

2024 ANNUAL REPORT

PROUDLY SERVING OUR MEMBERS



ABOUT THIS ANNUAL REPORT

ESSSuper uses the concepts and guiding principles contained in the Integrated Reporting framework issued by the IRFS Foundation as a platform for this Annual Report. The principle of integrated reporting is embraced to enable clear and concise communications about how our strategy, governance, risks, performance and opportunities – in the context of our external environment – lead to value creation over time.

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ACKNOWLEDGEMENT OF COUNTRY

In the spirit of reconciliation, ESSSuper acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

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ESSSuper has made reasonable efforts to ensure the accuracy of this Annual Report but does not accept liability for acts or omissions based on its content. ESSSuper reserves the right to correct any error or omission. The information contained in this Annual Report is of a general nature only. It should not be considered as a substitute for reading ESSSuper's Product Disclosure Statement (PDS) that contains detailed information about ESSSuper products, services and features. Before making a decision about an ESSSuper product, you should consider the appropriateness of the product to your personal objectives, financial situation and needs. It may also be beneficial to seek professional advice from a licensed financial planner or adviser. An ESSSuper PDS is available at esssuper.com.au/pds or by calling **1300 650 161**.

This report contains statements that relate to future operations and performance. These statements are not guarantees of future operating, financial or other results and involve uncertainty, as they rely on future circumstances – some of which are beyond our control. Therefore, ultimate results and outcomes may differ. Investment returns are not guaranteed. All investments carry risks and past investment performance gives no indication of future performance. Benefits in ESSSuper's Accumulation Plan, Income Streams and Beneficiary Account products are not guaranteed or underwritten by the Victorian Government or ESSSuper. ESSSuper does not come under the jurisdiction of the Australian Financial Complaints Authority (AFCA). ESSSuper comes under the jurisdiction of the Victorian Civil and Administrative Tribunal.

Emergency Services Superannuation Board (ESSB) ABN 28 161 296 741 (Board) as Administrator of the Emergency Services Superannuation Scheme (ESSSuper) ABN 85 894 637 037 (Scheme).

WHO WE ARE

A different kind of super fund for people who make a real difference

ESSSuper was created almost 100 years ago in recognition of the people who safeguard the safety, health and wellbeing of Victorians.

Our members are those at the centre of our community, including police officers, firefighters, paramedics, teachers and support workers. They are a different kind of people, so ESSSuper is a different kind of super fund.

We care deeply about recognising our members' exceptional service with our own dedicated support. Many people come to work at ESSSuper because they are proud to serve emergency service and State Government employees. From the team members who answer the phones, to our Board (half of whom are elected by our members) and the behind-the-scenes support teams, all ESSSuper people are committed to delivering the best possible outcomes for our members.

In recognition of the challenging work of our members throughout their working life, ESSSuper's defined benefit entitlements:

- are built into most members' employment conditions
- are generally protected from the ups and downs of investment performance, and
- typically deliver members higher retirement savings than the average Australian.

We invest in building close relationships with our members. We visit their workplaces and talk to them and their representatives to understand the work they do and the challenges they face. We work closely with employers, unions and the Victorian Government to better meet our members' needs. And we're honoured to get involved in events throughout the year to show our appreciation and support for our members and our shared community.

At ESSSuper, we're grateful for the incredible work our members do every day. Our purpose is very clear: to ensure they achieve the most comfortable retirement possible.

We are proud to serve them.

Our members are those at the centre of our community, including police officers, firefighters, paramedics, teachers and support workers. They are a different kind of people, so ESSSuper is a different kind of super fund.



WHO WE ARE

OUR PURPOSE

We commit to making a lifetime of positive difference for the people who serve, and have served, the Victorian community so they may achieve a dignified and secure retirement.

OUR VISION

Our goal is to be our members' trusted partner, helping them achieve an exceptional retirement outcome by creating a team of highly skilled professionals that make every interaction an experience that is noticeably different and tailored to their unique working conditions.

OUR VALUES

Our values guide how we work and the decisions we make.



ACCOUNTABILITY

- Honour our commitments.
- Own the problem end-to-end and offer solutions.
- Take personal accountability and responsibility for our actions.
- Embrace change.



COLLABORATION

- Work towards a common goal through cooperation and teamwork.
- Openly share our knowledge and expertise.
- Have difficult conversations to achieve better outcomes.
- Recognise, accept and value diverse views.



COURAGE

- Challenge convention, ourselves, and each other.
- Are prepared to step outside our comfort zone.
- Be open-minded about change.
- Make a decision and back it.



TRUST

- Treat everyone with dignity, fairness and respect.
 - Hold ourselves to high standards.
 - Empower others to perform at their best.
 - Do what is right and act in accordance with these values.
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About the Fund

Since 1925, ESSSuper and the Funds before it have served the Victorian State Government, its agencies, and their employees. We administer the State's statutory defined benefit superannuation funds and obligations, and offer accumulation-style products such as the ESSSuper Accumulation Plan and Income Streams.

With around 124,500 members holding over \$37 billion in defined benefit and accumulation net assets (as at 30 June 2024), we're well-positioned to continue serving our members for years to come.

Structure

ESSSuper (Emergency Services & State Super) is the registered business name of the Emergency Services Superannuation Board (the Board) (ABN 28 161 296 741).

The Board manages and administers the Emergency Services Superannuation Scheme and all other administered schemes (the Fund) (ABN 85 894 637 037).

The Fund is governed by the *Emergency Services Superannuation Act 1986* (Vic). It provides benefits for current and former Victorian emergency services employees, certain public sector employees, and their spouses (including de facto couples).

OUR STAKEHOLDERS

Members and their employers

Our members are active or retired public servants who have provided essential services to the community. Most have worked with Victoria Police, Fire Rescue Victoria, Ambulance Victoria, and Victorian Government schools. Other members include employees of State Government and Commonwealth agencies (including Metro Trains, Yarra Trams, Corrections Victoria, Parks Victoria, Court Services and V/Line) whose employment started before 1994.

Regulators and Government bodies

ESSSuper is an agency of Victoria's Department of Treasury and Finance (DTF), and our responsible minister is the Assistant Treasurer of Victoria. We also report regularly to the Australian Taxation Office (ATO) and the Australian Prudential Regulation Authority (APRA), and, as required, to AUSTRAC, the Office of the Victorian Information Commissioner (OVIC), Victorian Auditor-General's Office (VAGO), Victorian Civil and Administrative Tribunal (VCAT) and Independent Broad-based Anti-corruption Commission (IBAC), among others.

Unions and industry associations

We collaborate closely with the associations and unions who champion our members and their employers. These groups are The Police Association Victoria (TPAV), Australian Education Union (AEU), United Firefighters Union of Australia (Victoria) (UFU), Victorian Ambulance Union (VAU), Australian Ambulance Employees Union (AAEU), Community & Public Sector Union (CPSU), and Rail Train Bus Union (RTBU). We also work with the Super Members Council (SMC) and the Association of Superannuation Funds of Australia (ASFA) to advocate for key policy and legislative reforms that benefit our members.



Service providers

Member administration services are provided by Iress (Financial Synergy Holdings Pty Ltd), who also supply and maintain our client management systems and platforms. Insurance cover in the ESSSuper Accumulation Plan is provided by AIA Australia Limited (AIA). Master custodian services are provided by State Street Australia Limited, which includes physical custody and safekeeping of assets, settlement of trades, and accounting for investment transactions. The assets of ESSSuper's defined benefit schemes are managed by an external fund manager, the Victorian Funds Management Corporation (VFMC), which is a public authority and body corporate established under the *Victorian Funds Management Corporation Act 1994*.

WHAT MATTERS MOST

In April 2023, ESSSuper members were surveyed¹ to support our understanding of our members' thoughts and needs, and what we can improve.

HOW MANY CURRENT MEMBERS DEEMED THIS IMPORTANT	WHAT WE'RE DOING NOW	WHAT WE'VE PLANNED
 DATA PROTECTION/ CYBER SECURITY 79%	- Upgrading systems and internal resources to maintain and improve cyber security. - Using two-factor authentication for resetting passwords and financial transactions in Members Online. - Strengthening processes for identifying members for material transactions (e.g. making withdrawals) to reduce the risk of financial scams. - Strengthening data governance and data management policies to protect member data and upskilling staff across the business.	- Continued investment in modernising our IT infrastructure and strengthening our privacy and cyber security controls to protect members' money and data. - Implementing a new Data Governance framework to ensure we continue to have contemporary fit-for-purpose capabilities. - Implementing ASIC's FAR (Financial Accountability Regime) and APRA's CPS 230 to further strengthen our Risk Management policies and procedures.
 BEST POSSIBLE OUTCOMES FOR MEMBERS 74%	- Continuing to focus on member education and member advice to support the decisions members make, especially in the lead-up to retirement. - Implementing proactive campaigns to members in transition or at risk of an inadequate retirement. - Redesign of our Annual Benefit Statements to make it easier for members to see their current and estimated future retirement benefits.	- A new public website, designed to make it easier for members to access the information they need and empower them to better understand the choices available to them. - Implementing additional interventions to engage and support members who are not on track to a comfortable retirement. - Enhancements to information and content, to empower members at different stages of their superannuation journey.
 STRAIGHT-FORWARD PROCESSES FOR ACCESSING FUNDS IN RETIREMENT 70%	- Reviewing key member-facing processes, with a focus on members approaching retirement. - Monitoring our administration provider to address bottlenecks and delays in processing.	- Investigating new products which provide members with additional options to empower themselves and improve managing their income in retirement. - Continuing to review and improve processes in our Members Online system and with our administration provider.

¹ Survey was run and delivered by independent strategic insights company Nature Pty Ltd (ABN 74 360 915 718), nature.com.au

HOW MANY CURRENT MEMBERS DEEMED THIS IMPORTANT	WHAT WE'RE DOING NOW	WHAT WE'VE PLANNED
 EASY TO DEAL WITH 70%	• Reduced call wait times in our Member Service Centre. • Ongoing enhancements to our Members Online system to make it easier for members to access their super whenever they need. • Implementing a case management approach to support members with complex requests.	• Continued investment in digital channels (e.g. a new public website) to engage members and ensure streamlined and seamless engagement. • Using insights from complaints and frontline case management to enable the Fund to review our processes and policies. • A new mobile app to better empower members to access their super.
 STRONG INVESTMENT PERFORMANCE FUNDS 70%	• Our Balanced Growth investment option returned 11.1% in 2023-24, with compound annual returns of 7.78% over the last five financial years. • Implementing a new investment option, Balanced Growth Managed, which has a combination of higher- and lower-risk assets.	• Continued improvements in our investment team's capability and resilience. • Continuing to actively manage our investments and monitor our investment performance, striving to rate in the top quartile on annual and three-year bases with comparable funds.
 COMPETITIVE FEES 67%	• On 1 July 2023, reduced the administration fee and cap for accumulation and income stream accounts. • Being transparent about fees and making it easy for members to see the fees charged.	• Continuing to benchmark our fees and ensure that, on a total fees basis, our accumulation plans are some of the lowest-cost actively managed funds in Australia.² • Our new Strategy29 includes a specific focus on sustainability to ensure we continue to deliver excellent services and competitive products to our members.

² Source: SuperRatings' SMART (Superannuation Market Analysis and Research Tool). Refer to lonsec.com.au/super-fund/research/smart
 SuperRatings is a third-party superannuation research company providing data analysis, information and commentary to both the public and the superannuation industry. Refer to superratings.com.au for more information. Ratings are only one factor to be taken into account when choosing a super fund.

KEY HIGHLIGHTS



Strong investment performance

Our Balanced Growth investment option returned 11.1% over the 2023-24 financial year, with SuperRatings ranking it in the top 25% of Balanced¹ investment options over the period. Seven of our nine investment options were also rated by SuperRatings as delivering 1st quartile returns over the three years to June 2024, placing us in the top 25% for this measure.



Platinum rated fund

SuperRatings² rated ESSSuper's Accumulation Plan as Platinum (i.e. in the top 25% of funds) for the fifteenth year in a row, and our Income Streams were Platinum-rated for the sixteenth year in a row.



Introduction of case management

In 2024, our Member Service Centre introduced Case Managers. They handle complex requests from start to finish, so our members don't have to.



9% employer additional contribution rate

From 1 July 2024, employers contribute 9% (up from 8%) for ESSS DB Fund members who have reached their maximum benefit multiple.



91% member satisfaction score

Members awarded our front-line teams a 91% satisfaction rating³ - a strong endorsement of the care and commitment of our people.



New investment option

The investment option introduced on 23 July 2024, Balanced Growth Managed, includes a mix of higher- and lower-risk assets, aiming to help members increase their super while supporting stable returns.

¹ Source: SuperRatings Balanced (60-76) Index. SuperRatings is a third-party superannuation research company providing data analysis, information and commentary to both the public and the superannuation industry. Refer to superratings.com.au for more information. Ratings are only one factor to be taken into account when choosing a super fund. ² SuperRatings is a third-party superannuation research company providing data analysis, information, and commentary to both the public and the superannuation industry. Established in 2002, it is the most widely used and accepted ratings firm in the superannuation industry. Refer to superratings.com.au and esssuper.com.au/awards for more information. Ratings are only one factor to be taken into account when choosing a super fund. ³ Source: Evolved Human Listening market research platform: 1 July 2023 – 30 June 2024

MEMBER SERVICE IN 2023-24 (FY24)

7,463

member appointments

203

workplaces visited

81

education events

333

financial planning
Statements of Advice

432

death and disability
benefits approved

172

complex cases
managed

78,910

calls answered



MESSAGE FROM THE BOARD PRESIDENT

ESSSuper remained focused on delivering the best possible retirement outcomes for you, our members, against a backdrop of challenging economic conditions in 2023-24. We are very aware of the day-to-day reality of your work, deeply grateful for all you do to protect and care for Victorian communities, and incredibly proud to serve you.

I would like to share some of what we have achieved.

Investment performance

If your super is in one of ESSSuper's defined benefit funds, including those who have already retired with lifetime or disability pensions, your entitlements are part of the employment conditions provided by the Victorian Government and are not generally impacted by market returns. For members who have retirement savings in an ESSSuper Accumulation Plan, Beneficiary Account or Income Stream account, I am pleased to report that our investment performance has once again been exceptionally positive, both in absolute terms and relative to other funds.¹

While it can be tempting to focus on short-term performance, please keep in mind that superannuation is about the long term. We have a tremendously capable Investments team at ESSSuper, meaning performance has been very strong over the past several years. We are delighted to be delivering such great results for our members and more details about our investment performance are provided in this Annual Report.

Products and services

ESSSuper has also received a number of respected industry awards. In 2023, SuperRatings rated our Accumulation Plan and Income Streams as Platinum (i.e. in the top 25 per cent of funds) for the fifteenth and sixteenth years in a row respectively. And in May of this year, Investment Trends once again named us one of the top three funds for member satisfaction.²

This recognition is a testament to the ESSSuper team's deep commitment to ensuring the best possible retirement outcomes for our members. I would like to thank them for their professionalism and focus during the year.

Thanks

I would also like to express my gratitude to our hard-working Board of Directors, all of whom dedicate themselves to ensuring good governance and oversight of all ESSSuper's activities and providing guidance and support to management. It is a privilege to work with such an outstanding group of people.

I would particularly like to acknowledge the Chairs of the Board Committees:

- **Angela Stringer** and **Colin Jones**, Chairs of the SSF Benefits & Service Committee and ES Benefits & Service Committee respectively
- **Dean Glare**, Chair of the People & Capability Committee
- **Paul Mulraney**, Chair of the Finance and External Audit Committee and interim Chair of the Investment Committee from August 2023 to June 2024
- **George Boubouras**, Chair of the Investment Committee from June 2024
- **Ben McKie**, Chair of the Governance, Risk and Compliance Committee, and
- **Pam Rebecca**, Chair of the Transformation and Technology Advisory Group.

¹ Investment returns cannot be guaranteed as investment markets can be volatile. As a consequence, returns can be positive or negative. Past investment performance is not a reliable indicator of future performance. ² The Investment Trends Super Member Engagement Report is based on an online survey of an average of 11,404 members across multiple super funds each year.

The Board underwent a number of changes during the financial year. We welcomed George Boubouras in February 2024. In August 2023 we farewelled Doug Kearsley after seven years of service, including as Chair of the Investment Committee. I would like to thank Doug for his significant contribution to the Board, ESSSuper and our members.

On behalf of the Board, I would also like to acknowledge and thank our CEO Robbie Campo, her senior management team and all the ESSSuper staff for their commitment and diligence in serving our members.

I also express our gratitude to the Victorian Government and the Department of Treasury and Finance for their invaluable support.

Looking forward

The Board has approved an ambitious new five-year strategy, which was developed with the benefit of extensive consultation and research with members and key stakeholders. We are confident it will enable ESSSuper to improve member experience, deliver additional value, strengthen governance and risk management practices, and position the Fund for a sustainable future. As always, members' interests will be at the forefront of everything we do.

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for ESSSuper for the year ending 30 June 2024 and commend it to you.

Yours sincerely,



Joan Fitzpatrick
ESSSuper Board President
September 2024

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I am pleased to report that our investment performance has once again been exceptionally positive, both in absolute terms and relative to other funds.

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MESSAGE FROM THE CEO

Next year will be ESSSuper's 100th anniversary. For almost a century, ESSSuper and the funds before it have been proud to serve Emergency Services and State Super members. We are driven by a strong sense of purpose: to do everything in our power to ensure that those who dedicate themselves to protecting the health and wellbeing of Victorians enjoy the comfortable retirement they deserve.

In 2023-24, we put in place a number of important building blocks to enable us to further enhance the products, services and support we provide to members.

Providing gold-standard member service

Member service will always be a priority for ESSSuper. We are passionate about providing the support and guidance you need, when and where you need it. This is especially important as our defined benefit funds can be complex, and our expertise helps you make the most of your retirement benefits.

In 2023-24, in addition to answering 78,910 calls, our Member Service Centre established a case management team to support members with complex issues by taking end-to-end responsibility for resolving them. The team handled 172 cases in the four months it was operating, and member feedback has been overwhelmingly positive.

Our Member Education Consultants completed 7,463 one-on-one appointments, providing information and general advice at no additional cost. They also visited 203 workplaces across the state and ran 81 education events at our offices and online.

Our Financial Planners¹ understand the complexities of ESSSuper accounts and are ideally placed to provide expert advice. In 2023-24, the team provided personalised recommendations to 333 members seeking to maximise their financial outcomes.

Recognising the demanding work our members do, we have a dedicated Claims and Insurance Administration team to help when members need to access their death and disability benefits. In FY24, they assisted 432 members to successfully navigate the approval process and provided support during this often-difficult period.

I am delighted to report that our members awarded our front-line teams an average 91% satisfaction rating² in 2023-24 – a strong endorsement of the care and commitment of our people.

Culture and community

These attributes reflect ESSSuper's culture and strong connection to the community we serve, qualities we proactively nurture. In FY24, we were inspired by members joining us to share their personal stories, participated in celebrations such as Thank a First Responder's Day and International Teacher's Day, and paid our respects at the Victoria Police National Remembrance and Blue Ribbon Day.

We took part in the Angela Taylor Memorial Run/Walk, got involved with groups that support our members' health and wellbeing and learned more about the contributions our members make at career expos, family days and graduations. I meet regularly with our Government, employer and union partners and was lucky enough to attend a number of their conferences during the year. I'd like to thank our community for supporting us in these activities. We feel privileged to belong.

Cyber and data security

Further strengthening our cyber and data security in a global environment of heightened risk remains a priority. We have implemented a range of strategies and technical controls to continuously monitor and reduce the likelihood and impact of a cyber security incident. We are committed to ongoing investment in this area to ensure your personal data and retirement assets remain safe.

Strong returns and retirement outcomes

Around 75% of our active defined benefit members are on track to meet or exceed the ASFA comfortable standard upon retirement, well above the Australian average of 30%³. And 63% of members with Retirement Income Stream accounts met or exceeded the ASFA comfortable standard in the 2023-24 financial year. This demonstrates ESSSuper's commitment to ensuring our members achieve financial security in retirement.

¹ ESSSuper Financial Advisers are authorised representatives of Link Advice Pty Ltd (Link Advice). Link Advice holds a current Australian Financial Services Licence No. 258145 and is responsible for the financial services provided to you. ESSSuper has an arrangement with Link Advice Pty Ltd to provide financial advice to ESSSuper members. ESSSuper pays Link Advice a fee for this service. Neither the Board, nor the Victorian Government, guarantee or endorse any recommendations made by Link Advice, or are responsible for the advice and actions of Link Advice. ² Source: Evolved Human Listening market research platform: 1 July 2023 to 30 June 2024. ³ Source: superreview.com.au/news/superannuation/half-retirees-achieve-comfortable-retirement-2050. The Association of Superannuation Funds of Australia (ASFA) Retirement Standard provides benchmarks for both a comfortable and modest standard of living, for both singles and couples, and is updated quarterly to reflect changes to the CPI. Refer to superannuation.asn.au/retirement-standard for more information.

I'm also proud to report that our investment options continue to perform strongly, both in absolute return terms and compared against equivalent competitor products. Our Balanced Growth investment option returned 11.1% over the 2023-24 financial year, with compound annual returns of 6.8% and 7.8% over the last three and five financial years respectively.

We remain a strong performer over the longer term. Over five years to 30 June 2024, our Balanced investment option achieved a return of 5.9% p.a., which places it in the top 25% of peer funds in the SuperRatings⁴ June 2024 Fund Crediting Rate Survey⁵.

A five-year strategic plan

With guidance from the Board, we have developed a five-year strategic plan that outlines how we will further uplift our member service and support. Priorities over the next two years include delivering a new website that is easy to navigate and empowers users to find answers and complete tasks, significantly enhancing our mobile app, producing high-quality content and communications tailored to members' specific circumstances and reviewing the products we offer to ensure they meet members' needs at different life stages. We will also invest in platforms and systems, governance processes and our people - the foundations of being a high-performing superannuation fund.

I'd like to acknowledge and thank the Victorian Government and the Victorian Department of Treasury and Finance for their continued support, the ESSSuper Board for their expert guidance, and the ESSSuper team for their professionalism and commitment. Most of all, I'd like to thank our members for the incredible work they do every day and the trust they place in us. Please be assured, we will do all we can to assist you achieve the best possible retirement. We are proud to serve you.

