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**Government
of South Australia**

**SOUTHERN SELECT
SUPER CORPORATION
2022-23 Annual Report**

SOUTHERN SELECT SUPERANNUATION CORPORATION

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2022-23 ANNUAL REPORT for the Southern Select Super Corporation Board

The Hon. Stephen Mullighan MP
Treasurer

Dear Treasurer

On behalf of the Board of the Southern Select Super Corporation, I am pleased to present the Annual Report for the Financial Year ended 30 June 2023.

The Report is submitted for your information and presentation to Parliament in accordance with the requirements of Section 33 of the *Public Corporations Act 1993 and Regulation 23 of the Public Corporations (Southern Select Super Corporation) Regulations 2012* and Premier and Cabinet Circular *PC013 Annual Reporting*.

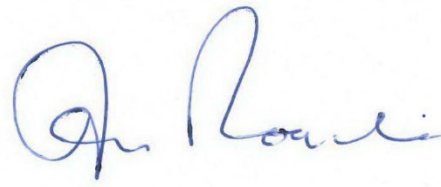
This Report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Southern Select Super Corporation by:

June Roache
Presiding Member

Date 27/09/2023

Signature



A handwritten signature in blue ink, appearing to read 'June Roache', written over a horizontal line.

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From the Board and Chief Executive

It is our pleasure to present the 2022-23 Southern Select Super Corporation Board Annual Report.

Members are at the heart of everything we do

The Annual Report highlights the key accomplishments achieved for Super SA Select members over the last financial year, notably:

- Implemented a state-based choice of fund regime known as “fund selection” and a “limited public offer” facility (being the ability for private employers to contribute to Super SA Select) for eligible members of Triple S and Super SA Select (see below)
- Investment in technology, cyber security and information management, in line with our commitment to the security of member data
- Commenced the implementation of an industry best practice methodology for calculating superannuation scheme unit prices in line with Australian Securities and Investment Commission Regulatory Guide 94 Unit Pricing: Guide to good practice.

Implementation of Fund Selection and Limited Public Offer

A key strategic initiative delivered in the last financial year was the implementation of fund selection and limited public offer for members.

With Super SA’s Select product being our key taxed product offering for eligible members, this fund has seen a significant membership increase with more than 700 new members. As at 30 June 2023, the Super SA Select option has received more than \$1 million in non-government super guarantee contributions.

Continuous improvement for best member outcomes

With these historic developments, Super SA is now focused on ensuring sustainability while continuing to improve member outcomes in their best financial interests.

Super SA will deliver on these requirements by:

- Proactively engaging our investment partner Funds SA, to improve on its best practice investment model in consideration of investment strategy, returns, (ASIC) *RG97 Disclosing fees and costs in PDSs and periodic statements* reporting, risk and fees
- Designing competitive products to meet the needs of current and future members in accordance with the Australian Prudential Regulation Authority (APRA) Prudential Standard *SPS 515 Strategic Planning and Member Outcomes*
- Enhancing digital member capability and capacity with targeted member engagement while maintaining stringent cyber security measures that protect members

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- Implementing a truly member-centric experience by continuing to grow a culture of members' best financial interests
- Continuing to administer the robust suite of governing legislation and regulatory requirements for which it is responsible.

Investment Performance

Despite a challenging market Super SA delivered positive 7.7% financial year return for members in its Super SA Select Balanced option. Importantly, long-term performance remains positive with members benefitting from returns that exceed its stated performance objectives, as at 30 June 2023.

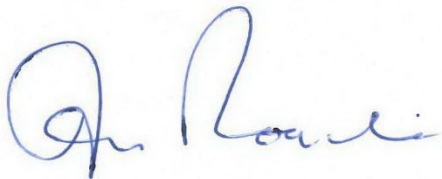
Investment performance was driven by strong growth in equity markets globally, with the performance of the technology sector a key driver. Economic growth has proved relatively resilient with consumer spending holding up well over the year despite a forecasted recession. Positive factors were offset by write-downs in some property assets toward the end of the year.

The rebound in investment performance this year is a significant reminder to focus on consistent long-term performance.

