash Equivalents At The End Of The Financial Year	11	<u><u>317</u></u>	<u><u>229</u></u>

Non cash transaction

* For the year ended 30 June 2024, the Scheme received dividends and distribution income of \$122k that was reinvested as purchase of investments.

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

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. General information

The Macquarie University Professorial Superannuation Scheme (ABN 98 415 348 576) (the "Scheme") is a superannuation fund domiciled in Australia. The Scheme is primarily involved in providing retirement benefits to its members. The Scheme was constituted by a Trust Deed dated 5 April 1967 (as amended).

In accordance with amendments to the *Superannuation Industry (Supervision) Act 1993* the Scheme is registered with the Australian Prudential Regulation Authority ("APRA") as a Registrable Superannuation Entity ("RSE") (R1069396).

The Scheme is a defined benefit fund. Members are either those employees of Australian-based employers who have selected the Scheme as the default fund for their employees or those members who have voluntarily selected the Scheme.

The Trustee of the Scheme during the reporting period was Diversa Trustees Limited (ABN 49 006 421 638) (RSE Licensee No L0000635). The address of the Scheme's registered office is Level 17, IBM Tower, 60 City Road, Southbank Victoria.

Both the Trustee and the Scheme are domiciled in Australia and registered with APRA.

These financial statements cover the Scheme as an individual entity. The financial statements of the Scheme were authorised for issue by the directors of the Trustee on 30th September 2024. The directors of the Trustee have the power to amend and re-issue these financial statements.

2. Summary of material accounting policies

Unless covered in other notes to the financial statements, the principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* and *Corporations Regulations 2001* and the provisions of the Trust Deed. The financial statements are presented in the Australian currency.

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

The Scheme is a not-for-profit entity for financial reporting purposes.

The financial statements are presented in Australian currency.

(b) Financial instruments

(i) Classification

The Scheme's investments are classified at fair value through profit and loss. They comprise financial instruments designated at fair value through the Income Statement upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold.

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

(ii) Recognition/de-recognition

Financial assets and financial liabilities are recognised on the date the Scheme 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 de-recognised when the right to receive cash flows from the investments have expired or the Scheme has transferred substantially all of the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Scheme measures a financial asset or liability at fair value. Transaction costs are expensed in the Income Statement.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit and loss are measured at fair value. Gains and losses are presented in the Income Statement in the period in which they arise as net changes in fair value of financial instruments.

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

(iv) Offsetting financial instruments

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

(c) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and 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.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from investing activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**2. Summary of significant accounting policies (continued)****(d) Revenue recognition**

Interest revenue from financial instruments that are held at fair value is determined based on the effective interest rate and includes interest from cash and cash equivalents. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements. Dividend and trust distribution income is recognised gross of withholding tax in the period in which the Scheme's right to receive payment is established.

(e) Receivables

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

(f) Payables

Payables include liabilities and accrued expenses owed by the Scheme which are unpaid as at the end of the reporting period. These amounts are unsecured and are usually paid within 30 days of recognition.

(g) Benefits paid/payable

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

(h) Contributions received and transfers from other Schemes

Contributions received and transfers from other Schemes are recognised in the Statement of Changes in Member Benefits when the control of the contribution or transfer has transferred to the Scheme. They are recognised gross of any taxes.

(i) Use of estimates

The Scheme 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.

The Scheme 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.

The Scheme also makes estimates and assumptions in relation to the valuation of defined benefit member liabilities details of which are set out in note 7.

(j) New accounting standards and interpretations adopted during the year

The Scheme 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.

(k) New Accounting Standards and Interpretations issued, but not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Scheme. These amendments are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

There are no other new accounting standards and other authoritative pronouncements that are expected to have a material impact on the Scheme.

(l) Rounding of amounts

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

(m) Other legislative/government developments:

On 27 March 2024, Treasury released the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 (the Bill). Schedule 4 of the Bill introduces a proposed new mandatory climate related financial disclosure regime. The Bill outlines the introduction of reporting obligations in three groups over a four-year period, based on criteria such as revenue, assets, number of employees, and whether the entity has existing climate reporting obligations. The first phase for large entities is scheduled to commence on 1 January 2025. Specific reporting content will be established in new accounting standards under the Australia Sustainability Reporting Standards (ASRS) set by the Australian Accounting Standards Board (AASB), with new assurance standards to be developed and maintained by the Australian Auditing and Assurance Standards Board (AUASB). The scheme is not expected to have reporting obligations until 1 July 2027.