Yours sincerely,



Robbie Campo
Chief Executive Officer
September 2024

⁴ SuperRatings is a third-party superannuation research company providing data analysis, information, and commentary to both the public and the superannuation industry. Established in 2002, it is the most widely used and accepted ratings firm in the superannuation industry. Refer to superratings.com.au and esssuper.com.au/awards for more information. Ratings are only one factor to be taken into account when choosing a super fund. ⁵ Source: SuperRatings Balanced (60-76) Index. Returns shown are after fees and taxes.

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I'd like to thank our members for the incredible work they do every day and the trust they place in us. Please be assured, we will do all we can to assist you achieve the best possible retirement.

We are proud to serve you.

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OUR STRATEGY

STRATEGIC FRAMEWORK

While the Strategic Framework developed in 2022-23 (FY23) continued to inform the workplan for FY24, we are approaching the end of this strategy that focused on our Mission to grow and protect members’ superannuation and to support them throughout their lives. The new corporate strategy for 2024 to 2029 (Strategy29) has been developed as part of the FY24 business plan and will see us evolving our vision for the Fund for the next five years. In the meantime, our ambition has been to deliver on the key outcomes envisioned for the current plan.

OUR PURPOSE

We commit to making a lifetime of positive difference for the people who serve, and have served, the Victorian community to assist them achieve the retirement they so richly deserve.

OUR MISSION

To grow and protect our members’ superannuation and support them throughout their lives.

STRATEGY STATEMENT

Operate a sustainable integrated defined benefit and accumulation fund, demonstrated through industry leading member satisfaction and advocacy, which allows us to invest in the best experience for our members.

STRATEGIC CATEGORIES

Member outcomes	Business sustainability
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STRATEGIC THEMES

Innovation	Member experience	Financial wellbeing	Governance and data security	Retirement optimisation	Sustainable scale	Capability and culture
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EXPECTED OUTCOMES

Digital innovation	Member satisfaction	Increased financial literacy	Fortified data and cyber security	Improve member retirement adequacy	Optimise member retention	Employee alignment and engagement
Realise benefits of new operating model	Member advocacy	Competitive investment returns aligned to member risk appetite	Improved data quality and integrity	Tailored retirement income solutions	Grow accumulation market share	External reputation

VALUES

Accountability	Courage	Collaboration	Trust
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SUPERANNUATION OPERATING ENVIRONMENT

As quite often happens during the financial year, several policy announcements emerge which impact the superannuation industry. The 2023-24 financial year has been no different – in fact it has been a big year for super. The breadth of the current policy agenda is sobering for funds as we contemplate the impact of changes on processes, product design, member communications and education, and most pleasingly on the potential for improvement in member retirement outcomes. Fortunately, ESSSuper's members are already better off than most with access to an open defined benefit scheme. As an exempt public sector super fund, ESSSuper will continue to comply with changes in the super environment through our compliance with the Heads of Government Agreement.

A few examples of the policies impacting superannuation in FY24 include:

- The *Objective of Superannuation Bill*, which was tabled to Parliament in 2023 and is currently before Senate, enshrines the objective of superannuation in legislation. The objective, as it is written, states "The objective of superannuation is to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way." Many not-for-profit funds were very supportive of the Objective and the principle it embodies. Broadly, it is seen as an opportunity to achieve policy and regulatory stability for the superannuation system and confidence for investors.
- The 'design of financial advice provision', currently being addressed under the rubric of 'Delivering Better Financial Outcomes', is of particular interest to superannuation funds and their role of providing guidance, as all funds look for certainty around whether charging members for advice from their superannuation account will continue to be aligned to the sole purpose test. The bill, introduced to Parliament in March 2024, aims to make clear that benefits paid by members, including from their superannuation accounts, are not conflicted remuneration. ESSSuper strongly believes that members are entitled to rely on their superannuation fund as they plan for a sound financial future, which is why providing guidance to pre-retirees is a key scorecard measure for the Fund in FY24.
- The discussion paper released by Treasury in December 2023, is taking a broad-based policy review of the retirement phase of superannuation and is specifically looking at how the superannuation system can provide needed security and income in retirement. The number of retirees with a superannuation account is expected to more than double over the next 10 years with approximately 2.5 million Australians expected to retire. ESSSuper has been specifically looking at ensuring it continues to offer products and services that help members optimise their superannuation savings in retirement with better information, support, advice and well-rounded income products.
- A new measure was introduced in March 2024 where the government will pay superannuation guarantee equivalent payments on government-funded Paid Parental Leave. Announced alongside the Working for Women Strategy, it will take effect from 1 July 2025, ensuring parents can keep their super growing as their family grows. While ESSSuper members typically retire with superannuation balances significantly larger than the APRA average, this is an important initiative that will continue to improve the financial position of women across Australia.

ESSSuper believes that all these initiatives provide an opportunity to improve our retirement system and we continue to be active advocates for our members across all these policy areas as they inform our strategic workplan.



STRATEGIC OUTLOOK

From 1 July 2024 we are excited to start implementing our new 5-year strategy, Strategy29.

ESSSuper's Strategy29 is a strategy of metamorphosis – a strategy designed to fundamentally upgrade and scale our aging platforms and systems and deliver a best-practice member engagement and service experience. Over five years we will radically uplift our member service, support, education and engagement experience through the replacement or improvement of legacy systems and introduction of new digital experiences. It will change the way we work, so it's easier for our people and easier for our members – improving their experience and delivering value for our stakeholders. It will also position the Fund for a sustainable future, ensuring we can continue

to deliver on the promise of a hybrid defined benefit and accumulation fund focused on supporting emergency services and Victorian Government employees.

Next year will be ESSSuper's 100th anniversary, and Strategy29 is a building block for the Fund to be here for another 100 years. We have a lot to do, but we believe this plan carefully considers the balance between realising our ambition and our available resources.

In our delivery of this strategy, we will use discipline and governance – through metrics, milestones, roadmaps, our operating rhythm and scorecard – to ensure that the investment we make in our future is transparent and appropriately managed.

STRATEGY29 HAS BEEN STRUCTURED INTO FOUR PILLARS, OR STRATEGIC PRIORITIES:



Engage • Empower • Enable • Sustain

- 1 Our expert service, support and advice empowers members to navigate a confident retirement journey
- 2 We deliver a member experience tailored to their unique employer and working environment; wherever they are, whenever they need it
- 3 We have contemporary fit-for-purpose capabilities, platforms and systems, that make superannuation and retirement easier for members and our people
- 4 We are a sustainable and trusted hybrid defined benefit and accumulation fund

**THERE'S A LOT TO DELIVER IN EACH OF THESE PRIORITIES BUT THESE FOUR PILLARS ARE THE CORE OF STRATEGY29
– WITH EACH HAVING SEVERAL GOALS AND INITIATIVES THAT WE WILL DELIVER OVER THE NEXT FIVE YEARS.**

Our expert service, support and advice empowers members to navigate a confident retirement journey

Focusing on our members and improving the way we support them to either self-serve or receive assisted service, is crucial to our success and improving their retirement outcomes. We'll achieve this by providing appropriate products and support that are relevant to the different stages of their superannuation and retirement journey and providing a consistent member experience on the phone, in person or digitally.

We deliver a member experience tailored to their unique employer and working environment; wherever they are, whenever they need it

The pervasiveness of technology and its ability to engage no longer means that one size or solution fits all. Our members want to be able to access information when it suits them and where it suits them, and their unique working environment makes that central to the success of Strategy29. To meet this end, we will need to deliver improved digital communication options that provide a seamless experience across channels.

We have contemporary fit-for-purpose capabilities, platforms and systems that make superannuation and retirement easier for members and our people

Our aim has always been to help every member achieve a comfortable retirement, and the role technology plays in engaging our members through that journey has never been more important than today in a world of rapid digital adoption.

Strategy29 ensures we invest in our platforms and systems so we can continue to engage and support members with increasingly tailored, relevant communication that delivers the right information at the right time, empowering them to navigate a confident retirement journey. We will also continue to invest in our governance processes, including data governance and capability and information security, and our people, all of which are the foundations of being a responsible superannuation entity.

We are a sustainable and trusted hybrid defined benefit and accumulation fund

We're already a leader in offering a superannuation solution that delivers superior retirement outcomes to our members through an open defined benefit scheme. To ensure we can continue to do this we will focus on underpinning the sustainability of the Fund for the future by ensuring our revenue and cost allocation profile is appropriate and fit-for-purpose and our operating model aligns to our member engagement objectives. By focusing on being a responsible business and partner to our employer and government stakeholders, we've set ourselves clear goals around uplifting the resilience of our Investment Model and enhancing our value proposition for our critical stakeholders.

While our new Strategy starts on 1 July 2024, we know that we've got to finish the job on several initiatives that are currently underway from our previous FY24 business plan. The hard work, tough decisions and investments that we've made over the past three years have firmly set the foundations for the next chapter of ESSSuper so that our first hundred years is the jumping off point for our next hundred.

HOW WE CREATE VALUE

ESSSuper has commenced its journey to incorporate the principles of integrated thinking and reporting into our Annual Report. In this section we aim to illustrate how we measure outcomes for members and value creation while executing our Purpose, which is to *commit to making a lifetime of positive difference for the people who serve, and have served, the Victorian community so they may achieve a dignified and secure retirement.*

Measuring outcomes

The primary purpose of an integrated report is to explain how an organisation like ESSSuper creates, preserves or erodes value over time. We believe our Scorecard – with measures that roll up to outcomes for both members and business sustainability – provides a suitable framework for measuring our impact through our business activities.

Our core business activity is the provision of superannuation services to emergency services and Victorian Government employees.



OUR BUSINESS MODEL AND VALUE CHAIN

We create value for our members and stakeholders and deliver broader benefits through active engagement with our community

By providing superannuation services...

- > To members, we enable them to enhance their retirement income outcome and quality of life.
- > To employers, we support them to focus on the critical role they perform in society by fulfilling their superannuation obligations.
- > To stakeholders, we enable them to fulfil their obligations to support emergency services and state employees to achieve a dignified income in retirement.

By actively engaging in our member communities through engagement, education, inclusion and development, we contribute to the society in which we operate.

Our sustainability and that of our members and stakeholders, depends on our ability to effectively use and manage the resources in our value chain.

OUR BUSINESS ACTIVITIES

In the course of conducting business, there are several external factors that influence our business activities and outcomes.



WE PROTECT WHAT IS IMPORTANT TO OUR MEMBERS AND STAKEHOLDERS THROUGH ROBUST RISK MANAGEMENT...

Compliance and risk evaluate the controls that management uses to maintain our licence to operate and our ability to create value.

We actively **invest** superannuation contributions and **pay** pensions...

- Accumulation
- Defined Benefit
- Income Stream

... and **create member value propositions**...

- Member needs
- Regulations
- Employees
- Data Insights

Through an integrated planning process, we:

1. invest to deliver appropriate returns for members
2. meet regulatory requirements, and
3. invest in strategic initiatives and operations that will support delivery of exceptional retirement outcomes for members.

We create, develop, and price products and services based on the needs of members and stakeholders, insights gained from behaviours, and by factoring in systems, regulatory considerations and the competitive environment.

↑ OUTPUTS

We assist members to create, grow, protect and use wealth (as an income stream) by offering an integrated menu of superannuation, insurance and retirement income products.

We assist employers to meet their superannuation obligations by creating highly-valued products that deliver a superior retirement income outcome.

These external factors include political, economic, social, technological, legal and environmental conditions.



...AND BUILD CONFIDENCE AND TRUST THROUGH SOUND GOVERNANCE.

Common policies and frameworks ensure consistent and integrated execution to improve service levels and gain synergy and scale through focus on differentiated capabilities

... **to deliver products and services** to our **members** and **stakeholders**...

- Digital solutions
- Member service, education and advice
- Employer service

... which is enabled through **robust operations management**.

- Third party administration

Our members have the choice to engage, learn, and transact using the phone, digital solutions or face to face engagements.

We advise our members on their superannuation and retirement needs, including their risk. This is how we deliver on our member promise and build trust.

- Financial Management
- Investment Management
- Human Resources
- Information Technology
- Marketing & Communications
- Compliance and Risk
- Fund Operations



PRODUCTS AND SERVICES

Members have access to products that respond to their needs in the accumulation and decumulation phases of their life

Members experience content that is engaging, relevant, and supports them to make informed decisions

Members experience service and communication that is appropriate to their life stage or circumstances and supports them to improve their retirement outcome and sense of financial security

Members have improved understanding and capability to make retirement planning decisions



ENTERPRISE SCORECARD

The Enterprise Scorecard is the mechanism by which we manage and monitor the impact of our strategy, connecting the dots between planning, implementation, and outcomes for members. The scorecard measures and monitors the outcomes of key dimensions across two strategic domains- 'member' and 'business sustainability'.

 Measure	 Metric	 FY24 performance outcome
MEMBER OUTCOMES		
1. Effective administration of member accounts	A qualitative assessment of Iress's delivery of planned benefits for members	Management continues to work with Iress to ensure its service standards meet the needs and expectations of members.
2. High member satisfaction	Result of average of member satisfaction scores across multiple touchpoints	This past year, we have focussed closely on improving the experience that our members have when they interact with us, whether that is through a self-service channel or by contacting our Member Service team. Our result of 87% across all channels for the year is exceptional and provides valuable insight on areas of future focus.
3. Cost per member – accumulation	Operating cost per accumulation and income stream member	We are driven every day to ensure our products are competitively priced. Our operating cost per accumulation and income stream member increased in FY24 as we continued to invest in improving our products and services for the benefit of members.
4. Competitive fees	Average fee per member assessed on a peer review basis using Superratings competitor review tables	We are pleased that ESSSuper remained a top quartile performing fund in FY24 when compared to our competitors. In fact, ESSSuper remains below median across all not-for-profit funds ensuring we remain a top value fund for members.
5. Competitive investment performance – default	Compare investment performance to peers using Superratings three-year rolling net investment performance measure for default option	Over the past 5 years, for a member with a starting balance & salary of \$50,000 who is invested in the Balanced Growth option, ESSSuper delivered a net benefit outcome \$6,716 above the average fund, ensuring we remained a top quartile fund in FY24.
6. Improve financial wellbeing – retirement adequacy	An increase in the number of members on track for an adequate retirement based on the ASFA 'comfortable retirement' measure	Over the course of the year the Fund increased the overall number of members on track for a 'comfortable' retirement to 49%. For active defined benefit members, this increased to 75%. While this is a positive result, we are committed to ongoing improvement, and in FY25, we will actively pursue emerging opportunities to help our members achieve a better retirement.



Measure



Metric



FY24 performance outcome

MEMBER OUTCOMES

7. Improve financial wellbeing – guidance to pre-retirees

A progressive increase in the number of members on track for an adequate income in retirement

In FY24, our member engagement team supported more than 3,400 pre-retiree members which is an increase on FY23. In FY25 we will continue to commit to doing everything we can to support more members as they plan for retirement.

8. Improve financial wellbeing – retaining retirees

An increase in the number of members remaining with ESSSuper 5 years following retirement

Ensuring our members can confidently navigate their retirement journey is at the heart of our organisation and remains central to our Vision. In FY24 the number of members remaining with ESSSuper increased from FY23.

BUSINESS SUSTAINABILITY

9. High quality and aligned workforce

Employee engagement as measured in a bi-annual survey

We continue to invest in our people and our employee engagement score of 72% shows that listening to our people to understand their needs is having an impact in the organisation. Success relies on us building a team where people share values and expectations and are proud to work together.

10. Grow member FUM - retention

Number of member defections measured by accounts and FUM

While the number of member defections has reduced compared to FY23, the value of those defections has increased. Over the past year ESSSuper has uplifted its capability and capacity to provide specific support to members after they finish work, ensuring we help our members to grow, protect and use wealth by offering an integrated menu of superannuation, insurance and retirement products coupled with deep knowledge and support.

UPDATE FROM THE GROUP EXECUTIVE, INVESTMENTS

2023-24 FINANCIAL YEAR ECONOMIC AND MARKET COMMENTARY

Overview

Financial year 2023-24 (FY24) was a positive year for the Fund's growth-exposed investments. Inflation gradually declined which buoyed investor expectations of a "soft landing" for the U.S. economy. After many years of near-zero interest rates, divergences have emerged in many parts of the world, with market expectations for interest rate hikes in Australia contrasting to expected cuts in the U.S. and the beginning of actual rate cuts in Europe.

Equities spent most of the year on the ascension. Tentative signs of slowing economic activity did little to temper equity market returns. Inflation remained sticky in some countries, with the U.S. Consumer Price Index (CPI) hovering around 3% per annum since the middle of 2023. Australian inflation was also above the Reserve Bank's target, reducing the likelihood of rate cuts and risking further increases from current levels.

Market performance

U.S. equities rose 24.6% over the financial year following a 19.6% rise the prior year. Other developed equity markets were similarly strong, with European equities up 14.9% and the Japanese market up 21.5%.

Stocks in emerging markets returned 16% while the Australian share market lagged with a return of 11.9% compared to 14.4% the year prior.

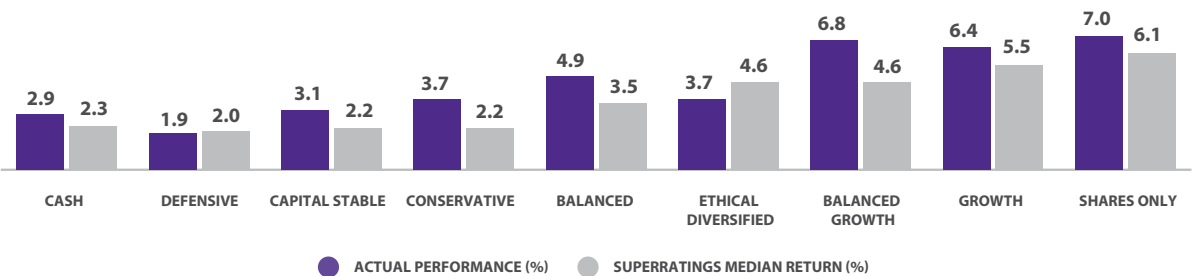
Long-term sovereign bond yields remained volatile over the year, swinging up and down depending on market sentiment towards a possible start to the rate cutting cycle. Australian bonds returned 3.7% for the financial year, while global sovereign bonds fell 1% in local currency terms. Both Australian and global bonds underperformed Australian cash, which returned 4.4% given the high interest rate environment.

Real asset investments in diversified property and infrastructure generated mixed returns. Infrastructure generally performed well as the aviation sector continued to be supported by strong demand for leisure travel. Other assets (such as toll roads) benefitted from contractual revenues linked to inflation. Most of the Fund's infrastructure assets are at least partly exposed to a slowdown in economic activity, with investments in seaports showing some indications of softening as global trade volumes decline. Property returns materially underperformed infrastructure, driven by the office sector which is facing headwinds from an oversupply of office space and a continuation of the 'work from home' trend post the Coronavirus pandemic.

Investment performance

I am pleased to report that our Balanced Growth option generated returns in the top 25% of SuperRatings Balanced¹ peer funds over FY23-24. Our other investment options generated returns closer to their respective median SuperRatings peer funds. Recognising that it is strong long term performance that counts in superannuation, I am pleased to report that over the past three years, seven of nine options generated returns in the top 25% of their respective SuperRatings peer options.

3 year performance Accumulation Funds (net of fees and tax) vs SuperRatings Median



¹ Source: SuperRatings Balanced (60-76) Index. SuperRatings is a third-party superannuation research company providing data analysis, information and commentary to both the public and the superannuation industry. Refer to superratings.com.au for more information. Ratings are only one factor to be taken into account when choosing a super fund.

Economic outlook

U.S. economic growth has likely peaked, with consumer spending slowing, excess savings falling and emerging signs of weakness in labour market indicators. While Europe posted positive economic growth over the March 2024 quarter, consumption remains weak and therefore less likely to surprise to the upside. In Australia, high living costs and mortgage payments are dampening per capita consumption and economic activity.

Inflation has decreased but remains above central bank targets, driven by persistent services inflation (especially shelter inflation in the U.S. and Australia). In Europe, headline inflation is nearing central bank target levels. The conflict in the Middle East and Europe did not prevent oil prices from declining which helped to dampen inflation. Geopolitical tensions, trade conflicts and housing market imbalances have the potential to sustain higher inflation in the near term.

Forward indicators such as consumer sentiment, business confidence, and manufacturing PMI surveys are generally negative, though consumer confidence is improving in Europe. Europe's weak domestic demand and negative trade outlook reflect manufacturing PMI readings below 50 which is at contractionary levels.

Monetary policy remains restrictive and credit growth is weak. Bank lending standards have stabilised but not loosened. In Australia, more fixed-rate loans have shifted to variable rates, but mortgage arrears remain low for the time being. Interest rates have likely peaked, with central banks signalling possible rate cuts this year.

China's economy faces unstable property demand, weak consumer confidence and persistent deflationary pressures.

Despite evident resilience in FY23, we believe the environment remains a challenging one for growth exposed investments. ESSSuper's portfolio is conservatively positioned, with cash reserves built up to take advantage of emerging investment opportunities.

Warm regards,

Daniel Selioutine

Daniel Selioutine
Group Executive, Investments
September 2024

“

I am pleased to report that over the past three years, seven of nine options generated returns in the top 25% of their respective SuperRatings peer options.

”



OUR RESPONSIBLE INVESTMENTS

Investment Model

All investments are made in accordance with the Board's investment goals, the *Borrowing and Investment Powers Act 1987* and the Victorian Treasurer's Prudential Statement investment guidelines.

Investment responsibilities for the defined benefit assets were transferred to the Victorian Funds Management Corporation (VFMC) on 1 July 2006. The Board is responsible for setting investment objectives for both the accumulation and defined benefit assets along with the investment of the accumulation assets.

For defined benefit assets, the Board has a framework for setting investment objectives which involves an external adviser and implementation manager, VFMC. The Fund's Chief Investment Officer manages this relationship and, aided by the internal investment team, reports to the Board throughout the year. VFMC presents to the Investment Committee quarterly on investment performance against agreed goals.



For accumulation assets, the Board uses a specialist external investment adviser, Frontier Advisors Pty Ltd. Frontier Advisors Pty Ltd reports to the Investment Committee quarterly and gives periodic product-based and more frequent strategic, portfolio construction and manager-specific advice. The internal investment team critiques, implements and monitors investment decisions. This framework of internal and external parties ensures there are appropriate checks and balances.