Thank you

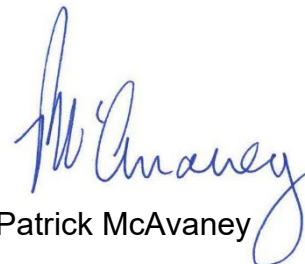
To all our members, thank you for your continued support.

We also thank the Board and all Super SA staff for their continued dedication to members' best interests throughout the past 12 months.



June Roache

**Presiding Member
Southern Select Super
Corporation Board**



Patrick McAvaney

**Acting Chief Executive
Super SA**

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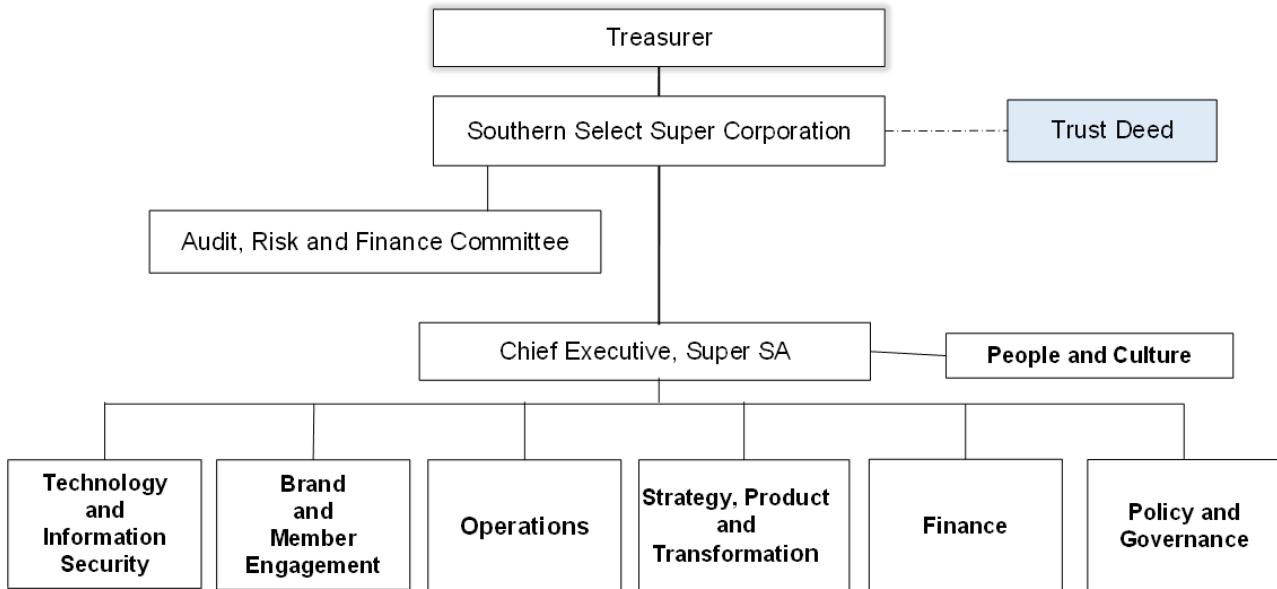
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Overview: about the agency

Our strategic focus

<p>Our Purpose</p>	<p>To act as trustee of Super SA Select in accordance with its obligations under the <i>Public Corporations (Southern Select Super Corporation) Regulations 2012</i> and administer the trust deed and rules of Super SA Select.</p>
<p>Our Vision</p>	<p>To be the most respected superannuation fund.</p>
<p>Our Values</p>	<p><i>Dedication</i> – we are members serving members, so we go the extra mile and always look for ways to do better</p> <p><i>Insight</i> – our experience means we know our SA members, and we build on this knowledge to deliver the best outcomes</p> <p><i>Integrity</i> – our ethical principles are non-negotiable, and we act in our members’ best interests transparently and consistently.</p>
<p>Our functions, objectives and deliverables</p>	<p>Our strategy is to excel and improve member experience whilst being competitive on fees and returns.</p> <p>We have two high-level strategic objectives which are supported by strategic themes to ensure Super SA will continue to be a viable and dynamic superannuation fund for South Australia.</p> <p><u>High level strategic objectives:</u></p> <ul style="list-style-type: none"> • Net investment returns comparative to Super SA’s six key competitors • Fees – to be in the most cost-efficient quartile of funds <p><u>Four strategic themes:</u></p> <ul style="list-style-type: none"> • Member and Employer Engagement – to enhance the member experience to drive engagement, activation and retention • Future Proofing – Transform the Fund for long-term sustainability • Competitive Products – to design product / investment options that deliver to member expectations in a competitive environment • Member Centric Culture – engage employees to deliver an efficient and member centric service.