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. Financial risk management

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

The Trustee has taken into consideration the current global inflation, the rise in interest rates and the ongoing global uncertainty associated with the conflicts in Ukraine and Palestine in preparing these financial statements.

The fair value of the Scheme's investments continue to be valued in accordance with the frequency set out in the Scheme's Investment governance framework ('IGF') established by the trustee, applying valuation methodologies reflective of the prevailing market conditions.

The IGF sets out the Trustee's policies and procedures for the selection, management and monitoring of investments for the Scheme.

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

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

To mitigate market risk, the Scheme undertakes due diligence prior to the approval of Scheme managers to ensure they have appropriate expertise and skill for monitoring of the market conditions and benchmark analysis. Further the Scheme's asset consultant provides additional expert advice as required.

i) Foreign Currency risk

Currency risk arises on financial instruments that are denominated in a foreign currency, that is in a currency other than in which they are measured. The Scheme does not currently have any investments denominated in a foreign currency. However, the managed investments of the Scheme have allocations to internationally domiciled assets classes which are exposed to currency fluctuations.

ii) Interest rate risk

The Scheme is exposed to cash flow interest rate risk on financial instruments with variable interest rates.

The majority of the Scheme's financial instruments are non-interest bearing with only cash being subjected to interest rate risk. The Scheme's exposure to interest rate risk is indirect through interest in unlisted funds and is set out below:

	2024	2023
	\$'000	\$'000
Variable interest rate	1,126	1,585
Fixed interest rate	2,908	2,870
Total variable rate instruments	4,034	4,455

The following table demonstrates the sensitivity of the Scheme's net assets available to pay benefits, where interest rates to vary by 50 basis points (2023: 50 basis points). This table has been provided to illustrate the sensitivity of the Scheme's investment portfolio to interest rate fluctuations. This analysis assumes that all other variables remain constant.

Cashflow sensitivity analysis - variable rate instruments

	Change in fair value of \$'000		Effect on net assets \$'000	
	50bps Decrease	50bps Increase	50bps Decrease	50bps Increase
2024				
Interest rate risk	89	(89)	89	(89)
	89	(89)	89	(89)
2023				
Interest rate risk	90	(90)	90	(90)
	90	(90)	90	(90)

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. Financial risk management (continued)

iii) Other market price risk

Other market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

The Scheme's assets are invested in cash and units in a unitised investment. The Scheme's exposure to other market price risk is therefore limited to the market price movement of these investments.

The Trustee has determined that these investments are appropriate for the Scheme and are in accordance with the Scheme's investment strategy.

The table below illustrates the impact of other market price risk to the Scheme should the market price of the unitised investment fluctuate by a 10% (2023: 10%) decrease or increase. This analysis assumes that all other variables remain constant.

Sensitivity analysis - other market price risk

	Carrying amount \$'000	Change in fair value of assets \$'000		Effect on net assets available to pay benefits \$'000	
		10% Decrease	10% Increase	10% Increase	10% Decrease
2024					
Australian equities	600	(60)	60	(60)	60
International equities	710	(71)	71	(71)	71
Property & Infrastructure	994	(99)	99	(99)	99
Alternatives	153	(15)	15	(15)	15
	2,457	(245)	245	(245)	245
2023					
Australian equities	595	(60)	60	(60)	60
International equities	705	(71)	71	(71)	71
Property & Infrastructure	1,169	(117)	117	(117)	117
Alternatives	221	(2)	2	(2)	2
	2,690	(250)	250	(250)	250

(b) Credit risk

The Scheme 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 Scheme.

The main credit risks, to which the Scheme is exposed, arises from the Scheme's investment in cash and cash equivalents, interest bearing securities, units in unit trusts and other receivables. The Trustee monitors the Scheme's credit risk exposure on a regular basis.

The carrying amounts of financial assets best represent the maximum credit risk exposure at reporting date. No collateral is held as security, nor do other credit enhancements exist for any financial assets held. No financial assets are considered past due as all payments are considered recoverable when contractually due. The Scheme's financial assets exposed to credit risk amounted to the following:

	2024 \$'000	2023 \$'000
Cash and cash equivalents	317	229
Units in wholesale trusts	6,170	6,815
	6,487	7,044

(c) Liquidity risk

Liquidity risk is the risk that the Scheme will not be able to meet its obligations when they fall due. The Scheme allows members to withdraw benefits and it is therefore exposed to the liquidity risk of meeting members' withdrawals at any time. The risk is controlled through the Scheme's investment in financial instruments which under normal market conditions are readily convertible to cash. In addition, the Scheme maintains sufficient cash and cash equivalents to meet normal operating conditions. The Scheme's overall liquidity risks are monitored by the Trustee at least annually and in accordance with policies and procedures in place.