ESSSuper carefully selects specialist external investment managers to manage most of ESSSuper assets. Managers are chosen for their investment skills in specific markets and asset classes. All are contracted with performance goals and reviewed periodically – with final Board oversight.

Like other government agencies, ESSSuper is conservative in disclosing assets subject to significant estimation uncertainty.

Our Approach to Responsible Investment

Assessing the risks and opportunities arising from Environmental, Social and Governance (ESG) issues forms an important part of ESSSuper's investment principles and Investment Governance Framework.

The Accumulation Plan invests across a range of different investment strategies and seeks to consider the impact of financially material ESG issues across the entire portfolio.

ESSSuper appoints external investment managers based on a number of factors, one of which is the extent to which their consideration of the risks and opportunities associated with ESG issues is consistent with our Responsible Investment Policy. Appointed external managers are monitored via an annual questionnaire to ensure the continued integration of ESG issues into their investment processes. Manager responses inform ESSSuper's yearly review to decide if the appointed managers are still a good fit. ESSSuper also considers non-ESG factors when deciding whether to keep working with these managers.

We seek to exclude direct investments in companies involved in the production of tobacco and controversial weapons companies (where the production represents more than 5% of their revenue). ESSSuper does not otherwise screen or exclude investment types or individual investments but attempts to monitor and manage the underlying ESG risks. Further details are contained within the ESSSuper Responsible Investment Policy provided on the website at esssuper.com.au/esg.

The assets of the defined benefit schemes are managed by an external fund manager, VFMC, which invests across a diversified range of investment strategies and specialist investment managers.

ESG considerations are wholly integrated into the portfolio to improve risk-adjusted returns and the approach encompasses the following key areas of work:

Active ownership

- proactively engaging with investee companies and external fund managers and exercising votes at company meetings to drive tangible outcomes on a range of ESG related matters

ESG integration

- systematically integrating ESG factors into VFMC's 'whole of portfolio' approach to investing across and within all asset classes

Major ESG projects

- important ESG projects to support our investment stewardship activities, such as modern slavery and climate risk management

Collaboration and information sharing

- collaborating with other investors to influence change across the market at a systemic level, and sharing information with our clients, peers, and key industry groups to strengthen the industry as a whole.

VFMC primarily seeks to manage ESG risks through its active ownership investment approach and generally avoids exclusions. However, in certain circumstances, after comprehensive assessment of the economic, legal and fiduciary requirements, and risk and return issues associated with the investment, VFMC may decide to apply an investment exclusion. VFMC has exclusions in place for tobacco manufacturers, cluster munitions and thermal coal.

Further information is contacted on the VFMC website:
vfmc.vic.gov.au/our-impact/esg/

Our response to climate change

ESSSuper's overriding responsibility is to act in the best financial interests of its members. While the exact timing of climate change is uncertain, it is highly likely to have a financial impact on the Fund's investments.

To address this, our Board aspires to reduce the carbon exposure of our Accumulation Plan via a staged approach, with a goal of achieving net zero carbon emissions by 2050¹. We have initially focussed on our public equity investments because they contribute the most to portfolio risk and generally have more reliable carbon emissions data. Progress is tracked twice a year by asking our investment managers to estimate the carbon emissions of their portfolio. The Investment Committee and Board receive twice yearly reports on the carbon intensity of our portfolio, with improving coverage and data quality as global reporting frameworks mature.

While our ability to achieve net zero will unavoidably depend on policymakers and portfolio companies meeting their own net zero commitments, more than 130 countries have already pledged or proposed to reach net zero by 2050². The Australian Government has set a target to cut emissions by 43% by 2030 compared to 2005 levels.

ESSSuper recognises there are limitations in its monitoring and analysis of climate change risks, including challenges with data accuracy and changes in carbon measurement methods.

Notwithstanding these challenges, we believe that the Federal Government's plan to establish consistent Australian climate reporting standards will improve data accuracy and reliability, and ultimately support our effort towards net zero.

Further information contained within the ESSSuper Responsible Investment Policy.

Proxy voting and class actions

In order to encourage better corporate practices that align with members' best interests, the Fund exercises its right to vote on shareholder resolutions. The Fund has appointed a specialist proxy voting adviser to vote on its behalf and manage most operational aspects of the proxy voting process.

The goal of the proxy voting advisor is to protect and enhance shareholder value through active communication with companies in regard to ESG risks.

Class actions provide shareholders with an opportunity to seek compensation from investee companies for financial losses arising due to breaches of corporate laws or regulations. ESSSuper participates in class actions to recover losses on behalf of its members. Participation is considered to encourage greater accountability and better corporate governance standards by companies and directors.

¹ Based on Scope 1 & 2 emissions across the Fund's total portfolio of investments. Scope 1 emissions are direct emissions produced by a company's own activities or operations. Scope 2 emissions are indirect emissions associated with the energy a company purchases and uses, which are generated from another company.

² Net Zero Tracker, zerotracker.net (sourced 23 August 2024).

OUR INVESTMENT PERFORMANCE

EMERGENCY SERVICES MEMBERS' DEFINED BENEFIT INVESTMENTS

Benefits in the ESSS Defined Benefit Fund are based on salary, period of membership, age and contribution rate(s) during membership. This means that a member's benefit doesn't generally rely on investment earnings for growth. However strong long-term returns help to manage Victoria's long-term superannuation liabilities in both the ESSS Defined Benefit Fund and the State Super Fund.

The Board has adopted a series of objectives covering Statement of Financial Position, investment return, liquidity and protection against movements in the Fund's liabilities.

The investment strategy is designed and implemented by the Victorian Funds Management Corporation.

The main objectives are to:

- Ensure there is no greater than 10% probability of a 10% reduction in the funding ratio over any 3-year period, and
- Achieve a long-term return of at least CPI + 5% per annum (p.a.) over rolling 8-year periods (before tax but after fees).

The charts opposite show the ESSS Defined Benefit Fund's strategic asset allocation at 30 June 2024 and compares this with the actual asset allocations at 30 June 2024 and 30 June 2023.

Performance

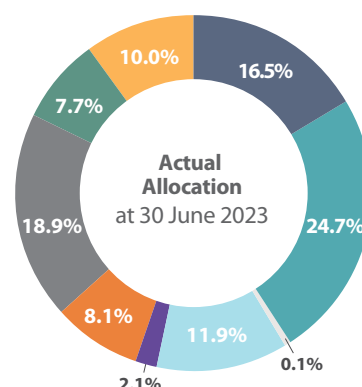
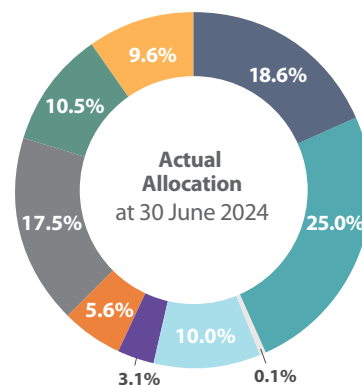
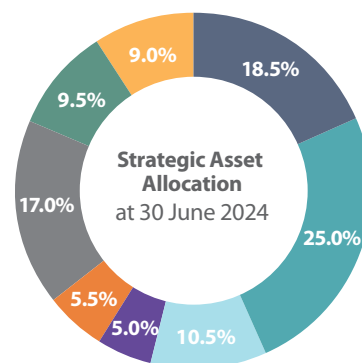
The investment return on emergency services defined benefit and pension assets (net of fees) for the year to 30 June 2024 was 8.83%.

The compound average investment return for the ESSS Defined Benefit Fund over the past five years (net of fees) was 6.14% p.a.

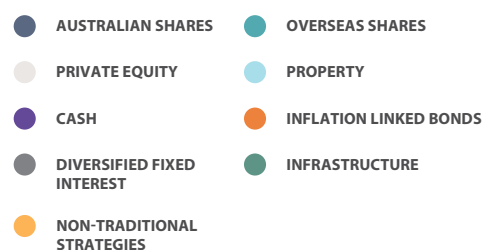
The table below provides the investment returns for the past five years to 30 June 2024. Investment returns do not impact on ESSS Defined Benefit Fund member benefits.

Investment returns for the past five years

YEAR ENDED 30 JUNE	RETURN (GROSS) %	RETURN (NET) %
2024	9.40%	8.83%
2023	10.09%	9.37%
2022	-0.56%	-1.66%
2021	17.47%	16.45%
2020	-0.53%	-1.17%
5 year compound average p.a.	6.97%	6.14%



Asset classes



STATE SUPER MEMBERS' DEFINED BENEFIT INVESTMENTS

Retirement benefits for State Super members are based on salary, period of membership, age and contribution rate(s) during membership.

The Board has adopted a series of objectives for these investments which cover investment return, risk of negative return, liquidity and protection against movements in the Fund's liabilities.

The investment strategy is designed and implemented by the Victorian Funds Management Corporation.

The main objectives are to:

- Achieve a long-term real investment return of at least CPI + 5.25% per annum over rolling 8-year periods (before tax but after fees)
- Ensure there is no greater than 20% probability of a 10% reduction in the funding ratio over any three-year period, and
- Minimise the term of the full funding.

The charts opposite show the State Super defined benefit funds' strategic asset allocation at 30 June 2024 and compares this with the actual asset allocations at 30 June 2024 and 30 June 2023.

Performance

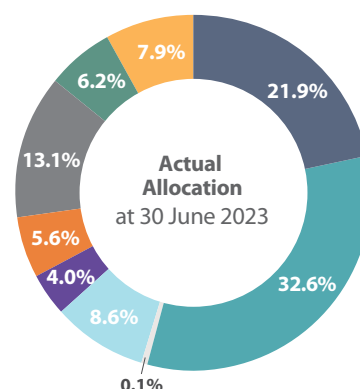
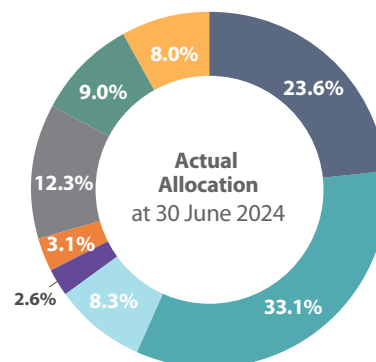
The investment return on State Super defined benefit and pension assets (net of fees) for the year ended 30 June 2024 was 10.01%.

The compound average investment return for the State Super defined benefit funds over the past five years (net of fees) was 6.83% p.a.

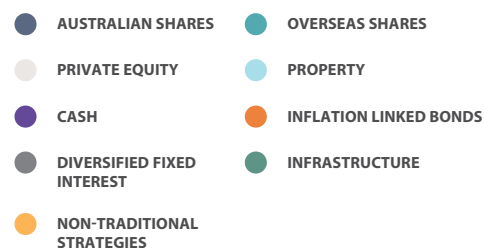
The table below provides the investment returns for the past five years to 30 June 2024.

Investment returns for the past five years

YEAR ENDED 30 JUNE	RETURN (GROSS) %	RETURN (NET) %
2024	10.62%	10.01%
2023	11.45%	10.79%
2022	-2.40%	-3.25%
2021	20.15%	19.26%
2020	-0.49%	-1.06%
5 year compound average p.a.	7.55%	6.83%



Asset classes



ACCUMULATION PRODUCTS – INVESTMENT OPTIONS AND PERFORMANCE

Members of ESSSuper's accumulation products (Accumulation Plan, Beneficiary Account and Income Streams) have a choice of investment options. Each investment option has its own asset allocation which may include Australian and overseas shares, property, fixed interest, infrastructure, absolute return funds, hedge funds, term deposits and cash.

Each investment option's level of exposure to these assets depends on its risk profile and long-term performance goals. The investment options range from high to low risk to cater for different member needs.

Details of each investment option's goal, risk level, strategic asset allocation and performance are shown on the following pages.

Unit prices

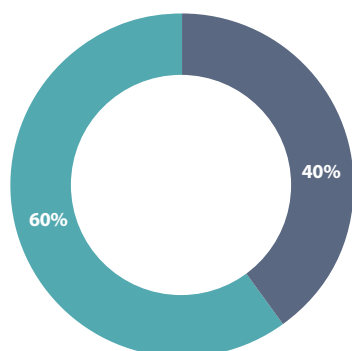
The Accumulation Plan, Beneficiary Account and Income Streams Product Disclosure Statements (PDSs) provide details on how unit prices are applied. Refer to our website at esssuper.com.au/pds for current copies of the relevant PDS.



Asset allocation and performance returns

Shares Only

Strategic Asset Allocation



Asset allocation range

AUSTRALIAN SHARES	25-75%
OVERSEAS SHARES	25-75%
PRIVATE EQUITY	0-10%
PROPERTY	–
INFRASTRUCTURE	–
ALTERNATIVE GROWTH	–
CREDIT	–
CASH	–

Accumulation Plan, Beneficiary Account and Working Income Stream

To provide a rate of return of 4.0% p.a. after fees and taxes above the rate of inflation over a 12 year period.¹

Retirement Income Stream

To provide a rate of return of 4.5% p.a. after fees above the rate of inflation over a 12 year period.¹

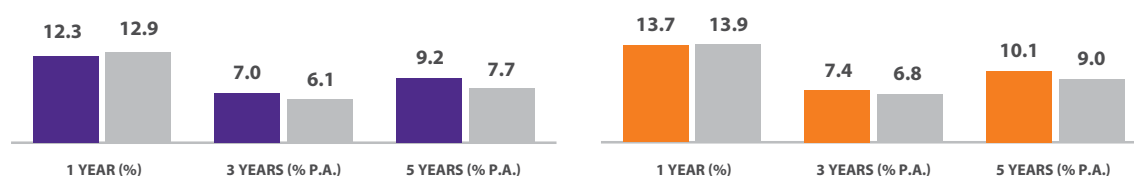
Risk Level²:

7 – Very high

Risk of negative return²:

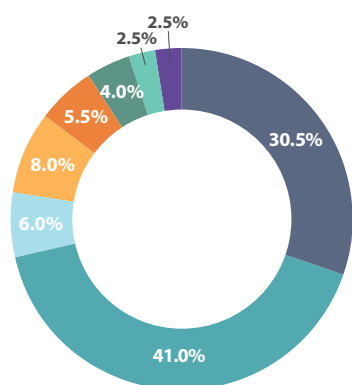
6 or greater over any 20 year period

● ACCUMULATION PLAN RETURN ● RETIREMENT INCOME STREAM RETURN ● SUPERRATINGS MEDIAN RETURN (SHARES ONLY)



Growth

Strategic Asset Allocation



Asset allocation range

AUSTRALIAN SHARES	20-50%
OVERSEAS SHARES	20-55%
PRIVATE EQUITY	0-10%
PROPERTY	0-30%
INFRASTRUCTURE	0-30%
ALTERNATIVE GROWTH	0-20%
CREDIT	0-15%
DEFENSIVE FIXED INCOME	0-10%
CASH	0-10%

Accumulation Plan, Beneficiary Account and Working Income Stream

To provide a rate of return of 4.0% p.a. after fees and taxes above the rate of inflation over a 12 year period.¹

Retirement Income Stream

To provide a rate of return of 4.5% p.a. after fees above the rate of inflation over a 12 year period.¹

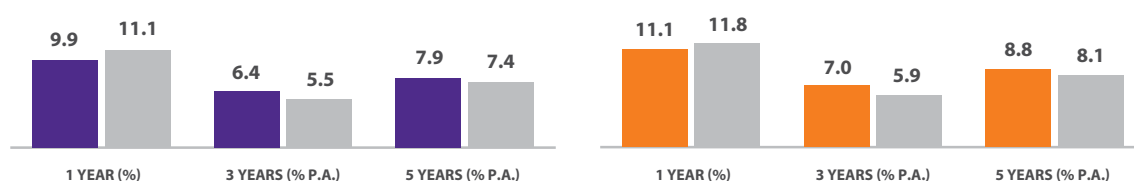
Risk Level²:

6 – High

Risk of negative return²:

4 to less than 6 over any 20 year period

● ACCUMULATION PLAN RETURN ● RETIREMENT INCOME STREAM RETURN ● SUPERRATINGS MEDIAN RETURN (GROWTH)



Notes

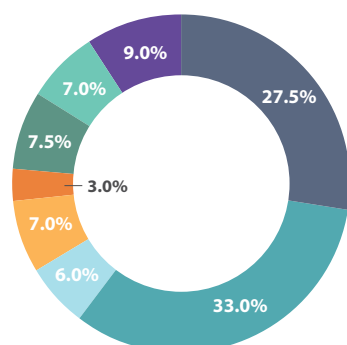
1. The investment objectives are not a promise or guarantee of any particular benefit. They represent a benchmark against which the Board monitors the performance of the investments in the Accumulation Plan, Beneficiary Account and Income Streams.

2. The standard risk measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The standard risk measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

Asset allocation and performance returns

Balanced Growth

Strategic Asset Allocation



Asset allocation range

AUSTRALIAN SHARES	10-50%
OVERSEAS SHARES	10-50%
PRIVATE EQUITY	–
PROPERTY	0-20%
INFRASTRUCTURE	0-25%
ALTERNATIVE GROWTH	0-20%
CREDIT	0-25%
DEFENSIVE FIXED INCOME	0-20%
CASH	0-15%

Accumulation Plan, Beneficiary Account and Working Income Stream

To provide a rate of return of 3.25% p.a. after fees and taxes above the rate of inflation over a 10 year period.¹

Retirement Income Stream

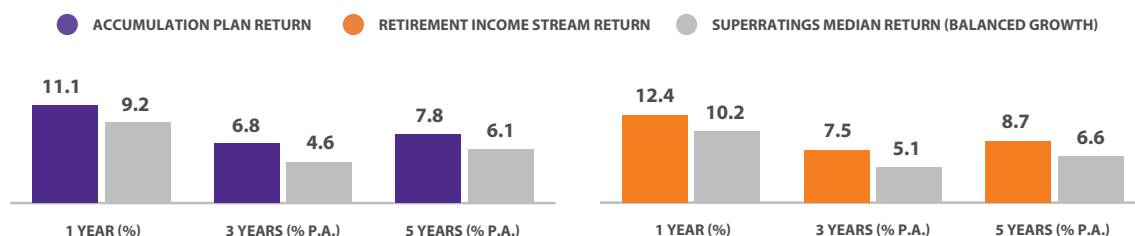
To provide a rate of return of 3.75% p.a. after fees above the rate of inflation over a 10 year period.¹

Risk Level²:

6 – High

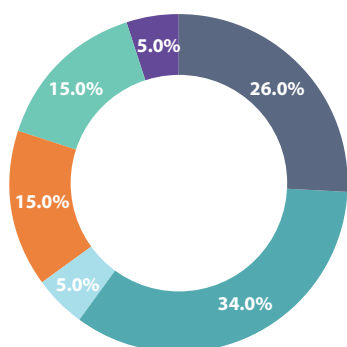
Risk of negative return²:

4 to less than 6 over any 20 year period



Ethical Diversified

Strategic Asset Allocation



Asset allocation range

AUSTRALIAN SHARES	15-50%
OVERSEAS SHARES	15-50%
PRIVATE EQUITY	–
PROPERTY	0-20%
INFRASTRUCTURE	0-20%
ALTERNATIVE GROWTH	0-40%
CREDIT	0-20%
DEFENSIVE FIXED INCOME	0-30%
CASH	0-20%

Accumulation Plan, Beneficiary Account and Working Income Stream

To provide a rate of return of 3.0% p.a. after fees and taxes above the rate of inflation over a 10 year period.¹

Retirement Income Stream

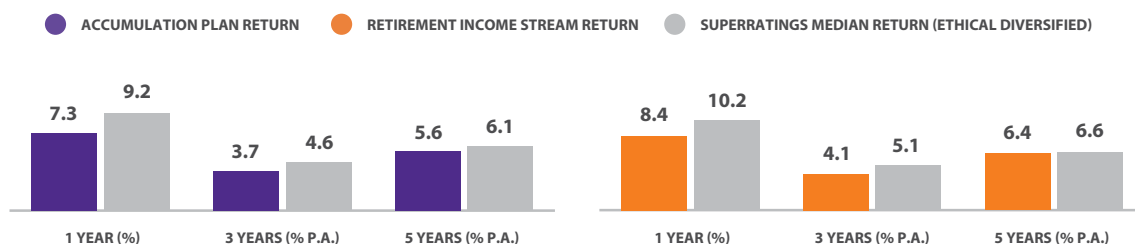
To provide a rate of return of 3.5% p.a. after fees above the rate of inflation over a 10 year period.¹

Risk Level²:

6 – High

Risk of negative return²:

4 to less than 6 over any 20 year period



Notes

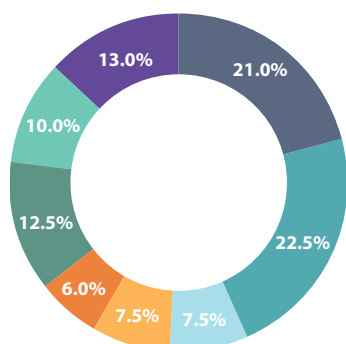
1. The investment objectives are not a promise or guarantee of any particular benefit. They represent a benchmark against which the Board monitors the performance of the investments in the Accumulation Plan, Beneficiary Account and Income Streams.