Our organisational structure



Changes to the agency

During 2022-23 there were no changes to the agency’s structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

The Hon. Stephen Mullighan MP is the Treasurer and is the Minister responsible for Superannuation.

Our Board (as at 30 June 2023)¹

Hon Kevin Foley

Presiding Member (Chairman), appointed by the Governor from 2 December 2022.

With significant experience in economic strategy, financial management, superannuation and strategic advisory, Kevin Foley served as Treasurer and Deputy Premier of South Australia from 2002 - 2011 and was the Chair of the Funds SA Board from 2015 - 2018.

Presiding Member, Super SA Board.

¹ Gregory Boulton AM, was Presiding Member of the Southern Select Super Corporation Board from 1 July 2022 until the conclusion of his term appointment on 8 September 2022

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Virginia Deegan

Appointed by the Governor from 23 July 2020 - 22 July 2023.

Executive Director Infrastructure, University of Adelaide.

Extensive board and executive management experience across a range of sectors including superannuation, health, and higher education.

A Fellow of CPA Australia (FCPA) and Member of Australian Institute of Company Directors.

Board Member of the Super SA Board, Member, SA Health Risk Management and Audit Committee and Director, Stawell Underground Physics Lab Pty Ltd.

Alison Kimber

Member representative elected from 2 October 2021 - 1 October 2024.

Significant board and executive experience in financial markets, superannuation, and community service delivery. More than 30 years' experience in the finance, government, and not-for-profit sectors.

Fellow of the Australian Institute of Company Directors and Fellow of the Institute of Actuaries of Australia.

Councillor, Australian Institute of Company Directors SA/NT and Board Member, Super SA Board, Member, Cabaret Fringe Association Board, Member, ACT City Renewal Authority Board and Board member Can Do Group.

William Griggs

Member representative elected from 2 October 2021 - 1 October 2024.

Bill Griggs brings to the Board significant leadership and board experience, with expertise in corporate governance, people and culture, superannuation, investment, and insurance. He has a particular interest in managing/coping during times of uncertainty, and in evidence-based decision making.

Current Directorships or equivalent - Director, Funds SA, Director, Return to Work SA, Board Member, Super SA Board and Board member, St John Ambulance.

Fellow of Australian Institute of Company Directors.

Richard Dennis

Appointed by the Governor from 23 July 2021 - 22 July 2024.

Richard Dennis is a legal practitioner and consultant and held the position of South Australian Parliamentary Counsel 2006-2015.

Governor of the Wyatt Trust, Member, Anglican Diocese of Adelaide Drafting Committee and Board Member, Super SA Board.

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Attendance at Board and Committee meetings

All members serve in a part-time capacity.

Board members attend a variety of national conferences and education seminars. During the 2022-23 year, Board members attended the Association of Superannuation Funds of Australia Conference (Brisbane, February 2023) and the Australian Institute of Superannuation Trustees' Conference of Major Super Funds (Melbourne, March 2023).

Name	Board		Audit, Risk and Finance Committee	
	Eligible to attend	Attended	Eligible to attend	Attended
Kevin Foley	5	4	2	2
Greg Boulton ²	2	2	1	1
Virginia Deegan	8	7	5	5
Richard Dennis	8	7	5	5
Bill Griggs	8	7		
Alison Kimber	8	8	3	2

Legislation administered by the agency

The Corporation is established and governed pursuant to the *Public Corporations (Southern Select Super Corporation) Regulations 2012*. The Corporation, as trustee is responsible to the Treasurer for all aspects of the administration of the *Public Corporations (Southern Select Super Corporation) Regulations 2012*. Super SA Select is administered pursuant to a trust deed and rules.