As at reporting date, the cash and cash equivalents represent 406% (2023: 185%) of the Scheme's anticipated withdrawals for the following three months (excluding members' liabilities).

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

3. Financial risk management (continued)

The following table summarises the maturity profile of the Scheme's financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Scheme can be required to pay.

The Fund considers it is highly unlikely that all liabilities to members would fall due at the same time.

Sensitivity analysis - liquidity risk

	Carrying amount \$'000	Less than 1 month \$'000	1 to 3 months \$'000	Greater than 3 months \$'000
2024				
Benefits payable	21	21	-	-
Accrued expenses	57	-	57	-
Accrued benefits (pension)	9,319	9,319	-	-
	9,397	9,340	57	-
	Carrying amount \$'000	Less than 1 month \$'000	1 to 3 months \$'000	Greater than 3 months \$'000
2023				
Benefits payable	15	15	-	-
Accrued expenses	109	-	109	-
Accrued benefits (pension)	11,046	11,046	-	-
	11,170	11,061	109	-

4. Fair value measurement

(a) Fair value hierarchy

The Scheme 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 debt securities held by the Scheme using broker quotes, units in unit trusts using the unit price provided by the underlying fund manager and OTC derivatives using valuation models.

- Level 3: one or more of the significant inputs are not based on observable market data, examples include discount rates and other material unobservable inputs. The Trustee values units in unit trusts classified as level 3 using the unit price provided by the underlying fund manager. These unit trusts hold illiquid investments such as unlisted property and private equity.

(b) Recognised fair value measurements

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

2024	Carrying Amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets/(liabilities)				
Units in wholesale trusts	6,170	-	6,170	-
Total	6,170	-	6,170	-
2023	Carrying Amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets/(liabilities)				
Units in wholesale trusts	6,815	-	6,815	-
Total	6,815	-	6,815	-

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

5. Net changes in fair value of financial instruments

	2024 \$'000	2023 \$'000
<i>Investments held at the end of the reporting period</i>		
Mercer Conservative Growth Fund	257	230
	257	230
<i>Investments realised during the reporting period</i>		
Mercer Conservative Growth Fund	(5)	5
Schroders Balanced Fund	-	19
	(5)	24
Total change in fair value	252	254

6. 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 Scheme considers all investments in managed investment schemes (funds) to be structured entities. The Scheme 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 units 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:

	2024 \$'000	2023 \$'000
Australian equity funds	6,170	6,815
	6,170	6,815

The fair value of financial assets \$6,170K, (2023: \$6,815K) is included in the financial assets in the Statement of Financial Position.

The Scheme'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, the total gains/(losses) incurred on investments in investee funds was \$252K (2023: \$254K).

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

7. Member liabilities

(a) Recognition and measurement of member liabilities

The entitlements of members to benefit payments are recognised as member liabilities. They are measured as the amount of the accrued benefits as at the reporting date, being the benefits that the Scheme 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.

(b) 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 inflows that would be sufficient to meet accrued benefits as at the date when they are expected to fall due.

The Scheme engages qualified actuaries to measure the defined benefit member liabilities in the defined benefit plan. Member liabilities can only be satisfied with assets of the defined benefit division. The defined benefit division provides lump sum and/or pension benefits which are payable to members on retirement.

The Scheme manages its obligation to pay member liabilities on an expected maturity basis which is based on management's estimates of when such funds will be drawn down by members.

	2024 \$'000	2023 \$'000
Defined benefit member liabilities	9,319	11,046
Significant estimates		

The Scheme has identified two assumptions (discount rate and rate of pension indexation) for which changes are reasonably possible and would have a material impact on the amount of the liabilities.

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

7. Member liabilities (continued)

(i) Discount rate

The pension indexation assumption is based on long-term economic forecasts for future increases in average weekly ordinary time earnings.

(ii) Rate of Pension indexation

Pensioner mortality rates are based on Mercer's experience with public sector superannuation schemes in Australia from 2012-17. An allowance for future mortality improvements has been made based on the 25-year improvement factors from Australian Life Tables 2015-17.

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 Pension indexation used for the Scheme:

As at 30 June 2024			
Key Assumptions	Assumed at reporting date	Reasonably possible	Amount of (increase)\ decrease in member benefit liability \$'000
Discount rate	6.25%	+1%	446
		-1%	(491)
Pension increases	3.5%	+1%	(504)
		-1%	466

As at 30 June 2023			
Key Assumptions	Assumed at reporting date	Reasonably possible	Amount of (increase)\ decrease in member benefit liability \$'000
Discount rate	6.25%	+1%	582
		-1%	(645)
Pension increases	3.5%	+1%	(661)
		-1%	607

At year end, 100% of defined benefit member liabilities have been vested (2023: 100%).