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Asset allocation and performance returns

Balanced

Strategic Asset Allocation



Asset allocation range

AUSTRALIAN SHARES	10-40%
OVERSEAS SHARES	10-40%
PRIVATE EQUITY	0-10%
PROPERTY	0-20%
INFRASTRUCTURE	0-25%
ALTERNATIVE GROWTH	0-20%
CREDIT	0-30%
DEFENSIVE FIXED INCOME	0-20%
CASH	0-20%

Accumulation Plan, Beneficiary Account and Working Income Stream

To provide a rate of return of 3.0% p.a. after fees and taxes above the rate of inflation over a 10 year period.¹

Retirement Income Stream

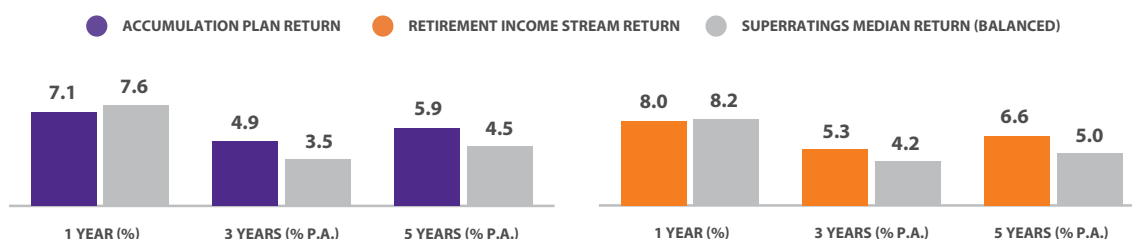
To provide a rate of return of 3.5% p.a. after fees above the rate of inflation over a 10 year period.¹

Risk Level²:

6 – High

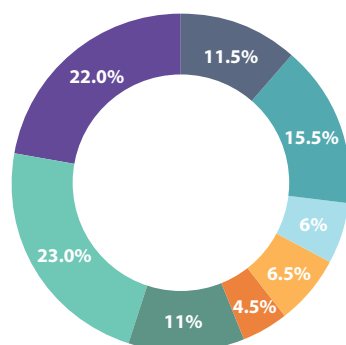
Risk of negative return²:

4 to less than 6 over any 20 year period



Conservative

Strategic Asset Allocation



Asset allocation range

AUSTRALIAN SHARES	0-30%
OVERSEAS SHARES	5-30%
PRIVATE EQUITY	0-10%
PROPERTY	0-20%
INFRASTRUCTURE	0-25%
ALTERNATIVE GROWTH	0-20%
CREDIT	0-30%
DEFENSIVE FIXED INCOME	5-40%
CASH	0-30%

Accumulation Plan, Beneficiary Account and Working Income Stream

To provide a rate of return of 2.0% p.a. after fees and taxes above the rate of inflation over a 10 year period.¹

Retirement Income Stream

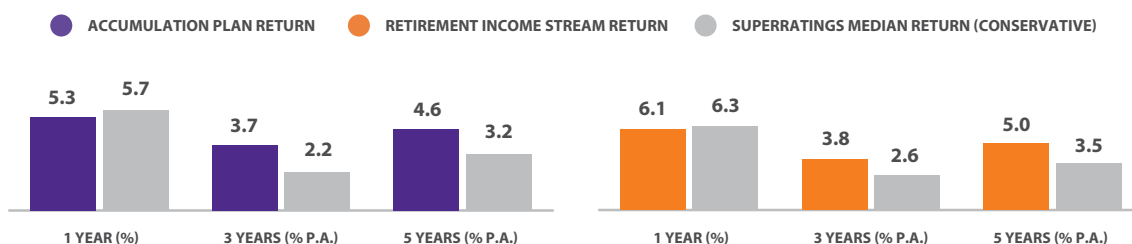
To provide a rate of return of 2.5% p.a. after fees above the rate of inflation over a 10 year period.¹

Risk Level²:

5 – Medium to High

Risk of negative return²:

3 to less than 4 over any 20 year period



Notes

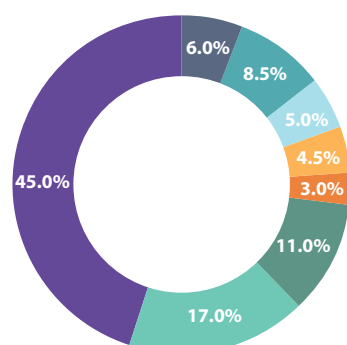
1. The investment objectives are not a promise or guarantee of any particular benefit. They represent a benchmark against which the Board monitors the performance of the investments in the Accumulation Plan, Beneficiary Account and Income Streams.

2. The standard risk measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The standard risk measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

Asset allocation and performance returns

Capital Stable

Strategic Asset Allocation



Asset allocation range

AUSTRALIAN SHARES	0-20%
OVERSEAS SHARES	0-20%
PRIVATE EQUITY	0-5%
PROPERTY	0-15%
INFRASTRUCTURE	0-20%
ALTERNATIVE GROWTH	0-15%
CREDIT	0-25%
DEFENSIVE FIXED INCOME	0-30%
CASH	15-55%

Accumulation Plan, Beneficiary Account and Working Income Stream

To provide a rate of return of 1.0% p.a. after fees and taxes above the rate of inflation over a 5 year period.¹

Retirement Income Stream

To provide a rate of return of 1.5% p.a. after fees above the rate of inflation over a 5 year period.¹

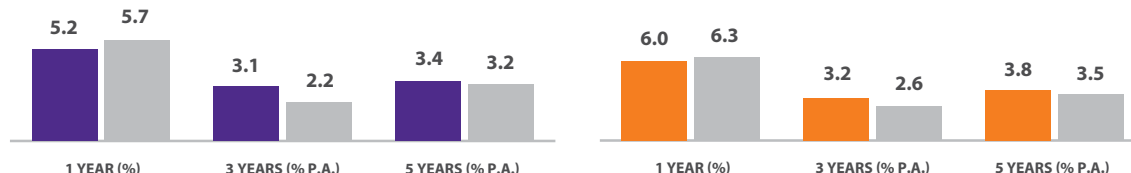
Risk Level²:

4 – Medium

Risk of negative return²:

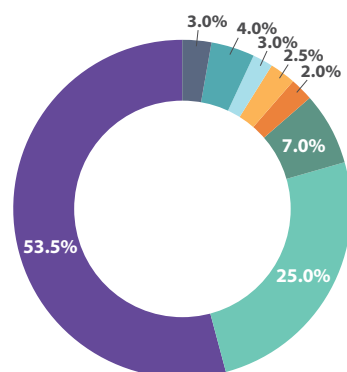
2 to less than 3 over any 20 year period

● ACCUMULATION PLAN RETURN ● RETIREMENT INCOME STREAM RETURN ● SUPERRATINGS MEDIAN RETURN (CAPITAL STABLE)



Defensive

Strategic Asset Allocation



Asset allocation range

AUSTRALIAN SHARES	0-15%
OVERSEAS SHARES	0-15%
PRIVATE EQUITY	0-5%
PROPERTY	0-10%
INFRASTRUCTURE	0-10%
ALTERNATIVE GROWTH	0-10%
CREDIT	0-15%
DEFENSIVE FIXED INCOME	0-40%
CASH	30-80%

Accumulation Plan, Beneficiary Account and Working Income Stream

To provide a return after fees and taxes equivalent to the rate of inflation over a 2 year period.¹

Retirement Income Stream

To provide a return after fees equivalent to the rate of inflation over a 2 year period.¹

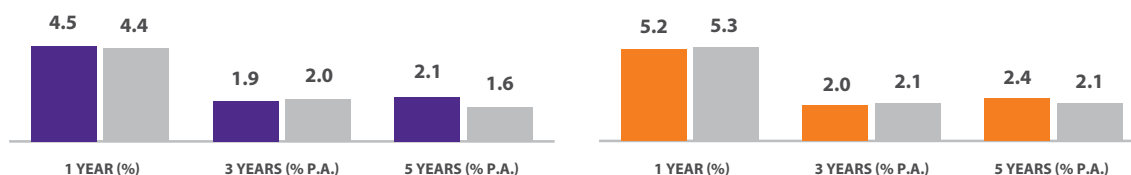
Risk Level²:

3 – Low to Medium

Risk of negative return²:

1 to less than 2 over any 20 year period

● ACCUMULATION PLAN RETURN ● RETIREMENT INCOME STREAM RETURN ● SUPERRATINGS MEDIAN RETURN (DEFENSIVE)



Notes

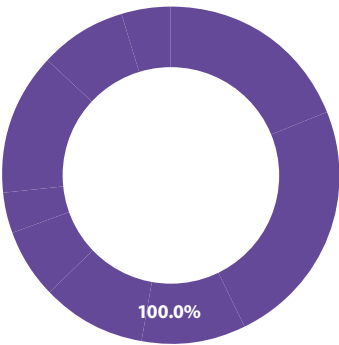
1. The investment objectives are not a promise or guarantee of any particular benefit. They represent a benchmark against which the Board monitors the performance of the investments in the Accumulation Plan, Beneficiary Account and Income Streams.

2. The standard risk measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The standard risk measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

Asset allocation and performance returns

Cash

Strategic Asset Allocation



Asset allocation range

AUSTRALIAN SHARES	–
OVERSEAS SHARES	–
PRIVATE EQUITY	–
PROPERTY	–
INFRASTRUCTURE	–
ALTERNATIVE GROWTH	–
CREDIT	–
CASH	100%

Accumulation Plan, Beneficiary Account and Working Income Stream

To provide a return after fees, before tax, equivalent to or higher than the Bloomberg AusBond Bank Bill Index.¹

Retirement Income Stream

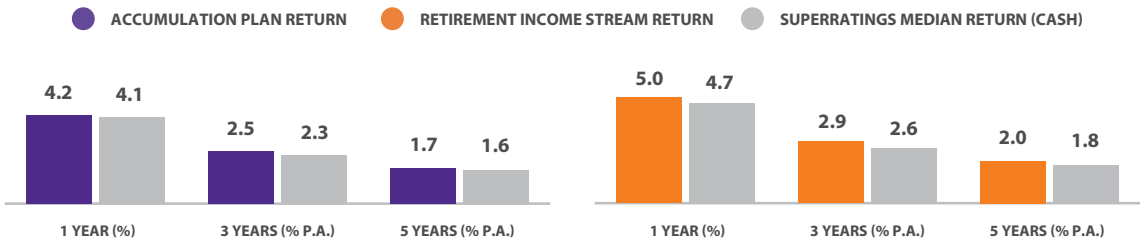
To provide a return after fees equivalent to or higher than the Bloomberg AusBond Bank Bill Index.¹

Risk Level²:

1 – Very low

Risk of negative return²:

Less than 0.5 over any 20 year period



Notes

1. The investment objectives are not a promise or guarantee of any particular benefit. They represent a benchmark against which the Board monitors the performance of the investments in the Accumulation Plan, Beneficiary Account and Income Streams.

2. The standard risk measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The standard risk measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s).

Investment managers

The following table lists the investment managers engaged to manage assets on behalf of the ESSSuper defined benefit and accumulation funds at 30 June 2024:

Advent International	IFM Investors
AHL	Investa Property Group
AIP Infrastructure	ISPT
Alphinity Investment Management	Janus Henderson
American Securities Partners	Lazard Asset Management
AMP Capital	Lend Lease
Antin Infrastructure Partners	Lighthouse Infrastructure
Arcadia Fund Management	Loomis Sayles
Ardea	LSV Asset Management
ARES Management	Macquarie Asset Management
Arrowstreet Capital	Madigan Capital
Artisan Partners	Mesirow Financial
Bain Capital	MIP Cleco Partners
BentallGreenOak	Mirvac
Berkshire Group	Morgan Stanley
Blackrock	Nephila
Bridgewater Associate	Oak Hill Advisors
Brookfield	Oaktree Capital
C Worldwide Asset Management	Orbis
Capula Investment Management	Paradice Investment manager
Cerberus Capital Management	Pendal Group
Challenger	Perpetual
Charter Hall	PGIM Qualifying Investor Funds
Citadel	PIMCO Investment Management
Colchester Global Investors	Platypus Asset Management
Cooper Investors	Putnam Investments
Copenhagen Infrastructure Partners	QIC
Corval Partners	Resolution Capital
D. E. Shaw Multi-Asset Portfolios	RWC Partners
Dexus	Sanders Capital Limited
Edelweiss Alternative Asset Advisors	Seabourne
Elliot International	Securis Investment Partners
Emso Asset Management	Silver Creek
Eureka Funds management	Sixth Street Partners
FCM Cat Fund Australia	SSGA Global Adviser
Fidelity International	Standard Life Group
First Sentier Investors	Stewart Investors
Fortress Investment Group	Stonepeak
GAM Investments	Sustainable Global Advisers
Garda Capital Partners	TSSP Capital Solutions
Global Infrastructure Partners	TT International
Goldentree Asset Management	Veritas Asset Management
Goldman Sachs Asset Management	VFMC
GPT Group	Vinva Investment Management
Greencape Capital	Vontobel Asset Management
H.R.L. Morrison & Co Limited	Wasatch Global Investors
Heitman	Wellington Management Funds
Hyperion Asset Management	Yarra Capital Management

OUR PRODUCTS AND SERVICES

Retirement income strategy and measures

ESSSuper continues to build on the retirement income strategy developed in 2022. This is aimed at enabling members to maximise their retirement income, while managing risks and providing flexible access to funds in retirement.

The Fund is focused on:

- executing the multi-year action plan as outlined in the initiatives section on this page, and at the same time;
- engaging and educating approaching retirement and at-retirement members with the awareness of decumulation product options and potential income.

In addition to measuring the progress of our initiatives, ESSSuper also uses the retirement adequacy benchmark as an indicator to assess the effectiveness of our strategy.

In FY24, 49% of members were meeting the retirement adequacy target, which is on budget, and represents growth from the FY23 result of 47% of members, meeting the retirement adequacy target.

Pleasingly, 75% of our active defined benefit members are on track to meet or exceed the ASFA comfortable standard upon retirement.

Our initiatives

During FY24, ESSSuper set in motion a number of initiatives that will further advance our progress to achieve the goals set out in the retirement income strategy. These include:

- > Redesign the public website delivering an improved digital experience with easier navigation and relevant content
- > Introduction of a new investment option, Balanced Growth Managed, in July 2024 which will become the default investment option for the Accumulation Plan and Beneficiary Account products later in 2024
- > Redesign the Annual Benefit Statements delivering a simpler and more engaging communication experience for all members
- > Design of the retirement income-for-life product to complement our existing retirement offer to give members peace of mind in retirement.

1 July 2024 marks the start of the implementation of Strategy29, the fund's new five-year strategy.

Initiatives will be kicked off to radically uplift our member service, support education and engagement experience. This will include the redesign of a new mobile app, replacing or improving legacy systems and introducing new digital experiences.



Insurance cover for members

ESSSuper continues to provide insurance protection for our members and their families via:

- The defined benefit schemes with built-in death and disability benefits for defined benefit members only
- The Accumulation Plan insurance¹, underwritten by AIA, is the core insurance offer for accumulation plan only members. Defined benefit members can also top up their level of cover using the Accumulation Plan offer.

The complementary offer of these two insurance products enables members to tailor their level of insurance coverage to suit their individual needs.

Our insurance offer is highly tailored to align with the hybrid defined benefit and accumulation fund construct. In recognition of members working in riskier occupations, the Fund has exercised the 'dangerous occupation exception' to enable protective services officers in training to receive death and disability insurance cover consistent with the protection given to police officers in training under the Act.

The Accumulation Plan insurance product continues to be rated as 'Well Above Benchmark' by SuperRatings² confirming that it offers members good value for money. We are proud to be recognised and nominated as a finalist by SuperRatings in 2023 for our default insurance offering.

ESSSuper's commitment to being there for our members at the time of needs is unwavering.

- Our claims approval rate is 99%
- Median AIA claims assessment cycle time is 34 days
- Median AIA underwriting cycle time is 12.5 days

TYPES OF INSURANCE	2023-24	2022-23
Defined benefit schemes approved claims		
Disability pensions	275	249
Retrospective disability pensions	11	10
Temporary disability pensions	67	63
Ill-health lump sums	15	12
Death	40	36
Admit	408	370
Decline	1	1
Accumulation Plan approved claims (underwritten by AIA)		
TPD claims	16	14
Death claims	5	7
Terminal Illness	1	4
Income Protection	2	2
Admit	24	27
Decline	3	1
Total AIA claims paid	\$1.61M	\$1.39M
	\$63,445	\$48,060
	average lump sum payment	average lump sum payment
	\$2,188	\$2,844
	average monthly Income Protection benefit	average monthly Income Protection benefit

¹ The insurance for Death, TPD and Income Protection in the Accumulation Plan is provided by AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA) (Insurer) through group insurance policies that the Board holds with the Insurer. ² SuperRatings is a third-party superannuation research company providing data analysis, information, and commentary to both the public and the superannuation industry. Established in 2002, it is the most widely used and accepted ratings firm in the superannuation industry. Refer to superratings.com.au and esssuper.com.au/awards for more information. Ratings are only one factor to be taken into account when choosing a super fund.

MEMBER SERVICE

78,910 **87%¹**

number of calls
answered

member
satisfaction

Our Superannuation Consultants are the primary contact for member enquiries. They provide accurate information and assist members with account changes over the phone. This year, member contacts to the Member Service Centre decreased significantly by 37% compared to 2022–23. The previous year's high number of contacts was due to increased activity from transitioning to our outsourced administration model. Our average telephone response time improved by 22%, meaning members waited nearly two minutes less to speak with a consultant throughout the year.

We regularly review our service delivery to identify opportunities to improve member satisfaction through process improvements and enhancements to member experience. In February 2024, we introduced a Case Management function within the Member Service Centre to ensure we could carefully manage instances where members had unusual circumstances or required additional support with a transaction. This function aims to ease the burden on our members by adopting a "member calls once" approach. Case managers handle the coordination with internal departments and our administration team, ensuring every member is well-informed and has a single point of contact with ESSSuper.

In the five months since the launch of case management, the team has proactively assisted 172 members in resolving their complex issues. Key cases handled include processing defined benefit retirement and death applications, benefit payment escalations, and pension payment inquiries, among other matters. The next phase for case management involves leveraging these insights and learnings to further drive improvements, making it even easier for our members to contact ESSSuper.

MEMBER CASE STUDY: LYNNE

After dedicating over 40 years to teaching, 67-year-old Lynne decided it was time to retire and embrace the next phase of her life. She contacted ESSSuper and submitted her application, but when the process stalled, she reached out again and was referred to Case Management.

Our case manager worked with internal departments to chase up the required information from the Department of Education to resolve Lynne's enquiry. After dealing with our case manager, Lynne said *"I'm so grateful for your help, it's been a bit of a journey for probably three months. I'm just so delighted that you came on board yesterday and within 24 hours, this has all been sorted finally. The service has been outstanding, it's been wonderful..."*

Thank you so much, it's been absolutely wonderful because until the last 24 hours I didn't have any confidence that this was going to be sorted, but now it has I'm really delighted".



MEMBER CASE STUDY: GREGORY

Considering his retirement options, 66-year-old ESSSuper member Gregory initially sought advice from an external financial advisor, incurring fees of \$4,400 and proposed ongoing fees of \$5,000 per year. Unsatisfied with the advice, Gregory contacted the Member Service Centre. A consultant informed him about the value and quality of our planners. Gregory is now working with the ESSSuper Member Advice team to explore his options. If he transitions his advice relationship to ESSSuper, he stands to save approximately \$5,000 per year, as our planners charge no ongoing fees.

¹ Source: Evolved Human Listening market research platform, 1 July 2023 to 30 June 2024.

Note: All names and photos in case studies have been changed to protect members' privacy.



MEMBER EDUCATION

Our Member Education Consultants have specific expertise with the intricacies of the Fund. They can answer the most complex questions members may have about their ESSSuper accounts. Our consultants offer one-on-one appointments over the phone, by video call, in person or at our members' workplaces. Being ASIC Regulatory Guide 146 (RG 146) accredited, they can give general superannuation advice and provide detailed information about ESSSuper's products and benefits. They are available to help members every step of the way, both while working and in retirement.

Helping members understand their super

Our online webinars can help members achieve their retirement goals from the comfort of their home. We also conduct in-person educational events at our office and at multiple locations across Victoria. Members can ask questions during the sessions, and we email attendees a copy of the presentation afterwards. Running throughout the year, our education events covered topics such as:

- Superannuation basics
- Planning your retirement
- How to enjoy a regular income after retirement
- Making super last longer, and
- Protecting loved ones with insurance through super.

81

webinars run

95%²

overall member satisfaction

203

workplace visits completed

7,463

member education appointments held

² Source: Evolved Human Listening market research platform, 1 July 2023 to 30 June 2024.

Note: All names and photos in case studies have been changed to protect members' privacy.

MEMBER CASE STUDY: PETER

Peter attended multiple Member Education appointments with our consultant Donald Terris. During the meetings, Donald was able to help, using his vast experience in assisting emergency services members. Like many members, this was Peter's first step to gaining a greater understanding of his super, and particularly his unique options within the defined benefit fund. Over the two years meeting with Donald, Peter was provided enough information and general advice to help him feel comfortable in making the important and necessary decisions to set himself up for a successful retirement.

Peter reached out to tell ESSSuper about *"the excellent, professional, diligent, informative, and understanding service that I've been receiving from Donald Terris over the last two years regarding the complex issues of my superannuation and ill health retirement from Victoria Police. Donald's assistance was invaluable to me. I cannot express in words how much he helped. Initially I had several mental health issues that I was battling when I first met Donald. In short Donald took the time to carefully explain in terms that I could comprehend, what was required of me. I'm now much, much better. My mental health burden has greatly diminished."*



MEMBER ADVICE

333

Statements of Advice

91%³

member satisfaction

96%

members implementing advice

External financial advisers are less likely to understand the intricacies and unique opportunities of our Fund than our own Member Advice team. Our team is ideally placed to provide expert guidance and personalised recommendations to help members make informed financial decisions about their defined benefit entitlements, which can often be complex. They offer a comprehensive analysis of financial situations, assist in setting and achieving long-term goals, provide investment strategies tailored to risk tolerance, optimise tax efficiency, navigate complex retirement planning, and offer insights on insurance, estate planning, and other crucial aspects of a member's financial security. An ESSSuper Financial Adviser's expertise and experience:

- empowers individuals to make sound financial choices
- gain confidence in their financial future, and
- maximise their overall financial wellbeing.

Quality advice

We engage with Link Advice (part of the Mitsubishi UFJ Financial Group – MUFG), to ensure the advice provided to members is in their best interest. Link Advice and our advisers⁴ individually are responsible for the advice provided. It's supported by robust research and oversight, with breadth to address a range of member needs and products. A stringent audit process is in place, with randomly selected member files reviewed on a quarterly basis and held to a high standard for quality and compliance purposes. In addition, our Advisers are members of the Financial Advice Association of Australia (FAAA) and stay abreast of legislative changes, industry best practice and professional development opportunities.

MEMBER CASE STUDY: JOHN AND JENNY

John and his partner Jenny had been diligently preparing for their retirement, regularly meeting with ESSSuper's Member Education Consultants over the years. Additionally, they consulted several external advisers and eventually appointed a Third Party Adviser, who subsequently made seven phone calls to the Member Service Centre in an effort to better understand the ESSS Defined Benefit Fund. The adviser quoted them an upfront advice fee of \$19,000, along with ongoing fees and product administration costs for the adviser's preferred fund.