The Southern Select Super Corporation Charter has been prepared in accordance with regulation 15 of the *Public Corporations (Southern Select Super Corporation) Regulations 2012*. The functions of the Corporation are described in Regulation 13.

The Government of South Australia, other states and territories and Commonwealth Government have entered into a Heads of Government Agreement on superannuation (HOGA) that recognises certain public sector schemes are exempt public sector superannuation schemes and therefore exempt from the *Superannuation Industry (Supervision) (SIS) Act 1993* (Cwth).

² Gregory Boulton AM, was Presiding Member from 1 July 2022 until the conclusion of his term appointment on 8 September 2022

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Each scheme is, however, deemed to be a complying fund in terms of the SIS Act, for superannuation guarantee purposes under the *Superannuation Guarantee (Administration) Act 1992* and for income tax purposes under the *Income Tax Assessment Act 1936*. In terms of the HOGA, the government has made a commitment to use best endeavours to ensure that the exempt public sector schemes conform to the principles of the Commonwealth's retirement income policy objectives.

Other related agencies (within the Minister's area/s of responsibility)

Super SA

On behalf of the Corporation, the State Superannuation Office (Super SA) is responsible for administering Super SA Select in accordance with its trust deed and rules.

This arises from the *Public Corporations (Southern Select Super Corporation) Regulations 2012*, which enables the Corporation to make use of the staff or facilities of an administrative unit of the SA Public Sector, with the approval of the Minister of that administrative unit. Super SA, a branch of the Department of Treasury and Finance, provides administrative services to the Corporation on this basis.

The Corporation's service level contract with the Department of Treasury and Finance sets out specific performance standards. The contract was extended to 30 June 2023.

The annual budget for the operation of Super SA Select is presented to the Corporation for its approval.

The use of consultants, contractors, Work, Health and Safety reporting and executive employment statistics are included in the Department of Treasury and Finance's Annual Report.

Funds SA

In accordance with the *Public Corporations (Southern Select Super Corporation) Regulations 2012*, the Corporation is responsible for the investment and management of the fund and must prepare an investment policy statement and set the risk/returns objectives and asset allocation policies to be adopted. In fulfilling these obligations, the Corporation consults with the Superannuation Funds Management Corporation of South Australia (Funds SA). Funds SA implements the Corporation's investment policy statement and strategies as agent.

Funds SA prepares an annual Performance Plan, which outlines planned initiatives and proposed strategies.

The current Memorandum of Agreement between Funds SA and Super SA was executed in February 2022. Funds SA provides this service under legislation. The agreement is reviewed on a three yearly basis or when a significant change occurs.

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The agency's performance

Performance at a glance

Super SA's performance (which includes provision of administration of Super SA Select) is assessed continuously against key objectives every quarter to ensure projects and initiatives conducted throughout the year are aligned with strategy.

Over the last financial year, Super SA has delivered on a number of initiatives that focus on improving the fund's operating model and continue to enhance services to members:

- Operational implementation of fund selection and limited public offer
- Technology roadmap and target operating model review
- Ongoing implementation of the recommendations of the ICAC's *Evaluation of the practices, policies and procedures of Super SA*
- Project management office upgrade – including change management
- New modern staff intranet
- Continued low account balance consolidation / transfers to the Australian Taxation Office (ATO).

Super SA has aligned itself with the Australian Prudential Regulatory Authority (APRA) standards, where possible. The Heads of Government Agreement on superannuation requires that we use a best endeavours approach to do so. In striving to achieve this we have undertaken:

- Ongoing development of a *SPS515 Strategic Planning and Member Outcomes* framework for Super SA and implemented changes to budgeting, business planning and business case preparation
- Ongoing delivery of the *Protecting Your Super* program that addresses account erosion due to excessive fees
- SuperStream Rollover upgrade to meet ATO requirements
- Continued development of a cyber security strategy in line with Australian Prudential Regulation Authority's *CPS 234 Information Security* and *CPS 231 Material Outsourcing*.

Agency specific objectives and performance

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
Lower costs	<ul style="list-style-type: none"> • Net investment returns comparative to Super SA's key competitors • Fees – in the most cost-efficient quartile of funds
Better services	<ul style="list-style-type: none"> • Implementation and operational delivery of fund selection and limited public offer providing members with choice since 30 November 2022.