(c) Defined benefit liabilities that are over/(under)funded

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

The appointed actuary reports regularly to the Trustee on the status of the defined benefit plan. Where a plan is in or likely to enter an unsatisfactory financial position, the report sets out any remedial action and agreed rectification programs in respect of each employer.

The defined benefit plan is over/(under) funded by the amounts disclosed below:

	2024	2023
	\$'000	\$'000
Over/(under) funded defined benefit liabilities	(2,950)	(4,072)

The defined benefit plan continues to remain in deficit. The employer of the Scheme is contributing at the rate recommended by the Actuary. The Employer has been advised and agreed to a Remediation Plan recommended by the Actuary. The recommended contributions are anticipated to result in assets of 100% of Defined Benefit Vested benefits within three years. The Remediation Plan has been reviewed and been approved by the Diversa Board.

8. Reserves

	2024	2023
	\$'000	\$'000
Operational risk financial reserve		
Defined benefit scheme	41	40

The Operational Risk Financial Reserve (ORFR) may be used in certain circumstances to address operational risk events or claims against the Scheme arising from certain operational risk events. The ORFR is operated in accordance with the Operational Risk Financial Requirement Strategy. The Trustee has assessed an ORFR target amount of 0.25% of funds under management as appropriate for the Scheme. The Scheme achieves its ORFR target amount via an operational risk reserve in the Scheme.

Changes in the ORFR are detailed in the Statement of Changes in Equity.

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

9. Income tax

This note provides an analysis of the Scheme's income tax expense and how the tax expense is affected by non-assessable and non-deductible items.

(i) Accounting policy

Under the *Income Tax Assessment Act 1997*, the Scheme is a complying superannuation fund. As such, a concessional tax rate of 15% is applied on net investment earnings, excluding exempt pension income relating to the Scheme's pension benefits, with deductions allowable for administrative and operational expenses. Financial assets held for less than 12 months are taxed at the Scheme's rate of 15%. For financial assets held for more than 12 months, the Scheme is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of investments.

Current tax is the expected tax payable on the estimated taxable income for the current year based on the applicable tax rate adjusted for instalment payments made to the ATO during the year.

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

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

	2024 \$'000	2023 \$'000
(ii) Income tax expense		
<i>Current tax</i>		
Current tax on operating result for the year	38	30
Adjustments for current tax of prior periods	7	2
	<u>45</u>	<u>32</u>
<i>Deferred tax expense</i>		
(Increase)/decrease in deferred tax assets and liabilities	(2)	(5)
Income tax benefit	<u><u>43</u></u>	<u><u>27</u></u>

(iii) Numerical reconciliation of income tax expense to prima facie tax payable

Operating result before income tax expense	126	155
Tax at the Australian rate of 15%	(19)	(23)
Non-deductible administration expenses	(5)	(16)
Non assessable movement in fair value	38	32
Tax component adjustments to trust distributions	(10)	4
Exempt pension income	23	16
Net imputation credits and foreign tax offset	10	13
Over/(under) provision in prior year	6	1
Income tax benefit	<u><u>43</u></u>	<u><u>27</u></u>

(iv) Deferred tax balances

The balance comprises temporary differences attributable to:

2024	Assets \$'000	Liabilities \$'000	Net \$'000
Accrued expenses	5	-	5
Net deferred tax assets	<u><u>5</u></u>	<u><u>-</u></u>	<u><u>5</u></u>
2023	Assets \$'000	Liabilities \$'000	Net \$'000
Accrued expenses	7	-	7
Net deferred tax assets	<u><u>7</u></u>	<u><u>-</u></u>	<u><u>7</u></u>

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

10. Expenses	2024	2023
	\$'000	\$'000
(a) Investment expenses		
Custodian fees	20	20
Investment consulting fees	(20)	-
	<u>-</u>	<u>20</u>
(b) General administration expenses		
Actuarial fees	22	23
Administration fees	45	44
APRA fees	12	10
Audit fees	44	33
Consulting fees	3	24
Tax agent fees	8	5
Trustee fees	79	74
	<u>213</u>	<u>213</u>
11. Cash and cash equivalents	2024	2023
	\$'000	\$'000
Cash at bank	317	229
12. Reconciliation of operating result after income tax to net cash outflow from operating activities	\$'000	\$'000
Operating result after tax	1,123	(1,750)
Adjustments for:		
Benefits allocated to defined benefit members	(954)	1,932
Trust distribution reinvested	(69)	(127)
(Increase)/decrease in assets measured at fair value	(252)	(254)
(Increase)/decrease in GST receivable	(1)	-
(Increase)/decrease in deferred tax assets	2	4
Increase/(decrease) in accounts payable and accrued expenses	(52)	28
Increase/(decrease) in income tax payable	38	21
Net cash outflows from operating activities	<u>(165)</u>	<u>(146)</u>

13. Commitments

The Scheme has no commitments that the Trustee is aware of as at the date of this report.