Upon hearing the fees the external adviser was going to charge John and Jenny, the Member Education Consultant arranged an appointment with an ESSSuper Adviser. This provided an opportunity to present the ESSSuper Advice service offering.

With their financial circumstances being relatively straightforward, primarily revolving around the ESSS DB Fund as their main investment vehicle, John and Jenny were simply seeking financial confidence in their retirement. Their goals included repaying their mortgage, minimizing taxes, and investing their defined benefit as a long-term retirement income vehicle.

Over the course of several meetings with both John and Jenny, the ESSSuper adviser highlighted the ESSSuper advice service proposition and clearly demonstrated the value they could add to their financial circumstances. This led John and Jenny to agree to seek our assistance and have a comprehensive financial plan prepared for \$4,200 (including GST) as a one-off cost, which equates to an initial saving of \$14,800 in advice fees for the member.

³ Source: Evolved Human Listening market research platform, 1 July 2023 to 30 June 2024. ⁴ ESSSuper Financial Advisers are authorised representatives of Link Advice Pty Ltd (Link Advice). Link Advice holds a current Australian Financial Services Licence No. 258145 and is responsible for the financial services provided to you. ESSSuper has an arrangement with Link Advice Pty Ltd to provide financial advice to ESSSuper members. ESSSuper pays Link Advice a fee for this service. Neither the Board, nor the Victorian Government, guarantee or endorse any recommendations made by Link Advice, or are responsible for the advice and actions of Link Advice.

Note: All names and photos in case studies have been changed to protect members' privacy.

CONNECTION TO COMMUNITY

At ESSSuper, we enjoy a close relationship with those we serve. We understand the work they do and the challenges they face. We visit their workplaces, talk to them and their representatives, and work closely with employers, unions and the State Government to better meet their needs. We also take part in a wide range of activities and events – educational, cause-related and social - that further strengthen these ties.



2024 Angela Taylor Memorial Run/Walk



Thank a First Responder's Day

We started 2023-24 with the Australian Education Union (AEU) Women's Conference, themed 'Strong Women, Strong Voices'. In the company of 80 special women, we heard from expert panels and participated in workshops exploring the key issues affecting women in the education profession.

September saw things move up a gear. Our Member Education team and CEO Robbie Campo sponsored The Journey Forward's Pay It Forward BBQ at St Kilda Police Station. It was the first of many BBQs 'paid forward' to different stations throughout the year – and just one of the many great programs The Journey Forward runs to support the mental health and wellbeing of first responders.

We attended conferences run by the Victorian Ambulance Union (VAU) and the Police Association, with Robbie presenting and team members on hand to talk to members about superannuation and the benefits of their unique defined benefit fund.

Importantly, September also signifies Victoria Police National Remembrance and Blue Ribbon Day, a time to remember and honour the sacrifice of officers who have fallen in the line of duty. Our people joined the march to the Police Memorial on St Kilda Road and attended the very moving service. They also helped with the tin rattle and sale of merchandise later that day.

In October, the team hung out with around 3000 students and prospective members at Victoria Police Careers expo, took part in the TAFE & Adult Provision (TAP) Conference "Giving Union Members a Voice", and had fun at Victoria Police Family Open Days down in Warragul and Wonthaggi. We also celebrated International Teacher's Day with a morning tea at our offices, where our board member Angela Stringer reflected on her long career in the teaching profession.

In November, we got dressed-up for the Blue Ribbon Annual Ball. It was the first time ESSSuper has attended this prestigious event.

In the new year, the ESSSuper Family Day at Essendon Fields gave staff the chance to see members from many different emergency services disciplines in action, in controlled surroundings. It was an extraordinary experience and a talking point for weeks in the ESSSuper offices.

We celebrated International Women's Day in March with a morning tea attended by Andrea Wyatt from Ambulance Victoria. Robbie marked the occasion at a Victoria Police Association event where she spoke about the issues around the financial wellness of Australian women.

The Blue Ribbon Angela Taylor Memorial Walk in Albert Park something the ESSSuper team looks forward to each year. 32 staff members joined over 1300 people and a large number of dogs to walk or run in honour of Angela and all Victoria Police members who have lost their lives protecting and serving the community.

In May, we attended the Police Veterans Victoria (PVV) Corporate Luncheon, raising funds to support the mental health of Victorian Police veterans and their families, and in June celebrated Thank a First Responder's Day with a breakfast at our offices at which inspirational guests Michelle Cowling (AFSM), Juliann Goldrick and Nick Thresher (ASM) shared insights into their day-to-day lives as a firefighter, police officer or paramedic.

Also in May, we were joined by the team at KB's Legacy – One Step at a Time, a new foundation established to help fight Ewing Sarcoma cancer. We were inspired by Kyle Gemmill's incredible 441km run to raise money for ANZSA (Australia and New Zealand Sarcoma Association), and Dr Helen Stergiou's presentation was truly eye-opening.

The financial year wrapped up in colourful style celebrating the LGBTQIA+ Victoria Police Rainbow Families Day. Along with a fantastic magic show, kids, adults and staff of the Association, BankVic and ESSSuper got their faces-painted to show support (and... just because they wanted their faces painted!).

We'd like to thank our members, their employers and unions for supporting us in these activities. We feel privileged to be part of this very special community.

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ESSSuper Family Day



International Women's Day

OUR PEOPLE



Pictured (left to right): Robbie Campo, David Daley, Daniel Selioutine, Liz Tromans, Felicity Brasher, Monica Cimera, Duncan Winton, Akshat Gaur. Not pictured: Tim Elliott

Our CEO, Robbie Campo, leads our executive team and assists the Board to set the strategic direction of the Fund. Our executives are responsible for ensuring business strategies are implemented effectively within the agreed budget and risk parameters, so we achieve our goal of providing the best possible outcomes for our members.

ROBBIE CAMPO CEO	DAVID DALEY Group Executive, Fund Administration & Transformation (departed on 01.07.2024)	DANIEL SELIOUTINE Group Executive, Investments
LIZ TROMANS Group Executive, Legal, Risk & Compliance	FELICITY BRASHER Group Executive, Member Services	MONICA CIMERA Group Executive, People & Culture
DUNCAN WINTON Group Executive, Strategy, Brand & Insights	AKSHAT GAUR Group Executive, Technology Services & Information Security	TIM ELLIOTT Chief Financial Officer (Interim) (commenced on 08.04.2024) Replaced by Therese Kenny (commenced on 12.08.2024)



ESSSuper People Plan

The ESSSuper People Plan is focused on driving performance, engagement and enhancing the organisational culture. Strategies and initiatives as outlined in the People Plan are designed to deliver on key fund priorities as well as support business-as-usual activity. In the 2023-24 financial year, we focused our efforts on:

- Ongoing review and optimisation of the ESSSuper operating model
- Talent identification, attraction and acquisition and succession planning
- Employee wellbeing to help our employees thrive
- Supporting an effective hybrid workforce
- Enhancing two-way communication and supporting a psychologically safe workplace
- Building our leadership capability as well as fit for purpose learning and development initiatives
- Occupational health and safety.

The effectiveness of our efforts to build a high-performance workplace is measured through our twice-yearly employee engagement survey. The insights gained from employees enable us to identify process improvements to better service our members. As well as this it enables us to better focus on priority areas to drive greater engagement across our teams. Uplifting our culture, further improving employee engagement and supporting our teams to provide even better service to our members, remain a key focus.

Wellness initiatives

During the 2023-24 financial year several wellness initiatives were in place:

Workplace health initiatives

- An Employee Assistance Program for employees and their families
- Ergonomic assessments
- Remote workplace ergonomic assessments
- Workplace vaccination programs
- A program of periodic debriefing to support the psychological wellbeing of staff dealing with complex case management matters, and
- The introduction of a tailored employee wellbeing program titled 'Vitality Starter'

Personal health initiatives

- Workplace health screenings such as heart health and fitness checks
- Seated massage, spikey ball program and guided meditation sessions, and
- Wellbeing incentive.

Diversity & inclusion

ESSSuper believes that the wide array of experiences and perspectives resulting from diversity promotes a productive and positive workplace culture, as well as improved innovation and superior performance. A diverse and inclusive workplace enables people to fully participate in their work.

Our diversity programs and practices include:

- Gender equity at all levels of the organisation
- Equal employment opportunities and selection of candidates based on ability, performance and potential
- Regular talent and succession planning process to identify high potential employees and to discuss succession plans for key roles
- Remuneration policy and practices are designed to ensure outcomes are based on performance without any reference to gender or any other characteristics
- Variety of flexible work arrangements that can be accessed to support the differing needs and circumstances of individual employees.
- Independently audited and assessed Gender Equity benchmarking.

ESSSuper's objective is to have a diverse and representative workforce at all levels of the organisation. The table below summarises the gender equity measurements as at 30 June 2024.

GENDER EQUITY	PERCENTAGE OF FEMALES		
	2024	2023	2022
ESS1	50%	47%	83%
ESS2	67%	69%	56%
ESS3	47%	51%	49%
ESS4	31%	36%	43%
Exec	50%	44%	33%
All Staff	49%	51%	55%

OUR GOVERNANCE

The Emergency Services Superannuation Board was established under the *Emergency Services Superannuation Act 1986 (Vic)* (the ESS Act). The Emergency Services Superannuation Board, supported by various committees, plays a pivotal role in guiding and monitoring the organisation's strategic direction, ensuring the Fund complies with all relevant laws and safeguards the interests of our members.

Our Board comprises highly experienced professionals from diverse backgrounds, bringing a wealth of expertise in finance, investments, risk management, legal, information technology and governance. The Board comprises six member-elected Board Members and six Government-nominated Board Members.



Pictured (left to right): Angela Stringer, Joan Fitzpatrick, Pam Rebecca, Colin Jones, Jacqueline Pirone, Eamon Leahy, Paul Mulraney, Dean Glare, and Ben McKie. Not pictured: Doug Kearsley and George Boubouras.

Board member appointment

The ESS Act governs Board Member appointment and removal. A Board Member is appointed for a term of up to five years.

Each elected Board Member has an elected deputy.

State Super members elect up to three Board Members and their deputies.

Emergency Services members elect three Board Members and their deputies as follows:

- Victoria Police employees (1)
- Fire Rescue Victoria employees (1)
- Employees of Ambulance Victoria, Department of Environment, Land, Water and Planning (DELWP), ESSSuper and other participating employers not listed above (1).

In the last financial year the Board farewelled Doug Kearsley and thanked him for his hard work and commitment to serving on the Board. The Board welcomed and inducted one new member; Government nominated George Boubouras.

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

Emergency Services Superannuation Board Financial Management Compliance Attestation Statement

I, Joan Fitzpatrick, on behalf of the Responsible Body, certify that the Emergency Services Superannuation Board has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Joan Fitzpatrick
ESSSuper Board President
29 August 2024

OUR BOARD MEMBERS DURING THE FINANCIAL YEAR

JOAN FITZPATRICK – PRESIDENT

BA (Hons), LLB, ANZIIF,
CIP, FAICD



Joan Fitzpatrick was appointed President of the ESSSuper Board on 8 February 2016.

Joan has more than 20 years' experience as a non-executive director across a range of industry sectors, and over 35 years of commercial business experience holding a range of senior roles. Joan is an experienced change management leader and has consistently delivered successful business results including strong engagement of people. Joan is currently the Chair of Catholic Church Insurance, the Hardman Group and of RAF Hargrave and is a Non-Executive Director of AFL Players Injury & Hardship Fund and the Defence Bank.

Joan is a member of the Association of Superannuation Funds of Australia Limited (ASFA), Customer Owned Banking Association and Women in Super.

DEAN GLARE

BEd



Dean Glare was elected by Super State members to the ESSSuper Board on 1 January 2007.

Dean has a deep knowledge of the schemes administered by the Fund which he has acquired through his lengthy term on the Board and of chairing of various committees. He is a member of the Association of Superannuation Funds of Australia Limited (ASFA) and the Australian Education Union.

ANGELA STRINGER

Dip T (Primary),
Grad Dip Ed



Angela Stringer was elected by Super State members to the ESSSuper Board on 14 September 2010.

Angela has a deep knowledge of the schemes administered by the Fund, which she acquired through her lengthy term on the Board and in co-chairing of the Benefits & Service Committees.

Angela is a member of the Governing Council of the Victorian Institute of Teaching, a State Councillor with the Australian Education Union and a member of the Association of Superannuation Funds of Australia Limited (ASFA).

DOUG KEARSLEY

B Sc (Hons) – Mathematics,
Grad Dip Operations
Research



Doug Kearsley was appointed to the ESSSuper Board on 16 August 2016 and retired on 15 August 2023.

Doug has over 30 years' experience working at senior executive and board level in the statutory insurance and finance sector including significant roles with the Transport Accident Commission of Victoria, WorkSafe Victoria, and the Victorian Managed Insurance Authority. Doug is a non-executive Director of WorkSafe Victoria.

PAUL MULRANEY

CSC, BCom, MSc
(Defence Studies), CPA,
FAICD, FIML, psc



Paul Mulraney was appointed to the ESSSuper Board on 18 October 2016.

Paul has 30 years of experience as a non-executive director in member-owned financial services, public health and rural financial counselling services.

Paul had a distinguished 25-year career in the Australian Army and further 13 years of experience as a senior executive in the Victorian public health system. Paul was awarded a Conspicuous Service Cross (CSC) in the Queen's 1993 Birthday Honours for conspicuous service to the Australian Army in the field of organisational development and implementation. He is a member of the Association of Superannuation Funds Australia Limited (ASFA).

BEN MCKIE

GAICD



Ben McKie was elected by Fire Service members to the ESSSuper Board on 1 January 2018.

Ben has over 25 years' service in the Fire Brigade, now known as Fire Rescue Victoria, and currently is seconded to the CFA working with 44 Volunteer Fire Brigades in South Gippsland where he holds the rank of Commander. He has worked in a variety of areas from station-based roles to leading operational support departments to drive operational improvement, something that he has a great passion for.

Ben is a member of the United Firefighters Union of Australia (Victoria) and the Association of Superannuation Funds Australia Limited (ASFA).

OUR BOARD MEMBERS DURING THE FINANCIAL YEAR

COLIN JONES

ASM, GDEmHlth



Colin Jones was elected by Ambulance Victoria Members to the ESSSuper Board on 1 January 2018.

Colin has over 30 years' service with Ambulance Victoria and is currently the Operations Manager – Emergency Operations. Colin was awarded an Ambulance Service Medal (ASM) in the Australia Day Honors 2017. Colin is a Health Practitioner Member of the Victorian Civil & Administrative Tribunal (VCAT), a member of the Association of Superannuation Funds of Australia Limited (ASFA) and the Australian Institute of Company Directors.

PAM REBECCA

BBus (Acc) (With Distinction), MBA, GAICD



Pam Rebecca was appointed to the ESSSuper Board on 16 November 2021.

Pam has over 25 years' experience in the Financial Services and For Purpose sectors, with a diverse background in digital, innovation, corporate strategy and retail banking. During the last ten years, Pam has held senior executive roles focused on leading and influencing digital transformation, including Chief of Strategy, Innovation and Digital for World Vision Australia, and General Manager Digital for ANZ Banking Group Limited. She is a Non-Executive Director of Defence Bank Limited, an Independent Director of Tonkin and Taylor Group Limited and a Non-Executive Director and Interim Chair of Tonkin and Taylor Group Holdings Pty Ltd.

Pam is a member of the Association of Superannuation Funds of Australia Limited (ASFA), the Customer Owned Banking Association and Women in Super.

JACQUELINE PIRONE

LLB, BA, GDiplns, GAICD



Jacqueline Pirone was appointed to the ESSSuper Board on 18 October 2022.

Jacqueline has over 25 years' experience in both private practice and in-house counsel, including working for an international law firm as Special Counsel. She was an Ombudsman at the Australian Financial Complaints Authority, Group Head of Compliance & Regulatory for an international life insurer, and currently holds the role of Director, Compliance & Risk and Company Secretary for the Wingate Group. Jacqueline is the President of the Tennis Victoria Board, a Trustee on the Melbourne Olympic Park Trust and a member of the Association of Superannuation Funds of Australia Limited (ASFA).

EAMON LEAHY



Eamon Leahy was elected by Victoria Police Members to the ESSSuper Board on 2 February 2023.

Eamon has served as an operational Police Officer with Victoria Police since 1999. With experience representing ESSSuper members as a delegate and Board Member through The Police Association of Victoria (TPAV) since 2008, Eamon is passionate about advocating for members and improving member outcomes. Eamon is Director and Treasurer of TPAV, and a member of the Association of Superannuation Funds of Australia Limited (ASFA).

GEORGE BOUBOURAS

Econ (Hons), Exec. Cert. Portfolio Mgmt., Exec. Cert. Mgmt. & Leadership, Investment Decisions & Behav. Finance Prog.



George Boubouras was appointed to the ESSSuper Board on 6 February 2024.

George has over 25 years of experience in various roles and sectors and has a proven track record of managing investments across multiple asset classes and leading high-performing teams and businesses.

George is the MD, head of research, investments and advisory at K2 Asset Management, a Trustee, fund administrator and boutique fund manager. George is a part-time lecturer in finance and a visiting fellow at The University of Adelaide, where he also serves on the advisory board of the International Centre for Financial Services. He is a director and investment adviser at Salter Brothers Asset Management, a member of the investment committee at Paua Wealth Management (Auckland, NZ), and a member of the Association of Superannuation Funds of Australia Limited (ASFA).

Making decisions in our members' best interests

The Board is given the powers under the *Emergency Services Superannuation Act 1986* and through instruments of delegations has delegated to the CEO and Executive team the power to administer the Fund on a day-to-day basis.

In the last financial year, the Board gave approval to initiatives such as Administration Fee reductions for Accumulation Plan and Income Stream accounts and changes to investment options names and classifications.

They also reviewed and approved an updated Business Continuity Plan with a focus on the cyber-crisis management process.

At the Strategy Day held in March 2024 the Board Members collaborated with Executives and other staff on refreshing the five-year strategic plan to ensure the organisation remains adaptive and future ready. The Board also continued their diligent oversight of the technology transformation with a view to continued improvement of member experience.

The way the Board works

The Board has five standing committees and an advisory group which are designed to help Board Members manage the Board's functions and responsibilities.

COMMITTEE	CHAIR	MEMBERS	DUTIES & RESPONSIBILITIES
Benefits & Service Committees	- Angela Stringer (Co-Chair) - Colin Jones (Co-Chair)	- Dean Glare - Eamon Leahy - Paul Mulraney - Pam Rebecca	- Oversee and advise on product development and benefits and services to members - Review decisions and make recommendations regarding member benefit disputes - Develop and review policies to address member benefit provision trends - Support the Board in meeting product management responsibilities - Monitor member experience.
Finance & External Audit Committee	Paul Mulraney	- Ben McKie - Eamon Leahy - Angela Stringer - Jacqueline Pirone - George Boubouras	- Oversees and advises on the development and implementation of policies and systems for external audit, tax management governance and risk, and financial reporting - Supports the Board in meeting financial management responsibilities - Monitors external auditor performance, reviews external audit findings and reports material findings to the Board - Reviews financial management and reporting processes.
Governance, Risk & Compliance Committee	Ben McKie	- Joan Fitzpatrick - Colin Jones - Angela Stringer - Pam Rebecca - Jacqueline Pirone	- Oversees and advises on the development and implementation of policies and systems for internal audit, internal control, risk management and compliance - Supports the Board in meeting risk management responsibilities - Monitors internal auditor performance, reviews internal audit findings and reports material findings to the Board - Reviews risk management program implementation and operation - Monitors compliance with relevant regulatory obligations.
Investment Committee	George Boubouras	- Paul Mulraney - Dean Glare - Ben McKie	- Oversees and advises on Fund investment goals, strategies and management - Oversees investment governance - Develops investment objectives for the Fund - Is responsible for investment decisions on accumulation fund assets and monitoring investment performance.
People & Capability Committee	Dean Glare	- Joan Fitzpatrick - Colin Jones - Jacqueline Pirone	- Supports the Board in fulfilling its statutory duties relating to Chief Executive Officer and Executive remuneration and succession strategy for the Board and staff - Considers the skills and experience mix of the Board, and Board Member development and training, and oversees induction of new Board Members - Monitors workforce culture.
Transformation & Technology Advisory Group	Pam Rebecca	- Joan Fitzpatrick - Paul Mulraney - Ben McKie - Angela Stringer	To provide advice to management on material transformation and technology initiatives.

For more information about the Board Members and their attendance records, please visit esssuper.com.au/the-board

IDENTIFYING AND MANAGING RISKS

ESSSuper recognises that risk management is an essential element of good corporate governance and has established an effective Risk Management Framework that enables ESSSuper to balance opportunities while minimising adverse events. Management of risk is an integral part of ESSSuper's culture, reflected in ESSSuper's Risk Appetite Statement, policies, systems and processes. ESSSuper's Risk Management Policy is consistent with ESSSuper's overarching strategic objectives to grow and protect our members' savings and support them throughout their lives.



The ESSSuper Risk Management Framework underpins the successful execution of strategy and conduct of our operations. ESSSuper recognises the importance of a strong adaptive risk framework as a critical enabler in achieving our strategic goals.

Accordingly, the Risk Management Framework has continually evolved to ensure it responds to the changing external environment, is aligned with and supports our strategy.

Our risk management processes continue to assess external impacts coupled with internal developments to our risk profile by identifying, assessing, mitigating, managing, monitoring and reporting to ensure risks remain within the Board approved risk appetite.

KEY DEVELOPMENTS TO OUR RISK FRAMEWORK DURING THE YEAR:

Assessment of ESSSuper's readiness to implement APRA's CPS 230 Operational Risk Management requirements.

We refreshed the ESSSuper Enterprise Risk Register by adding clear risk descriptions to each material risk to clearly reflect the risk profile of the business.

Strengthening of member identity verification procedures to improve security and accessibility to our digital services for our members.

Review and refresh of our business continuity arrangements to incorporate critical business operations.

We uplifted organisation-wide awareness of incident management requirements via a new online staff training module.