Agency specific objectives and performance

	2022-23 Actual	2022-23 Target	2021-22 Actual	2021-22 Target	2020-21 Actual
Achievement of approved service level standards by 30 June each year	73%	90%	68% ³	90%	85%
Benchmarking of administrative costs with industry standards ⁴ — remain in the most cost efficient quartile of industry standards* while providing additional services to members	In the most cost efficient quartile	In the most cost efficient quartile	In the most cost efficient quartile	In the most cost efficient quartile	In the most cost efficient quartile

³ Service level standards were impacted across the organisation due to additional security measures applied due to the December 2021 SA Government Frontier data breach

⁴ Based on last available Chant West Super Fund Fee Survey (June 2023)

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Agency objectives	Indicators	Result
Future Proofing - Transform the Fund for long-term sustainability	Introduce fund selection and limited public offer facility for members	Achieved Implemented 30 November 2022
Future Proofing - Transform the Fund for long-term sustainability	Review the target operating model and registry system	Achieved Review completed
Future Proofing - Transform the Fund for long-term sustainability	Review technology target operating model in line with cyber security industry best practice	Achieved Completed - 3 year plan developed in line with Technology Roadmap
Future Proofing – Transform the Fund for long-term sustainability	Conduct the three yearly review of insurance premium settings	Achieved Completed March 2023
Member Centric Culture – To engage employees to deliver an efficient and member centric service	Staff culture target 70%	Achieved 76%

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Financial performance

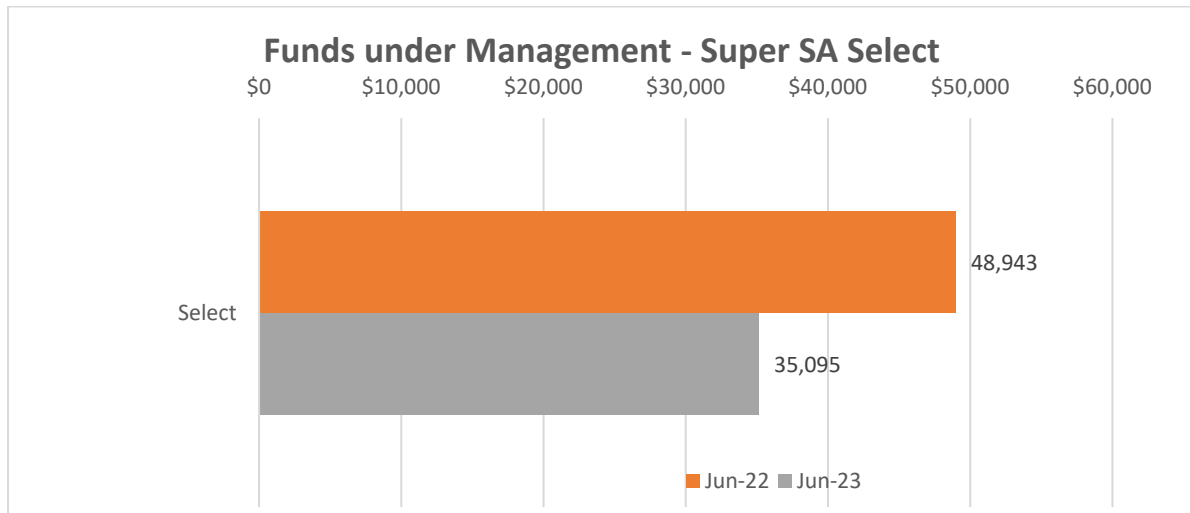
Financial performance at a glance

The following is a brief summary of the overall financial position of Super SA Select. The information is unaudited. Full audited financial statements for 2022-23 are attached to this report.

The value of total assets under management at 30 June 2023 was \$35.10 million, \$13.84 million less than the \$48.94 million as at 30 June 2022.