14. Contingent liabilities and contingent assets

There are no outstanding contingent assets or liabilities as at 30 June 2024 and 30 June 2023.

15. Events occurring after the reporting period

There is no significant event has occurred since the end of the reporting period which would impact on the financial position of the Scheme as at 30th June 2024 or on the results and cashflows of the Scheme for the year ended on that date.

16. Related party transactions

(a) Trustee

The Trustee of the The Macquarie University Professorial Superannuation Scheme is Diversa Trustees Limited. Amounts paid to the Trustee in form of fees and reimbursements are disclosed in note 10.

As at 30 June 2024- \$nil fees (30 June 2023 - \$19,800) of trustee fee was payable to the Trustee.

(b) Directors

Key management personnel includes persons who were directors of Diversa Trustees Limited at any time during the financial year as follows:

V. Plant (Chairman), appointed 4 May 2017
A. Peterson, appointed 28 June 2019
F. McNabb, appointed 28 June 2019
R. Beard, appointed 18 February 2021, resigned 27 July 2024
S. Thomas appointed 15 August 2022
M. Walter, appointed on 26 June 2023

None of the directors nor the Trustee are or were unitholders of the Trust.

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

16. Related party transactions (continued)

(c) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Scheme, directly or indirectly during the financial

(d) Remuneration of directors of the Trustee

There have been no transactions between the Trustee and the Scheme other than trustee fees disclosed in the Income Statement.

The directors of the Trustee do not receive remuneration directly from the Scheme.

17. Remuneration of auditors

Audit services	2024	2023
	\$'000	\$'000
Auditor of the Scheme – Audit Office of NSW		
Audit and review of financial statements	33.5	31
Regulatory audit services	6.5	-
Other Risk Management Review		
Audit and review of the risk management framework	4	3
Total	44	34

THE MACQUARIE UNIVERSITY PROFESSORIAL SUPERANNUATION SCHEME

TRUSTEE'S DECLARATION

In the opinion of the directors of the Trustee of The Macquarie University Professorial Superannuation Scheme:

(a) the financial statements and notes set out on pages 3 to 20 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements,
- (ii) giving a true and fair view of the Scheme's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and

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

This declaration is made in accordance with a resolution of the directors.



Director

Melbourne
30th September 2024



INDEPENDENT AUDITOR'S REPORT ON FINANCIAL REPORT

Macquarie University Professorial Superannuation Scheme (ABN 98 415 348 576)

Report by the Registrable Superannuation Entity's Auditor to the Trustee and Members and the Treasurer

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Macquarie University Professorial Superannuation Scheme (the Scheme) for the year ended 30 June 2024 comprising the Statement of Financial Position as at 30 June 2024, the Income Statement, the Statement of Changes in Member Benefits, the Statement of Changes in Equity, and the Statement of Cash Flows for the year ended 30 June 2024, notes comprising a Summary of material accounting policy information and other explanatory information, and the Trustee's Declaration.

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

- giving a true and fair view of the Scheme's financial position as at 30 June 2024 and the results of its operations, cash flows, changes in equity and changes in members' benefits for the year ended 30 June 2024
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report.

I am independent of the Scheme in accordance with the requirements of the:

- Australian Auditing Standards
- *Corporations Act 2001*;
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Other information

The Scheme's annual report for the year ended 30 June 2024 includes other information in addition to the financial report and my Independent Auditor's Report thereon. The Trustee is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Directors' Report.

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

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

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

Responsibilities of the Trustee for the Financial Report

The Trustee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Trustee is also responsible for such internal control as the Trustee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial report

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my 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 description of my 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

The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Trustee carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.

Report on the Remuneration Report

Opinion on the Remuneration Report

I have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2024.

In my opinion, the Remuneration Report of the Scheme, 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*. My responsibility is to express an opinion on the Remuneration Report, based on my audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink, appearing to read 'Somaiya', with a long horizontal stroke extending to the left and a loop at the end.

Somaiya Ahmed
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

30 September 2024
SYDNEY