RISKS THAT WE FOCUSED ON THIS YEAR:

Administration operating model supports the organisational strategy	Our reliance on an outsourced administration provider increased from March 2022 resulting in a change of risk profile transferring management of some internal operational risks to management of third-party risk. We remain focused on managing this outsourced administration model to ensure that we effectively serve the members that serve our community.
Having appropriate business continuity planning and testing	The introduction of a standalone risk for business continuity elevates the importance of maintaining critical business operations through severe disruptions. A detailed Business Continuity Disaster Recovery plan are in place to address the risks and annual testing of the plans provide assurance of our ability to continue to deliver services to members during a material business disruption.
Having adequate and secure technology systems and digital capability	ESSSuper recognises the increased threat environment and its impact to the privacy and security of our members' information. We continue to enhance and uplift our cyber security risk controls. Part of our uplift is the implementation of a technology simplification process and cloud migration project to strengthen our information security risk. This change will provide us with additional protective mechanisms for securing our members' data.
Having adequate Data Governance	We have commenced a multi-year journey to uplift our data governance framework and to support current and anticipated data and analytics requirements. We have developed a dedicated Data Governance Strategy & Framework to provide a framework for the management of Data Governance risk. The Data Governance program of work is being managed as a major project by the Project Management Office.

ESSSuper is supported by robust risk frameworks, processes and a culture of sound risk management. In the year ahead we will continue to closely monitor the changing environment to ensure that we adequately consider emerging risks and opportunities.



OUR HISTORY AND OUR MEMBERS

Fund name	Members include	Benefit typically paid as	Funding source
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EMERGENCY SERVICES MEMBERS

ESSS Defined Benefit Fund	• All operational employees of the Victoria Police, Fire Rescue Victoria and Ambulance Victoria • Certain employees of the Department of Environment, Land, Water & Planning • Non-operational employees who began with their emergency services employer before 1 January 1994.	The ESSS Defined Benefit Fund pays benefits to members on retirement, resignation, dismissal, retrenchment, ill health, disability and death. All benefits, excluding some disability benefits, are paid as a lump sum based on salary, membership, age and contribution rate/s.	Employers make regular contributions based on the advice of the Fund's Actuary. These contributions are recorded to the Fund, not individual memberships. Member contribution rates and requirements vary. For further information refer to <i>Our funds</i> on our website at esssuper.com.au/our-funds
Beneficiary Account	Former emergency services members who left employment.	This accumulation style fund allows ES members to leave their optional 'untaxed' benefit invested with ESSSuper after leaving emergency services employment. A lump sum benefit is paid equal to the total of the account balance plus investment earnings, less any investment losses, expenses, withdrawals and tax.	Accepts untaxed benefit transfers from ES members after leaving emergency services employment. Beneficiary Account benefits are not guaranteed or underwritten by ESSSuper or the Victorian Government.

			
Fund name	Members include	Benefit typically paid as	Funding source

STATE SUPER DEFINED BENEFIT FUNDS

Revised Scheme (closed to new members)	Employees of the Victorian public service, teaching service and participating agencies who started before 30 June 1988.	Option of life pension, lump sum or both, on retirement, resignation, dismissal, retrenchment, disability or death.	State-funded employers regularly contribute to State Super funds for employed members. Commonwealth-funded employers contribute when member benefits are paid. At the Victorian Treasurer's discretion, the Consolidated Fund (the Government's primary financial account) may contribute additional amounts to these defined benefit funds. Contribution rates and requirements vary. For further information refer to <i>Our funds</i> on our website at esssuper.com.au/our-funds
New Scheme (closed to new members)	Employees of the Victorian public service, teaching service and participating agencies who started service on or after 1 July 1988 (or transferred in from the Revised or SERB Schemes).	Lump sum on retirement, resignation, dismissal, retrenchment, ill health, disability (pension) or death.	
State Employees Retirement Benefits (SERB) Scheme (closed to new members)	State Government statutory body employees ineligible for the Revised Scheme.	Life pension and lump sum on retirement, resignation, dismissal, retrenchment, disability or death.	
Transport Scheme (closed to new members)	Transport Authority employees defined in the <i>Transport Superannuation Act 1988</i> .	Lump sum on retirement, resignation, dismissal, retrenchment, ill health, disability (pension) or death.	
Original Scheme (closed to new members)	Victorian public service employees including railways, teaching, police and other approved agencies.	Life pension or lump sum on retirement, resignation, dismissal, retrenchment, ill health or death.	
Metropolitan Transit Authority Superannuation Scheme (closed to new members)	Metropolitan Transit Authority employees.	Option of lump sum, life pension or both, on retirement, resignation, retrenchment, ill health, disability or death.	
Melbourne Water Corporation Employees Superannuation Scheme (also known as Water Industry Superannuation Scheme) (closed to new members)	Melbourne Water Corporation employees, Yarra Valley Water, City West Water, South East Water and Enetech employees.	Category B – lump sum on retirement, resignation, retrenchment, death or disability. Category C – life pension and/or lump sum on retirement, resignation, retrenchment, death or disability.	
The Port of Melbourne Authority Superannuation Fund (PMASF) (closed to new members)	Eligible employees of Ports Victoria	Option for life pension, lump sum or both, on resignation, retirement, death and disability.	
The Parliamentary Contributory Superannuation Fund (PCSF) (closed to new members)	The purpose of the PCSF is to provide benefits to Members of Parliament (Victorian) on ceasing their parliamentary positions. Membership of the PCSF is compulsory for Members of Parliament who were elected prior to the closure of the PCSF on 9 November 2004. Members must contribute at the rate of 11.5% of after-tax salary.	Life pension or lump sum for involuntary or voluntary retirement. Death benefits for the spouse and domestic partner of the deceased member whether they are in receipt of a pension benefit or are in parliamentary service.	

			
Fund name	Members include	Benefit typically paid as	Funding source

ALL MEMBERS AND THEIR PARTNERS

Accumulation Plan	The Accumulation Plan and the associated insurance offer is open to emergency services members, State Super members and their partners.	Benefits equal the total of all contributions (personal, employer and roll-ins) plus investment earnings, less any investment losses, fees and costs, insurance premiums, withdrawals and tax. Lump sum benefits are typically paid on retirement, resignation, retrenchment, disability or death.	Accepts personal and employer contributions. Accumulation Plan benefits are not guaranteed or underwritten by ESSSuper or the Victorian Government.
Income Streams	The income stream products are open to emergency services members, State Super members and their partners.	• Working Income Stream (transition to retirement income stream) – allows members over preservation age to receive a regular income payment whilst they continue to work • Retirement Income Stream – allows members who have met a condition of release to convert their lump sum superannuation benefit into a flexible regular income stream in retirement.	Accepts rollovers from your Accumulation Plan on commencement to convert a lump sum benefit into a flexible income stream. Income stream benefits are not guaranteed or underwritten by ESSSuper or the Victorian Government.



OUR OPERATIONS

Commonwealth retirement incomes policy

ESSSuper is an exempt public sector superannuation fund for the purposes of the *Superannuation Industry (Supervision) Act 1993 (SIS Act)* and the *Superannuation Industry (Supervision) Regulations 1994 (Regulations)*. The SIS Act and Regulations, provide for ESSSuper to be taken to be a complying superannuation scheme for the purposes of the *Superannuation Guarantee (Administration) Act 1992* and the ESSSuper fund will have the status of a complying superannuation fund for the purposes of the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*.

Under the 2014 Heads of Government Agreement (HOGA) between the Commonwealth of Australia and the Victorian Government, the Victorian Government has agreed amongst other things, that the Commonwealth's retirement income policy objectives are met in respect of scheme benefits, and has undertaken to ensure that ESSSuper will conform with the principles of the Commonwealth's retirement incomes policy to the best of its endeavours. These principles include:

- sole purpose
- contributions
- preservation standards
- vesting
- portability and consolidation
- lost monies
- diversion of benefits
- insurance
- member representation
- trustee governance
- investment
- risk management framework
- operational risk mitigation
- member benefit reporting
- regular audit and actuarial reviews
- data and ecommerce standards
- information to members
- processes for the consideration of complaints
- reporting to APRA and the ATO.

ESSSuper continues to abide by the principles stated in the HOGA on a best endeavours basis.

Compliance with *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

ESSSuper does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in our administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

ESSSuper will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by ESSSuper or its employees and/or officers are provided to the Public Interest Disclosures Coordinator, or the Group Executive, Legal, Risk & Compliance.

Alternatively, disclosures of improper conduct or detrimental action by ESSSuper or its employees may also be made directly to the Independent Broad-based Anti-Corruption Commission (IBAC):

IBAC

Level 1, North Tower, 459 Collins Street

Melbourne, VIC 3000

Phone: 1300 735 135

Internet: www.ibac.vic.gov.au

Online reporting of corruption or misconduct:
www.ibac.vic.gov.au/report

The Public Interest Disclosures Policy & Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by ESSSuper or any of its employees and/or officers, are available on ESSSuper's website.

Disclosures under the *Public Interest Disclosures Act 2012*

The number of disclosures made by an individual to ESSSuper and notified to the IBAC:

	2023-24	2022-23
Assessable disclosures	0	0

Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), the Department must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system. ESSSuper received nil complaints in 2023-2024.

Occupational Health & Safety (OH&S)

ESSSuper secures the health, safety and welfare of employees and other persons at work; eliminates risks to the health, safety and welfare of employees and other persons at work. The effective management of workplace safety involves management, employees and the organisation.

A management system has been put in place to monitor health, safety and welfare in line with the obligations under the following legislation:

- *Occupational Health and Safety Act 2004 (Vic)*
- *Occupational Health and Safety Regulations 2017 (Vic)*
- *Workers Compensation Act 1958 (Vic)*
- *Workplace Injury Rehabilitation and Compensation Act 2013 (Vic), and*
- *Equal Opportunity Act 2010 (Vic).*

ESSSuper prioritises health and safety in the workplace which is reflected in the consistently low number of incidents and WorkCover claims over time. During 2023-24, a number of systems were in place to support the health and safety of staff and other persons at work, including:

- Occupational Health and management representatives meet quarterly to discuss and resolve or eliminate workplace hazards, risks or incidents, and
- Quarterly workplace inspections to identify workplace risks are undertaken.

The table below outlines ESSSuper's performance against OH&S Management measures:

MEASURE	KPI	2023-24	2022-23	2021-22
Incidents	Number of reported hazards / incidents	4	7	0
	Number of lost time claims	0	0	0
Claims	Rate per 100 FTE	0	0	0
	Average cost per claim	\$0	\$0	\$3,646
Fatalities	Fatality claims	Nil	Nil	Nil

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest. Government businesses are required to set a competitively neutral price, which accounts for any net advantage that comes from public ownership. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

ESSSuper ensures Victoria fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

Consultants

In 2023-24, sixteen consultants were used where the fees incurred were greater than \$10,000. The total costs were \$1,286,080.

Full details can be found on our website at esssuper.com.au/osp

Information & Communication Technology (ICT) expenditure

The table below outlines total ICT expenditure for the 2023-24 financial year.

MEASURE	'000's
Business as Usual:	\$7,857
Non Business as Usual:	
Operating expense:	\$0
Capital expense:	\$3,055
Total ICT expenditure:	\$10,912

The capital expense mainly relates to work in progress for cloud migration \$2,422K and public website \$396K.

Freedom of Information (FOI)

The *Freedom of Information Act 1982 (Vic)* (the Act) allows the public a right of access to documents held by ESSSuper. The purpose of the Act is to extend as far as possible the right of the community to access information held by government agencies, departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by a government body. This comprises documents created by ESSSuper or supplied to ESSSuper by an external organisation or individual, and may also include microfiche, photographs, computer printouts, computer discs, and tape recordings. Information about the type of material produced by ESSSuper is available on ESSSuper's website.

The Act allows ESSSuper to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to a department in confidence and information that is confidential under another Act.

Under the Act, the FOI processing time for requests received is 30 calendar days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, a 15-day automatic extension applies. Processing time may also be extended by periods of up to 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied with a decision made by ESSSuper, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

FOI requests can be lodged online at ovic.vic.gov.au. An application fee of \$32.70 applies from 1 July 2024. Access charges may also be payable if the document pool is large and the search for material time-consuming.

Access to documents can also be obtained through a written request to ESSSuper's Freedom of Information Officer, as detailed in s17 of the Act.

When making a FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of ESSSuper should be addressed to:

**Freedom of Information Officer
ESSSuper
Level 16, 140 William Street
Melbourne VIC 3000
Email: info@esssuper.com.au**

FOI statistics/timeliness

During 2023-24, ESSSuper received 7 applications. All of these requests were from the general public.

ESSSuper made 7 FOI decisions during the 12 months ended 30 June 2024.

These were decisions made within the statutory time periods. A total of 7 FOI access decisions were made where access to documents was granted in full, granted in part or denied in full. Of requests finalised, the average number of days over / under the statutory time (including extended timeframes) to decide the request was 18 days.

During 2023-24, no requests were subject to a complaint/internal review by OVIC. Nil requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and ovic.vic.gov.au

Disclosure of major contracts

ESSSuper has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during 2023-24. Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at: tenders.vic.gov.au

Contractual details have not been disclosed for contracts where disclosure is exempted under the *Freedom of Information Act 1982 (the Act)* and/or government guidelines.



Local Jobs First

The *Local Jobs First Act 2003*, introduced in August 2018, brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First Policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

During 2019-20, ESSSuper commenced a Local Jobs First Standard project totalling \$44.4 million over 6.5 years. The project was located in metropolitan Melbourne with a 100% commitment to local content. Iress, which prepared a VIPP Plan for contracts, was successfully appointed as Principal Contractor to the project.

Privacy

Emergency Services Superannuation Board ABN 28 161 296 741 (the Board) is the Administrator of the Emergency Services Superannuation Scheme ABN 85 894 637 037 (The Fund). The Board respects the privacy of ESSSuper members and will store, record and use the information pertaining to their nominated account in accordance with the *Privacy and Data Protection Act 2014* and ESSSuper's Privacy Policy.

The information requested from members is required to establish, manage and pay superannuation entitlements (including insurance benefits), to assist employers to meet their superannuation obligations, to provide members with information and updates on legislative and policy changes relevant to superannuation and insurance and to enable service providers contracted by the Board to provide the above-mentioned services.

The types of organisations to which we usually disclose personal information generally include: employers, our auditors, insurer, actuaries, medical and rehabilitation practitioners, investigators, printers, mail houses, administration and software providers (and website hosts), other superannuation funds, courts, death benefit beneficiaries, a member's spouse or partner as part of a divorce settlement or separation (where required by law), the Victorian Government and other Government agencies (such as the Australian Taxation Office, Centrelink, the Victorian Civil and Administrative Tribunal and the Department of Treasury and Finance).

Disclosure of emergency procurement

In 2023-2024 ESSSuper activated Emergency Procurement on one occasion in accordance with the requirements of government policy and accompanying guidelines. One new contract, valued at less than \$100,000 (GST inclusive), was awarded in connection with the emergency. Details of the ESSSuper's emergency procurement is shown below.

NATURE OF EMERGENCY	DATE OF ACTIVATION	SUMMARY OF GOODS AND SERVICES PROCURED UNDER NEW CONTRACTS	TOTAL SPEND ON GOODS AND SERVICES IN RESPONSE TO THE EMERGENCY	NUMBER OF NEW CONTRACTS AWARDED VALUED AT \$100,000 (INCL GST) OR MORE.
Information security breach at supplier	30 September 2023	Information Security control evaluation services	\$81,000	Nil

Members have the right to access and correct personal information.

Requests to update personal information, or any queries relating to privacy should, in the first instance, be referred to the ESSSuper Member Service Centre on **1300 650 161**. Written queries and complaints should be addressed to:

The Privacy Officer ESSSuper
GPO Box 1974
Melbourne VIC 3001

Requests for access to documents containing personal information should be made through the *Freedom of Information Act 1982* and should be addressed to the Freedom of Information Officer at the above address.

Members can read our Privacy Policy and Privacy Collection Statement at esssuper.com.au

Building

ESSSuper does not own or control any government buildings, therefore it is exempt from notifying compliance with the building and maintenance provisions of the *Building Act 1993*.

Environmental reporting

ESSSuper leases a total of 2,478 m2 net lettable area (NLA) at 140 William Street over 2 floors (L15 & L16) Leases began in July 2017 for 10 (ten) years. The building we occupy at 140 William Street currently has a 4.5-star NABERS energy rating and a 5.5-star NABERS water rating.

Our landlord actively promotes energy and water savings and the reduction of waste to landfill initiatives. As our data collection improves, we will be able to more accurately record our own energy, waste, water and greenhouse gas emissions.

Our energy use for the 2023-24 financial year was 243 mWh. (139 mWh Peak period + 104 mWh Off peak period) . We are investigating avenues to offset our energy use emissions with our current energy providers. Our suppliers do employ a mix of renewable energy generation in the provision of our metered electricity.

ESSSuper maintains a small fleet of business-related passenger vehicles. Our fleet of six vehicles consists of one executive salary packaged vehicles and five cars that are utilised to help our Member Education team service the needs of our members by attending work sites, seminars and other educational opportunities. We have one hybrid in our fleet and future purchases will include reviews of suitable electric and lower emission options.

Our advisers and service providers

Actuary

- PricewaterhouseCoopers Securities Ltd

Administrator

- Financial Synergy Holdings Pty Ltd (Iress)

Auditor (external)

- The Auditor-General of Victoria
- RSM Australia Partners as agent for the Auditor-General of Victoria

Internal auditor

- PricewaterhouseCoopers
- Deloitte (from 1 July 2024)

Bank

- Westpac Banking Corporation

Custodian

- State Street Australia Limited

Fund group life insurer

- AIA Australia Limited (Accumulation Plan)

Trustee liability insurer

- Through Aon Risk Services Australia Limited, ESSSuper maintains Trustee Liability insurance.

Investment adviser (Accumulation Plan, Beneficiary Account & Income Streams)

- Frontier Advisors Pty Ltd

Investment manager (defined benefits)

- Victorian Funds Management Corporation (VFMC)

Legal advisers

- Allens
- Gilbert + Tobin
- Hall & Wilcox
- KHQ Lawyers
- MinterEllison
- Turks Legal

Taxation

- Deloitte

Information on request

This Annual Report highlights ESSSuper's activities for the year. Members wishing to know more can refer to our website for:

- ESSSuper's governing law
- The latest audited financial statements and auditor's report
- Board Member appointment and removal rules
- Extracts from the latest Actuary's report.

Members can also visit esssuper.com.au for:

- Superannuation news
- Fund developments
- Investment performance details.



SUMMARY FINANCIAL RESULTS

Table 1: Summary Operating Statement for the year ended 30 June

	2024 \$MIL	2023 \$MIL	2022 \$MIL	2021 \$MIL	2020 \$MIL
Income	3,258	3,440	(893)	5,360	(138)
Expenses	(145)	(139)	(133)	(127)	(126)
Net income/(loss) from superannuation activities	3,113	3,301	(1,026)	5,233	(264)
Net (benefit)/loss allocated to total members	(2,950)	(3,055)	(1,278)	(2,321)	(448)
Operating result before income tax	163	246	(2,304)	2,912	(712)
Income tax (expense)/benefit	(78)	(36)	206	(270)	100
Operating result after income tax	85	210	(2,098)	2,642	(612)

The Net income from superannuation activities of \$3.1B for FY24 was largely attributable to favourable investment returns.

Operating expenses form part of the expenses reported above and are in line with budgeted expectations.

Table 2: Summary Statement of Financial Position as at 30 June

	2024 \$MIL	2023 \$MIL	2022 \$MIL	2021 \$MIL	2020 \$MIL
Cash	2,569	3,242	3,646	5,803	3,556
Investments	34,963	32,940	31,194	30,405	27,731
Other assets	209	130	100	102	102
Total assets	37,741	36,312	34,940	36,310	31,389
Total liabilities	(361)	(263)	(853)	(877)	(586)
Net assets available for member benefits	37,380	36,049	34,087	35,433	30,803
Member benefits					
Accrued liabilities – accumulation	(9,985)	(8,814)	(7,864)	(7,886)	(6,652)
Accrued liabilities – defined benefits	(34,167)	(34,091)	(33,285)	(32,518)	(31,766)
Liability for accrued benefits	(44,152)	(42,905)	(41,149)	(40,404)	(38,418)
Deficiency of net assets	(6,772)	(6,856)	(7,062)	(4,971)	(7,615)
Total equity/(deficit)	(6,772)	(6,856)	(7,062)	(4,971)	(7,615)

Table 2 above discloses the liability for accrued benefits of the Fund, covering members in defined benefit funds and accumulation products.

The \$37,380 million in net assets available for member' benefits at 30 June 2024 was allocated as follows:

	2024 \$MIL
State Super Funds	13,769
ESSS Defined Benefit Fund	13,626
Accumulation Plan	4,865
Beneficiary Account and Income Stream	5,120
Net assets available for member benefits	37,380

Net assets available to pay benefits position has increased in 2024 by 3.7% from the prior year largely due to positive investment returns. The overall funding position has improved by 1.2% from the prior year..

EMERGENCY SERVICES SUPERANNUATION SCHEME

FINANCIAL REPORT

Statement of Financial Position as at 30 June 2024

	NOTE	2024 \$'000	2023 \$'000
Assets			
Cash and cash equivalents	24,25	2,568,946	3,241,881
Investments	24,25	34,963,473	32,939,950
Contributions receivable	3	147,929	54,988
Other receivables	3	50,734	65,749
Right-of-use assets	7	4,775	6,366
Fixed assets	5,6	4,963	2,539
Total assets		37,740,820	36,311,473
Liabilities			
Payables	4	(80,037)	(80,868)
Unallocated contributions		(1,402)	(748)
Provisions		(818)	(192)
Lease liabilities	11	(5,177)	(6,629)
Current tax liabilities	9(c)	(75,067)	(50,697)
Deferred tax liabilities	9(d)	(193,805)	(119,570)
Employee benefits	10	(4,281)	(4,063)
Total liabilities		(360,587)	(262,767)
Net assets available for member benefits	13(a)	37,380,233	36,048,706
Member benefits			
Accrued liabilities – accumulation		(9,984,534)	(8,814,105)
Accrued liabilities – defined benefits		(34,167,331)	(34,091,000)
Liability for accrued benefits	13(b)	(44,151,865)	(42,905,105)
Deficiency in net assets	13(a)	(6,771,632)	(6,856,399)
Equity			
Operating reserve	8	52,302	49,777
Unfunded accrued liability		(6,823,934)	(6,906,176)
Total equity/(deficit)		(6,771,632)	(6,856,399)

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

EMERGENCY SERVICES SUPERANNUATION SCHEME

FINANCIAL REPORT

Operating Statement for the year ended 30 June 2024

	NOTE	2024 \$'000	2023 \$'000
Income			
Interest	19	137,813	96,225
Distributions and dividends		1,764,737	1,760,629
Changes in fair value of investments	23	1,354,257	1,582,433
Other income		1,341	760
Total income		3,258,148	3,440,047
Expenses			
Investment expenses	16	(94,378)	(91,565)
Operating expenses	17	(50,975)	(47,818)
Total expenses		(145,353)	(139,383)
Net income/(loss) from superannuation activities		3,112,795	3,300,664
Net (benefit)/loss allocated to accumulation members		(649,327)	(703,505)
Net change in defined benefit member benefits		(2,300,689)	(2,351,653)
Net (benefit)/loss allocated to total members		(2,950,016)	(3,055,158)
Operating result before income tax		162,779	245,506
Income tax (expense)/benefit	9(a)	(78,012)	(35,835)
Operating result after income tax		84,767	209,671

The Operating Statement is to be read in conjunction with the notes to the financial statements.