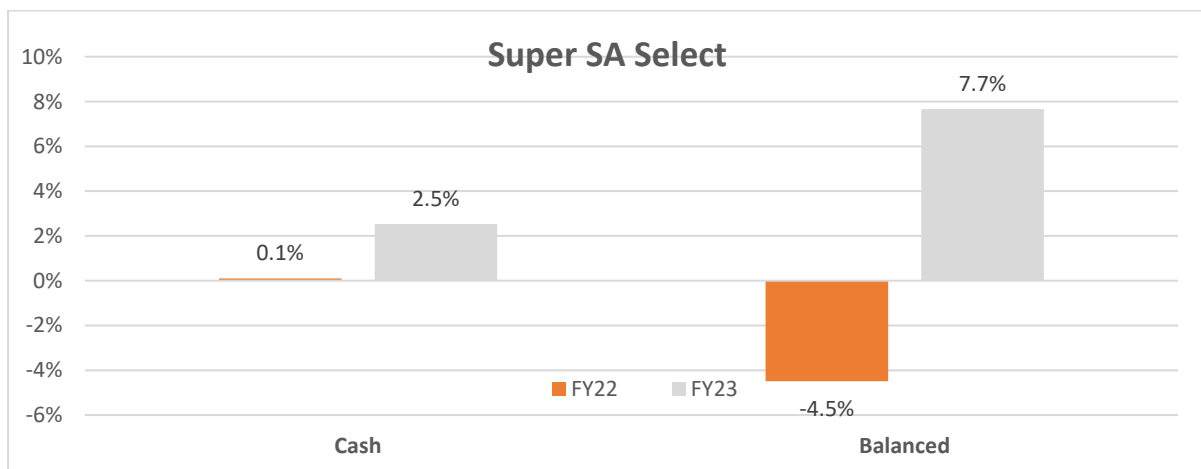
Funds under management

The comparison of the 2023 and 2022 funds under management by scheme is shown in the graph below.



Investment returns

The comparison of the 2023 and 2022 investment returns for Super SA Select over each investment option is shown in the graph below.



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Other financial information

Super SA Select had 859 members at 30 June 2023, consisting of 828 active and 31 retained members (2022 membership: 100 active and 25 retained).

Member balances at 30 June 2023 were \$34.2 million compared with \$48.4 million at 30 June 2022.

Other information

In establishing Super SA Select, the Southern Australian Superannuation Board agreed to provide funding of up to \$500,000 from its Capital and Development Reserve account. The repayment of the loan by the Corporation from Super SA Select, together with interest, is in accordance with Schedule 2 of the *Public Corporations (Southern Select Super Corporation) Regulations 2012*.

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Risk management

Risk and audit at a glance

The Super SA Governance and Risk Team’s responsibilities include oversight of risk management, compliance, the Board’s anti-money laundering and counter-terrorism financing program, incident management and business continuity management. The Team also manage Internal Audit reviews conducted by an external provider.

Fraud detected in the agency

Category/nature of fraud	Number of instances	Financial Impact to Super SA Select (\$)
Fraudulent transactions attempted by external parties on member accounts ⁵	Nil	Nil

Strategies implemented to control and prevent fraud

To ensure a strong control environment exists to prevent the occurrence of fraud, the Super SA Office has implemented strong monitoring and validation controls over benefit payments, including verification with members of large benefit payment requests, system based identification of unusual member account activity, validation of proof of identity prior to payment, and independent review and authorisation of all benefit payments.

Regular information is provided to the Southern Select Super Corporation from internal and external audit, the Audit, Risk and Finance Committee and the Chief Executive.

The Super SA office maintains the Corporation’s Risk Management Strategy and Plan; a Business Continuity Framework and Plan; an Internal Audit Plan; a Compliance Framework and an Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Program.

Public interest disclosure ⁶

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*: *NIL*

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/departement-of-treasury-and-finance-annual-report-statistics>

⁵ *Fraud reported includes actual and reasonably suspected incidents of fraud.*

⁶ Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0

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Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	0

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Additional metrics	Total
Number of positive feedback comments	0
Number of negative feedback comments	0
Total number of feedback comments	0
% complaints resolved within policy timeframes	N/A

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/departement-of-treasury-and-finance-annual-report-statistics>

Service improvements

N/A

Compliance statement

Super SA is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
Super SA has communicated the content of PC 039 and the agency’s related complaints policies and procedures to employees.	Y

The Southern Select Super Corporation has its own complaints policy, based on the timelines and processes adopted by the superannuation industry.

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Appendix: Audited financial statements 2022-23

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