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

2024	NOTE	ACCUMULATION \$'000	DEFINED BENEFITS \$'000	TOTAL \$'000
Opening balance		8,814,105	34,091,000	42,905,105
Employer contributions		137,941	1,098,955	1,236,896
Member contributions		254,636	19,369	274,005
Rollovers in from other superannuation funds		171,617	–	171,617
Rollovers out to other superannuation funds		(216,800)	(312,356)	(529,156)
Transfers from defined benefit to accumulation		953,782	(953,782)	–
Income tax on contributions	9(b)	(26,179)	(147,035)	(173,214)
Net after-tax contributions		1,274,997	(294,849)	980,148
Benefit payments	18	(752,181)	(1,929,509)	(2,681,690)
Insurance premiums charged to members		(3,093)	–	(3,093)
Death and disability benefits credited to members		1,379	–	1,379
Net benefit/(loss) allocated to accumulation members		649,327	–	649,327
Net change in defined benefit member liabilities		–	2,300,689	2,300,689
Closing balance		9,984,534	34,167,331	44,151,865

2023	NOTE	ACCUMULATION \$'000	DEFINED BENEFITS \$'000	TOTAL \$'000
Opening balance		7,863,820	33,285,000	41,148,820
Employer contributions		129,478	1,417,721	1,547,199
Member contributions		191,623	21,225	212,848
Rollovers in from other superannuation funds		116,856	–	116,856
Rollovers out to other superannuation funds		(241,145)	(304,174)	(545,319)
Transfers from defined benefit to accumulation		740,536	(740,536)	–
Income tax on contributions	9(b)	(20,086)	(166,181)	(186,267)
Net after-tax contributions		917,262	228,055	1,145,317
Benefit payments	18	(673,183)	(1,773,708)	(2,446,891)
Insurance premiums charged to members		(2,746)	–	(2,746)
Death and disability benefits credited to members		1,202	–	1,202
Reserves transferred to/(from) members:				
Administration reserve	8	4,245	–	4,245
Net benefit/(loss) allocated to accumulation members		703,505	–	703,505
Net change in defined benefit member liabilities		–	2,351,653	2,351,653
Closing balance		8,814,105	34,091,000	42,905,105

The Statement of Changes in Member Benefits is to be read in conjunction with the notes to the financial statements.

EMERGENCY SERVICES SUPERANNUATION SCHEME

Statement of Changes in Reserves for the year ended 30 June 2024

2024	OPERATIONAL RISK FINANCIAL RESERVE \$'000	ADMINISTRATION RESERVE \$'000	UNFUNDED DEFINED BENEFITS LIABILITY \$'000	TOTAL EQUITY \$'000
Opening balance	28,971	20,806	(6,906,176)	(6,856,399)
Net transfers (to)/from accumulation members' accounts	–	–	–	–
Net transfers (to)/from defined benefits members' accounts	–	–	–	–
Operating result after income tax	2,299	226	82,242	84,767
Closing balance	31,270	21,032	(6,823,934)	(6,771,632)

2023	OPERATIONAL RISK FINANCIAL RESERVE \$'000	ADMINISTRATION RESERVE \$'000	UNFUNDED DEFINED BENEFITS LIABILITY \$'000	TOTAL EQUITY \$'000
Opening balance	24,189	21,199	(7,107,213)	(7,061,825)
Net transfers (to)/from accumulation members' accounts	–	(4,245)	–	(4,245)
Net transfers (to)/from defined benefits members' accounts	–	–	–	–
Operating result after income tax	4,782	3,852	201,037	209,671
Closing balance	28,971	20,806	(6,906,176)	(6,856,399)

The Statement of Changes in Reserves is to be read in conjunction with the notes to the financial statements.

Statement of Cash Flows for the year ended 30 June 2024

	NOTE	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Interest received		129,626	96,225
Distributions and dividends received		1,764,737	1,760,629
Other income received		1,132	760
Investment expenses paid		(86,435)	(92,308)
Operating expenses paid		(62,624)	(28,706)
Income tax paid		(152,621)	(180,704)
Loan repayment received from the Board		–	107
Repayment of lease liabilities		(1,452)	(3,905)
Purchase of fixed assets		(3,091)	(1,220)
Net cash flows from operating activities	20	1,589,272	1,550,878
Cash flows from investing activities			
Proceeds from sale of investments		9,363,562	8,641,452
Payments for investments		(10,032,830)	(9,458,273)
Net cash flows from investing activities		(669,268)	(816,821)
Cash flows from financing activities			
Contributions received		1,418,314	1,729,432
Net rollovers out to other superannuation funds		(357,539)	(428,463)
Member benefits paid		(2,652,691)	(2,437,464)
Member insurance premiums paid		(2,402)	(3,038)
Member death and disability benefits received		1,379	1,202
Net cash flows from financing activities		(1,592,939)	(1,138,331)
Net (decrease)/increase in cash held		(672,935)	(404,274)
Cash and cash equivalents			
Opening balance		3,241,881	3,646,155
Closing balance		2,568,946	3,241,881

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

1. Operations of the Fund

The Emergency Services Superannuation Scheme (the "Fund") was established under the *Emergency Services Superannuation Act 1986* (ESS Act) for the purpose of providing superannuation benefits for Victorian emergency services employees. It is a superannuation scheme domiciled in Australia. The principal place of business of the Fund is 140 William Street, Melbourne VIC 3000.

The Emergency Services Superannuation Board (the "Board") administers the Fund and operates under its business name of ESSSuper (Emergency Services and State Super). The Fund is responsible for the running of its operations and the Board provides fund administration services only. All administration costs associated with running the Fund are incurred by the Fund. The Board recoups any expenditure it incurs from the Fund.

The *Superannuation Legislation (Governance Reform) Act 2005* was effected on 1 December 2005 when the State Superannuation Fund (SSF) was closed and all assets and liabilities of SSF were transferred to the Fund. The Fund encompasses the following defined benefit funds:

- the ESSS Defined Benefit Fund (ESS DB), which is open to new members and is a fully funded fund;
- the State Superannuation Funds are closed funds that are partially funded and are made up of the following membership categories:
 - the Original Scheme closed to new members on 30 June 1975;
 - the Revised Scheme closed to new members on 1 July 1988;
 - the State Employees Retirement Benefits Scheme (SERB) closed to new members on 1 July 1988;
 - the New Scheme closed to new members on 1 January 1994;
 - the Transport Scheme closed to new members on 1 January 1994;
 - certain members of the Melbourne Water Corporation Employees' Superannuation Scheme (MWCESS) closed to new members on 1 January 1994;
 - Port of Melbourne Authority Superannuation Scheme that transferred to the SSF during the year ended 30 June 1997;
 - the Parliamentary Contributory Superannuation Fund that transferred to the SSF on 1 April 2014; and
 - the Port of Melbourne Superannuation Fund that transferred to the SSF on 1 November 2019.

In addition, the Fund includes the following accumulation products which are open to all members:

- the Beneficiary Account - In accordance with Section 21J of the ESS Act, former emergency services contributors may elect to transfer their lump sum benefit into the Beneficiary Account;
- the Income Streams - In accordance with Sections 21J(3) and 21K(3) of the ESS Act, the balance of a Beneficiary Account may be paid to a former contributor in the form of an Income Stream; and
- the Accumulation Plan - In accordance with Section 21B of the ESS Act, employees of participating employers may become members of the Accumulation Plan. A member may elect to contribute to the Accumulation Plan. Employers contribute for non-operational members under the *Commonwealth Superannuation Guarantee (Administration) Act 1992*.

Defined benefit employer contributions are made at rates recommended by the Actuary and the Board. Employee contributions are made in accordance with the provision of the ESS Act. Benefits of defined benefit members are calculated by way of formula as defined in the ESS Act. Benefits of members in the accumulation products are equal to members' account balances which are using the unit prices applicable at the reporting date.

The financial report of the Fund was authorised for issue in accordance with a resolution of the Board Members on 29th of August 2024.

2. Summary of material accounting policies

(a) Basis of preparation, statement of compliance and use of judgements and estimates

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AAS), in particular Australian Accounting Standard AASB 1056 'Superannuation Entities' (AASB 1056), Australian Accounting Interpretations, Direction 5.2 under the *Financial Management Act 1994* and relevant Financial Reporting Directions (FRDs) issued by the Assistant Treasurer and distributed by the Department of Treasury and Finance.

The financial statements have been prepared on the basis required by AASB 1056, which provides specific measurement requirements for assets, liabilities and accrued benefits. To the extent that they do not conflict with AASB 1056, other AAS have been applied in the preparation of the financial statements.

2. Summary of material accounting policies (continued)

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The preparation of financial statements, in conformity with AAS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas needing a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the relevant notes to the financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and assumptions that have significant risk of causing a material adjustment to the value of assets and liabilities are:

- Valuation of investments and derivatives (refer Notes 24 and 25); and
- Valuation of accrued benefits which has been actuarially determined (refer Notes 13 and 26).

The financial assets have been measured on a fair value basis.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(b) New accounting standards adopted during the year

There were no new standards adopted for the year ended 30 June 2024.

(c) Accounting standards and interpretations issued, but not yet effective

At the date of authorisation of the financial report, there are no new standards or amendments to existing standards which were issued but not yet effective, that would have a material impact on the financial statements of the Fund.

(d) Investments and derivatives

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value. Investments and derivatives are included in the Statement of Financial Position at fair value as at the reporting date with gains and losses arising from changes in net market value recorded in the Operating Statement in the periods in which they occur. Derivatives are measured at fair value in accordance with AASB 1056.

Fair value is the amount which could be expected to be received from the disposal of an asset in an orderly market. Fair values have been determined as follows:

- Short term deposits: at the lower of cost and net realisable value inclusive of accrued interest;
- Shares and units in listed entities (including listed unit trusts), government and other fixed interest and index-linked securities: by reference to the most verifiable source of market prices at balance date;
- Shares and units in unlisted entities: using the advice of the Fund's investment managers at reporting date. The advice may include valuations of other investments substantially the same in nature; or discounted cash flows less estimated realisation costs. Where other valuation models are used, inputs will be based on a range of observable market data and unobservable inputs; and
- Derivative financial instruments, including financial futures and forward exchange contracts, interest rate swaps, exchange traded options and other options and forward rate agreements: by reference to the most verifiable source of market prices at balance date less an appropriate allowance for costs expected to be incurred in realising the investment.

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

2. Summary of material accounting policies (continued)

(e) Revenue recognition

The following specific revenue recognition criteria must be met before revenue is recognised:

- Changes in fair values (realised and unrealised): recognised in the Operating Statement in the periods in which they occur. The changes in fair value are measured by reference to the market price as at the prior balance date, the purchase price where the investment was purchased during the year, the sale value where the investment was sold during the year, and, if held at year end, the fair value at balance date;
- Interest is recognised as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date; and
- Dividends and distributions: control of a right to receive the dividend or distribution payment is the date the shares/units are quoted ex-dividend/ex-distribution.

(f) Investment expenses

External fund manager fees, custodian and other investment expenses are recognised on an accruals basis and represent costs incurred directly by the Fund in managing the investment portfolio. These fees do not include indirect costs incurred within underlying investment vehicles. Accumulation investment expenses including direct and indirect costs are recovered from members by deducting an investment fee from investment returns before they are applied to members' accounts. Defined benefit investment expenses including direct and indirect costs are funded by the Victorian Government.

(g) Operating expenses

All administration costs associated with running the Fund are incurred by the Fund. The Fund reimburses the Board for Board expenses.

(h) Income tax

The Fund is an exempt public sector superannuation scheme and as such is deemed to be a complying fund within the provisions of the *Income Tax Assessment Act 1936 (Cth)*. Accordingly, the concessional rate of 15% is applicable.

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the Statement of Financial Position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Fund expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(i) Foreign currency

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

Investments at balance date denominated in foreign currencies have been converted to Australian dollars using the last quoted rates of exchange at the end of the financial year. Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Resulting exchange differences are included in the operating result for the year.

2. Summary of material accounting policies (continued)

(j) Payables

Pensions and lump sums are accounted for on an accrual basis. Benefits payable includes the entitlements of members who ceased employment prior to year-end but had not been paid at that time.

Other payables are recognised as amounts to be paid in the future for goods and services received, whether or not billed to the Fund and are carried at nominal amounts which approximate the fair value. Payables are normally settled within 30 days.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, short term deposits, money market deposits, exchange traded futures margin accounts and non-investment at-call funds which are readily convertible to cash and which are subject to insignificant risk of changes in value.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are stated net of any applicable GST. Where applicable, GST incurred that is not recoverable from the Australian Taxation Office (ATO), has been recognised as part of the expense or asset to which it applies. Receivables and payables are stated with any applicable GST included in the values. The amount of GST recoverable from, and payable to the ATO, is included as a receivable or payable in the Statement of Financial Position. Cash flows are presented on a gross basis in the Statement of Cash Flows. The GST components of cash flows arising from investing activities which are recoverable from or payable to the ATO are presented as cash flows from operating activities as part of general administrative expenses paid.

(m) Liability for accrued benefits

The liability for accrued defined benefits, which is mainly of a long-term nature, is actuarially measured on a triennial basis, with yearly updates, and represents the value of the Fund's present obligation to pay benefits to members and other beneficiaries at the date of the actuarial review. The liability is determined on the basis of the present value of expected future payments, which arise from membership of the Fund up to the date of the actuarial review. The amount reported has been determined by reference to expected future salary levels and by application of a current market-based, risk-adjusted discount rate and appropriate actuarial assumptions. The report on the latest full actuarial investigations of the Fund, as at 30 June 2021, contains details of the accrued benefit liability at that date. The report also gives details of the basis used to calculate the accrued benefit liability. The liability at 30 June 2024 has been actuarially calculated as an update of the balance of the liability calculated as at 30 June 2023. The next triennial review, which will be conducted as at 30 June 2024, is expected to be completed by 31 December 2024.

(n) Rounding

Amounts in the financial report have been rounded to the nearest thousand dollars unless otherwise stated.

(o) Operating reserve

The Fund maintains an operating reserve that has been created under the powers from the ESS Act.

The operating reserve comprises of an operational risk financial reserve to provide funds to protect members' interests and mitigate the impact of an adverse event and an administration reserve to fund operational or strategic initiatives which enhance the Fund for the benefit of all members (refer Note 8).

Reserves are operated in accordance with the Fund's Reserve Policy and are held at a Fund level.

(p) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed in Notes 12 and 21 at nominal value.

(q) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed by way of a note, refer to Note 28, if quantifiable they are measured at nominal value. Contingent assets and contingent liabilities are presented net of GST receivable or payable respectively.

(r) Events after the reporting period

Transactions are only recognised in the financial statements when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue if those events provide information about the conditions which existed at the reporting date.

(s) Impairment of assets

All of the Fund's fixed assets are assessed annually for indicators of impairment. If there is an indicator of impairment the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount the difference is written off by a charge to the Operating Statement. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of its fair value less costs of disposal and its value in use.

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

2. Summary of material accounting policies (continued)

(t) Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Due to the nature of these plant and equipment, the carrying amount is assumed to approximate their fair value in line with FRD 103. Depreciation is provided on a straight-line basis over the assets' estimated useful life to the Fund. Depreciation rates are reviewed annually with a view to adjusting them to reflect the most recent assessment of the useful life of new assets purchased by the Fund.

PLANT AND EQUIPMENT CATEGORY	2024 USEFUL LIFE	2023 USEFUL LIFE
Office equipment	5 years	5 years
Computer equipment	4 years	4 years
Motor vehicles	5 years	5 years
Furniture and fittings	10 years	10 years

(u) Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance. They are initially recognised at cost; subsequently those with finite useful lives are carried at cost less accumulated amortisation and impairment losses. Costs incurred subsequent to initial recognition are capitalised when it is expected that additional future economic benefits will flow to the Fund. Expenditures incurred in respect of software development are carried forward when their future recoverability can reasonably be regarded as assured and they will contribute to future period revenue generation and/or cost reductions. Any expenditures carried forward are amortised over the period in which the Fund expects to realise the benefits. The useful life for each major class of intangible assets is:

INTANGIBLE ASSET CATEGORY	2024 USEFUL LIFE	2023 USEFUL LIFE
Computer software	4 – 5 years	4 – 5 years

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable. Intangibles with a finite life are assessed annually for impairment indicators. If there is an indication of impairment, it is tested as to whether the carrying amount exceeds its recoverable amount. Any excess of the carrying asset over the recoverable amount is recognised as an impairment loss.

(v) Right-of-use assets

Right-of-use assets are recognised, measured and presented in line with AASB 16 *Leases*. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received and any initial direct costs incurred.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease. The right-of-use assets are also subject to revaluation.

ESSSuper has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(w) Lease liabilities

A lease liability is recognised, measured and presented in line with AASB 16 *Leases*. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using an incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, and variable lease payments that depend on an index or a rate. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

2. Summary of material accounting policies (continued)

(x) Employee benefits

Wages, salaries and annual leave

The provision for employee benefits in respect of wages, salaries and annual leave, represents the amount which the Fund has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at discounted amounts based on expected future wage and salary rates. Related on-costs such as superannuation, payroll tax and workers compensation have been disclosed separately in accordance with AASB 101.78(d).

Depending on the expectation of the timing of settlement, liabilities for wages, salaries and annual leave are measured at:

- nominal value-component that the Fund expects to settle wholly within 12 months; and
- present value-component that the Fund does not expect to settle wholly within 12 months.

Long service leave (LSL)

The liability for employee benefits in respect of LSL represents the present value of the estimated future cash outflows to be made by the Fund resulting from employees' services provided up to the balance date.

The current portion of the LSL liability reflected in the financial statements is based on staff with benefits that have vested (a minimum of 7 years of service history (pro-rata basis) and/or staff with 10 and more years of service history).

The non-current portion of the LSL liability is a calculation of the arising liability using salary, number of years' service and probability of reaching LSL entitlement. This figure is discounted using the rates attaching to national government guaranteed securities at balance date, which most closely match the terms of maturity of the related liabilities. In determining the liability for employee benefits, consideration has been given to future increases in wage and salary rates, and the Fund's experience with staff turnover rates. Related on-costs have also been included in the liability.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Fund does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- nominal value-component that the Fund expects to settle wholly within 12 months; and
- present value-component that the Fund does not expect to settle wholly within 12 months.

Superannuation

The Fund contributes on behalf of its employees to the Fund and other accumulation plans in order to satisfy entitlements of employees. The amount charged to the Operating Statement in respect of superannuation represents the contributions made and payable by the Fund to superannuation funds.

Superannuation contributions are made to the plans based on the relevant rules of each plan. See Note 27 for further details.

(y) Provisions

The provisions include make-good obligations for the rental of premises at 140 William Street, Melbourne, which specifically related to the internal staircase that connects the occupied office floors.

A 10-year lease agreement was entered by the Board on behalf of the Fund from 1 July 2017. In the rental agreement the requirement that the premises be returned to their original state with removal of the staircase remains. There is no general 'make good' requirement pertaining to the standard open space layout of the leased premises.

(z) Comparative amounts

Where applicable, the prior year comparative amounts have been reclassified to allow for comparison with the current year.

3. Receivables

Contributions receivable

There are no significant terms or conditions applicable to contributions receivable. All amounts are expected to be recoverable in whole within the next 12 months. No interest is charged on these receivables. No receivables are either past due or impaired and no allowances have been made for the recoverability of these assets.

Other receivables

There are no significant terms or conditions applicable to other receivables. All amounts are expected to be recoverable in whole within the next 12 months with the exception of family law and early release debtors. Interest is charged on the family law and early release debtors. No receivables are either past due or impaired and no allowances have been made for the recoverability of these assets.

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

4. Payables

	2024 \$'000	2023 \$'000
Benefits payable – pensions	46,410	31,070
Benefits payable - lump sums	8,427	8,727
Investment fees payable	19,201	20,072
Other payables	5,999	20,999
Total payables	80,037	80,868

5. Plant and equipment

2024	COMPUTER EQUIPMENT \$'000	MOTOR VEHICLES \$'000	OFFICE EQUIPMENT \$'000	OFFICE FURNITURE AND FITTINGS \$'000	TOTAL \$'000
Cost					
Opening balance	2,143	278	246	46	2,713
Additions	67	–	7	53	127
Disposals	(1)	(43)	–	–	(44)
Closing balance	2,209	235	253	99	2,796
Accumulated depreciation					
Opening balance	(1,724)	(165)	(211)	(8)	(2,108)
Depreciation	(191)	(42)	(10)	(5)	(248)
Disposals	1	15	–	–	16
Closing balance	(1,914)	(192)	(221)	(13)	(2,340)
Net carrying value	295	43	32	86	456

2023	COMPUTER EQUIPMENT \$'000	MOTOR VEHICLES \$'000	OFFICE EQUIPMENT \$'000	OFFICE FURNITURE AND FITTINGS \$'000	TOTAL \$'000
Cost					
Opening balance	2,185	212	231	44	2,672
Additions	199	103	16	2	320
Disposals	(241)	(37)	(1)	–	(279)
Closing balance	2,143	278	246	46	2,713
Accumulated depreciation					
Opening balance	(1,693)	(142)	(169)	(4)	(2,008)
Depreciation	(271)	(48)	(43)	(4)	(366)
Disposals	240	25	1	–	266
Closing balance	(1,724)	(165)	(211)	(8)	(2,108)
Net carrying value	419	113	35	38	605

6. Intangible assets

Computer software

	2024 \$'000	2023 \$'000
Cost		
Opening balance	5,966	5,042
Additions	2,988	924
Disposals	(215)	–
Closing balance	8,739	5,966
Accumulated amortisation		
Opening balance	(4,032)	(3,455)
Amortisation	(303)	(577)
Disposals	103	–
Closing balance	(4,232)	(4,032)
Net carrying value	4,507	1,934

7. Right-of-use assets

	2024 \$'000	2023 \$'000
Office accommodation: right-of-use	12,831	12,831
Less: Accumulated depreciation	(8,342)	(6,846)
Net carrying value	4,489	5,985
Car parking: right-of-use	734	734
Less: Accumulated depreciation	(448)	(353)
Net carrying value	286	381
Total net carrying value	4,775	6,366

The lease terms are:

- Office accommodation 10 years from 1 July 2017
- Car parking 10 years from 1 July 2017

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

8. Operating reserve

Operational risk financial reserve

	2024 \$'000	2023 \$'000
Opening balance	28,971	24,189
Operating result	2,299	4,782
Closing balance	31,270	28,971

Administration reserve

	2024 \$'000	2023 \$'000
Opening balance	20,806	21,199
Fee rebate allocated to accumulation members' accounts	–	(4,245)
Operating result	226	3,852
Closing balance	21,032	20,806
Total operating reserve	52,302	49,777

9. Income tax

(a) Income tax expense

The aggregate amount of tax expense attributable to the financial year is as follows:

	2024 \$'000	2023 \$'000
Current tax expense	161,499	159,266
Deferred tax expense	74,235	77,212
Prior years income tax amendments	–	(3,075)
Under/(over) provision from prior year	15,492	(11,301)
Total income tax expense	251,226	222,102
Income tax expense is attributed to:		
Income tax on contributions	173,214	186,267
Income tax expense/(benefit) on operating result	78,012	35,835
Total income tax expense	251,226	222,102

9. Income tax (continued)

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

	2024 \$'000	2023 \$'000
Operating result before income tax	162,779	245,506
Tax at the Australian tax rate of 15% (2023: 15%)	24,417	36,826
Add/(deduct) tax effect of adjustments in calculating taxable income:		
Exempt contributions	–	(18,531)
Difference between accounting and tax gains	253,721	227,305
Current pension exemption	(156,647)	(112,645)
Non-deductible expenses	11,628	10,255
Imputation and foreign tax credits	(70,599)	(92,999)
Prior years income tax amendments	–	(3,075)
Under/(over) provision from prior year	15,492	(11,301)
Income tax expense/(benefit) on operating result	78,012	35,835
Contribution tax	173,214	186,267
Total income tax expense	251,226	222,102

(c) Current tax liabilities

	2024 \$'000	2023 \$'000
Opening balance	(50,697)	(86,511)
Prior years income tax amendments	–	3,075
(Under)/over provision from prior year	(15,492)	11,301
Income tax instalments paid	152,621	180,704
Income tax expense	(161,499)	(159,266)
Closing balance	(75,067)	(50,697)

(d) Deferred tax liabilities

	2024 \$'000	2023 \$'000
The balance comprises temporary differences attributable to:		
Unrealised capital gains	(166,560)	(140,804)
Accrued (income)/loss	(27,245)	21,234
Closing balance	(193,805)	(119,570)
Presented in the Statement of Financial Position as follows:		
Deferred tax liabilities	(193,805)	(119,570)
Opening balance	(119,570)	(42,358)
Recognised in Operating Statement	(74,235)	(77,212)
Closing balance	(193,805)	(119,570)

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

10. Employee benefits

	2024 \$'000	2023 \$'000
Liability for aggregate long service leave and annual leave, including on-costs:		
Current employee benefits		
Annual leave:		
Unconditional and expected to settle within 12 months	1,157	844
Unconditional and expected to settle after 12 months	482	738
On-costs	233	219
Long service leave:		
Unconditional and expected to settle within 12 months	165	163
Unconditional and expected to settle after 12 months	1,378	1,353
On-costs	250	240
Total current employee benefits	3,665	3,557
Non-current employee benefits		
Long service leave:		
Long service leave	531	437
On-costs	85	69
Total non-current employee benefits	616	506
Total employee benefits	4,281	4,063

	2024 %	2023 %
Assumed rate of increase in wage and salary rates	4.45	4.35
Discount rate (average percentage)	4.22	4.06
	YEARS	YEARS
Long service leave settlement term (average years)	13	13

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

11. Leases

The Statement of Financial Position shows the following amounts relating to leases:

	2024 \$'000	2023 \$'000
Right-of-use assets		
Office accommodation	4,489	5,985
Car parking	286	381
Total right-of-use assets	4,775	6,366
Lease liabilities		
Current	1,584	1,452
Non-current	3,593	5,177
Total lease liabilities	5,177	6,629

The Operating Statement shows the following amounts relating to leases:

	2024 \$'000	2023 \$'000
Depreciation of right-of-use assets		
Office accommodation	(1,496)	(1,496)
Car parking	(95)	(95)
IT equipment	–	(138)
Total depreciation	(1,591)	(1,729)
Interest expense	(257)	(321)
Low-value lease expense	(1)	(28)
Short term lease expense	(27)	(30)

12. Operational commitments

Capital commitments

As at 30 June 2024, the Fund has no capital commitments (2023: nil).

Bank facility commitments

As at 30 June 2024, the Fund has an unused bank facility of \$66.2m which is unsecured (2023: \$66.2m).

Contractual commitments

As at 30 June 2024, the Fund has a contractual commitment of \$20.0m (2023: \$27.5m).

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

13. Net assets available to pay benefits and accrued benefits

(a) Net assets available to pay benefits

2024	ACCUMULATION PRODUCTS \$'000	ESSS DEFINED BENEFIT \$'000	STATE SUPER DEFINED BENEFIT \$'000	TOTAL \$'000
Opening balance	8,814,105	12,960,010	14,274,591	36,048,706
Contributions	1,517,978	558,394	559,928	2,636,300
Net investment earnings	623,146	942,757	1,295,667	2,861,570
Transfers out	(970,695)	(834,754)	(2,360,894)	(4,166,343)
Closing balance	9,984,534	13,626,407	13,769,292	37,380,233
Accrued benefit liability	(9,984,534)	(10,512,551)	(23,654,780)	(44,151,865)
Surplus/(deficit)	–	3,113,856	(9,885,488)	(6,771,632)

2023	ACCUMULATION PRODUCTS \$'000	ESSS DEFINED BENEFIT \$'000	STATE SUPER DEFINED BENEFIT \$'000	TOTAL \$'000
Opening balance	7,863,820	12,103,326	14,119,849	34,086,995
Contributions	1,158,407	448,299	824,461	2,431,167
Net investment earnings	707,750	1,038,391	1,518,688	3,264,829
Transfers out	(915,872)	(630,006)	(2,188,407)	(3,734,285)
Closing balance	8,814,105	12,960,010	14,274,591	36,048,706
Accrued benefit liability	(8,814,105)	(9,834,000)	(24,257,000)	(42,905,105)
Surplus/(deficit)	–	3,126,010	(9,982,409)	(6,856,399)

The surplus disclosed above for ESSS Defined Benefit is \$3,114m at 30 June 2024 (2023: \$3,126m). This comprises at least \$926m (2023: \$1,044m) which is required to meet members' vested benefits, a further \$2,288m (2023: \$2,176m) is required under the Board's policies to provide for protection for members' benefits against a market downturn, leaving a deficit of \$100m (2023: \$94m deficit) to the Board's upper funding target level of 120% of ESSS vested benefits.

(b) Accrued liability as determined by Actuary

Obligations relating to member entitlement are recognised as member liabilities. Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date. Defined benefit member liabilities are determined by the Actuary in respect of benefits, which have accrued to members and beneficiaries on the basis of the present value of expected future payments which arise from membership of the Fund:

	2024 \$'000	2023 \$'000
Liability for accrued benefits	(44,151,865)	(42,905,105)

13. Net assets available to pay benefits and accrued benefits (continued)

(c) Funding arrangements

Defined contribution employers provide contributions to the Fund during the year at 11.0% (2023: 10.5%) of the gross salaries of the employees. Defined benefit employers provide contributions to the Fund at various rates as determined by the Actuary 2024: 0% – 14.5% (2023: 0% – 14.1%). Members' contributions were made in accordance with the requirements of the ESS Act.

ACCRUED BENEFITS	2024 \$'000	2023 \$'000
Opening balance	42,905,105	41,148,820
Movement	1,246,760	1,756,285
Closing balance	44,151,865	42,905,105

(d) Financial assumptions

The following financial assumptions were used in estimating the accrued benefit liability for the defined benefit funds:

STATE SUPER DEFINED BENEFIT	2024 %	2023 %
Investment return – pension assets	7.75	7.75
Investment return – other assets	6.75	6.75
Salary growth due to inflation	3.25	3.25
Price inflation:		
– First year	2.85	3.27
– Long term	2.50	2.50

ESSS DEFINED BENEFIT	2024 %	2023 %
Investment return – pension assets	7.50	7.50
Investment return – other assets	6.50	6.50
Salary growth due to inflation	3.25	3.25
Price inflation:		
– First year	2.85	3.27
– Long term	2.50	2.50

The actuary has adopted two different investment return assumptions. One rate is used in respect of assets backing pension liabilities (untaxed) and the second rate relates to assets backing other benefits (taxed). The rationale underlying this approach is that the unfunded liability represents the immediate contribution that would need to be made on the valuation date to put the Fund in a fully funded position. In order to calculate the amount of this contribution, it is necessary to consider what would occur if such a contribution were made and, in particular, what investment return could be achieved on the Fund's assets following this contribution. It is this investment return which is used to discount the liabilities to arrive at the unfunded liability amount.

14. Vested benefits

Vested benefits are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members are entitled to receive had they terminated their Fund membership as at the reporting date (refer Note 25(e)). These amounts are shown below:

	2024 \$'000	2023 \$'000
Vested – defined contribution	9,984,534	8,814,105
Vested – defined benefits	35,500,177	35,551,000
Total vested benefits	45,484,711	44,365,105

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

15. Defined benefit member liabilities

The Fund engages qualified actuaries on an annual basis to measure defined benefit member liabilities. Following a review of the Fund's experience over the previous three years, the actuary recommended a number of changes to certain rates of resignation, retirement, disablement and mortality compared to the previous reporting period, which the Board has accepted. The Fund has no information that would lead it to adjust the assumptions in respect to the discount rate.

The Fund uses sensitivity analysis to monitor the potential impact of key changes to key variables about which the assumptions need to be made. The Fund has identified three assumptions being, the investment return, price inflation, and the rate of salary growth, for which changes are reasonably possible that would have a material impact on the amount of the defined benefit member liabilities.

The investment return assumptions have been determined by reference to the expected long term investment returns reflecting the Fund's actual investments and investment strategy in respect of defined benefit member liabilities.

The assumed annual salary growth has been determined by the employer (Department of Treasury and Finance (DTF)). DTF has advised the base salary growth assumption to increase to be kept at 3.25% p.a. for ESSS DB and for SSF. Base salary growth for the Fund's members were set in consultation with DTF, reflecting the government's Wage Policy and Enterprise Agreement Framework.

Price inflation has been determined based on the RBA's target price inflation. The table below summarises the Fund's sensitivity to changes in defined benefit liabilities as a result of movements in the key assumptions:

STATE SUPER DEFINED BENEFIT	2024 INVESTMENT RETURN	2023 INVESTMENT RETURN	2024 SALARY GROWTH	2023 SALARY GROWTH	2024 PRICE INFLATION	2023 PRICE INFLATION
Valuation assumptions	Pension liabilities 7.75% p.a.	Pension liabilities 7.75% p.a.	3.25% p.a. plus age-based promotional increase	3.25% p.a. plus age-based promotional increase	2.85% p.a. in FY25, 2.5% p.a. thereafter	3.27% p.a. in FY24, 2.5% p.a. thereafter
	Other liabilities 6.75% p.a.	Other liabilities 6.75% p.a.				
Sensitivity	+1% p.a.	+1% p.a.	+1% p.a.	+1% p.a.	+1% p.a.	+1% p.a.
Change \$m	(1,326)	(1,400)	111	120	1,456	1,600
Change %	(5.6%)	(7.0%)	0.5%	1.0%	6.2%	7.0%

ESSS DEFINED BENEFIT	2024 INVESTMENT RETURN	2023 INVESTMENT RETURN	2024 SALARY GROWTH	2023 SALARY GROWTH	2024 PRICE INFLATION	2023 PRICE INFLATION
Valuation assumptions	Pension liabilities 7.5% p.a.	Pension liabilities 7.5% p.a.	3.25% p.a. plus age-based promotional increase	3.25% p.a. plus age-based promotional increase	2.85% p.a. in FY25, 2.5% p.a. thereafter	3.27% p.a. in FY24, 2.5% p.a. thereafter
	Other liabilities 6.5% p.a.	Other liabilities 6.5% p.a.				
Sensitivity	+1% p.a.	+1% p.a.	+1% p.a.	+1% p.a.	+1% p.a.	+1% p.a.
Change \$m	(672)	(591)	385	407	480	361
Change %	(6.4%)	(6.0%)	3.7%	4.0%	4.6%	4.0%

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

16. Investment expenses

	2024 \$'000	2023 \$'000
External fund manager fees	83,119	83,082
Custodian fees	7,623	6,939
Other investment expenses	3,636	1,544
Total investment expenses	94,378	91,565

17. Operating expenses

	2024 \$'000	2023 \$'000
Salaries and related costs	24,733	21,801
Board expenses	773	845
Projects	1,558	1,935
Administrator costs	7,516	7,833
Other expenses	16,395	15,404
Total operating expenses	50,975	47,818

18. Benefits paid and payable

	2024 \$'000	2023 \$'000
Lump sum accumulation withdrawals	430,340	411,415
Lump sum defined benefits withdrawals	305,557	252,106
Lifetime pensions	1,623,952	1,521,602
Income stream pensions	321,841	261,768
Total benefits paid and payable	2,681,690	2,446,891

19. Interest income

	2024 \$'000	2023 \$'000
Interest from bank deposits	14,019	10,176
Interest from investments	123,794	86,049
Total interest income	137,813	96,225

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

20. Cash flows

Reconciliation of operating result after income tax for the year to net cash inflow from operating activities:

	NOTE	2024 \$'000	2023 \$'000
Operating result after income tax for the year		84,767	209,671
Non-cash movements			
Depreciation and amortisation	5, 6, 7	(2,555)	945
Other non-cash movements		–	(429)
Movements in assets and liabilities			
Decrease/(increase) in fair value of investments	23	(1,354,257)	(1,582,433)
Decrease/(increase) in other receivables		1,538	(881)
Decrease/(increase) in right-of-use assets		1,592	3,117
Decrease/(increase) in fixed assets		132	(1,220)
Increase/(decrease) in investment payables		–	(743)
Increase/(decrease) in other payables		(16,124)	17,150
Increase/(decrease) in provisions		–	(768)
Increase/(decrease) in lease liabilities		(1,452)	(3,905)
Increase/(decrease) in repayment of loan		–	107
Increase/(decrease) in income tax provision		(74,609)	(144,869)
Increase/(decrease) in employee benefits		224	(22)
Net benefit allocated to members		2,950,016	3,055,158
Net cash inflow from operating activities		1,589,272	1,550,878

21. Investment commitments

The Fund has outstanding capital commitments in respect of investments that have not been called upon. The amount of commitments contracted for at the reporting date but not recognised as liabilities is \$1,890m (2023: \$4,393m).

22. Related entity information

(a) Responsible persons

The names of persons who were responsible during the year and up to the date of signing the financial report were:

- The Responsible Minister:
The Honourable Danny Pearson, Assistant Treasurer *

- The below listed Board Members and their deputies:

Government Appointed

Joan Fitzpatrick, President;
George Boubouras (appointed 6 February 2024);
Douglas Kearsley (ceased 15 August 2023);
Paul Mulraney;
Jacqueline Pirone; and
Pam Rebecca.

Member Elected

Dean Glare;
Colin Jones;
Eamon Leahy;
Ben McKie; and
Angela Stringer.

Government Appointed Deputy

–

Member Elected Deputy

Steven Branson, Deputy for Dean Glare;
Christopher Goldrick, Deputy for Eamon Leahy;
Adam Gullo, Deputy for Ben McKie;
Jessie Ann Humphries, Deputy for Angela Stringer; and
Rebecca Pierce, Deputy for Colin Jones.

- The Chief Executive Officer:
Robbie Campo

* The Assistant Treasurer's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the Annual Financial Report of the State.

(b) Remuneration of responsible persons

No remuneration was paid by the Fund to the Board Members directly. However, the Board, a related entity, remunerates the Board Members. Board Members' remuneration paid through the Board was reimbursed by the Fund. Total remuneration reimbursed by the Fund was \$561k in 2024 (2023: \$558k). Further remuneration details are disclosed in Note 22(e).

(c) Remuneration of executive officers

The number of executive officers, other than accountable officers, and their total remuneration during the reporting period are detailed below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

22. Related entity information (continued)

(c) Remuneration of executive officers (continued)

	2024 \$'000	2023 \$'000
Short-term benefits	2,203	1,871
Post-employment benefits	234	218
Other long-term benefits	22	66
Termination benefits	10	–
Total remuneration	2,469	2,155
Total number of executives	9	8
Total annualised employee equivalents (AEE)*	8.4	7.4

* Annualised employee equivalent is based on the time fraction worked over the reporting period.

(d) Executive officers

The following were executive officers during the year and up to the date of signing the financial report:

- Felicity Brasher Group Executive, Member Engagement
- Monica Cimera Group Executive, People and Culture
- David Daley Group Executive, Fund Administration and Transformation (ceased 1 July 2024)
- Tim Elliott Chief Financial Officer (Interim, commenced 8 April 2024 and ceased 23 August 2024)
Chief Transformation Officer (commenced 24 August 2024)
- Bruce Garner Chief Financial Officer (ceased 29 March 2024)
- Akshat Gaur Group Executive, Technology Services and Information Security
- Therese Kenny Chief Financial Officer (commenced 12 August 2024)
- Daniel Selioutine Group Executive, Investments
- Elizabeth Tromans Group Executive, Legal, Risk and Compliance
- Duncan Winton Group Executive Strategy, Brand and Insights

(e) Remuneration of key management personnel

During the year, compensation in the form of short-term, post-employment and other long-term benefits to key management personnel have been made directly from the Fund or the Board in relation to work performed. The Board Members are paid directly by the Board and the Chief Executive Officer is paid directly by the Fund. The total remuneration paid or payable during the year are detailed below. The key management personnel have all been disclosed under 22(a) and comprise of Board Members and the Chief Executive Officer.

	2024 \$'000	2023 \$'000
Short-term benefits	973	970
Post-employment benefits	73	70
Other long-term benefits	12	11
Total remuneration	1,058	1,051

22. Related entity information (continued)

(e) Remuneration of key management personnel (continued)

The number of key management personnel and the total remuneration paid or payable during the year are detailed below:

	2024 \$'000	2023 \$'000
Key management personnel remuneration	1,058	1,051
Income band		
\$0 - \$9,999	6	8
\$10,000 - \$19,999	1	–
\$20,000 - \$29,999	–	3
\$30,000 - \$39,999	–	1
\$40,000 - \$49,999	5	7
\$50,000 - \$59,999	3	–
\$130,000 - \$139,999	1	1
\$480,000 - \$489,999	–	1
\$490,000 - \$499,999	1	–
Total key management personnel	17	21

(f) Related party transactions

The following responsible persons during all or part of the year are members of the Fund:

- The below listed Board Members and their deputies:

Government Appointed

George Boubouras;
Douglas Kearsley;
Paul Mulraney; and
Pam Rebecca.

Member Elected

Dean Glare;
Colin Jones;
Eamon Leahy;
Ben McKie; and
Angela Stringer.

Member Elected, Deputy

Steven Branson, Deputy for Dean Glare;
Adam Gullo, Deputy for Ben McKie;
Jessie Ann Humphries, Deputy for Angela Stringer;
Rebecca Pierce, Deputy for Colin Jones; and
Christopher Goldrick, Deputy for Eamon Leahy.

- The Chief Executive Officer:
Robbie Campo

During the year the staff of the Fund who are members of the Accumulation Fund received an administration fee rebate of \$26k (2023: \$32k), as specified within ESSSuper Enterprise Agreement.

No retirement benefits were paid by the Fund to Board Members in their capacity as Board Members.

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

22. Related entity information (continued)

(g) Loans and borrowings

No loans were provided by the Fund to Board Members.

(h) Transactions with related entities

The aggregate amounts recognised/incurred in respect of related entities were as follows:

TRANSACTION TYPE	NATURE OF TRANSACTION	RELATED ENTITY	2024 \$'000	2023 \$'000
Board expenses	Reimbursement of Board expenses	Emergency Services Superannuation Board	773	845

(i) Amounts payable to other related entities

	2024 \$'000	2023 \$'000
Emergency Services Superannuation Board	81	92

Amounts payable to related entities at balance date are disclosed in Note 4. This represents the outstanding fees payable to the Board for administration expenses.

(j) Amounts receivable from other related entities

	2024 \$'000	2023 \$'000
Emergency Services Superannuation Board	20	2

Amounts receivable from related entities at balance date are disclosed in the Statement of Financial Position.

(k) Other transactions

During the year the State Government made contributions of \$139m (2023: \$607m), in accordance with Section 90(2) of the *State Superannuation Act 1988*.

Other than the items disclosed, related party transactions requiring disclosure under the directions of the Assistant Treasurer have been considered and there are no matters to report.

23. Changes in fair value of investments

	2024 \$'000	2023 \$'000
Unrealised gains/(losses)		
Cash and cash equivalents	5,455	7,029
Australian equities	184,847	248,476
International equities	780,955	1,113,384
Fixed income securities	384,471	250,305
Infrastructure	131,457	74,980
Private equity	(6,078)	(109)
Property	(330,648)	(192,689)
Multi asset strategies	18,616	(1,634)
Ethically minded strategies	3,845	3,437
Alternatives	224,905	43,357
Derivatives	9,337	35,398
Total unrealised gains/(losses)	1,407,162	1,581,934
Realised gains/(losses)		
Cash and cash equivalents	42,171	18,245
Australian equities	62,240	96,153
International equities	266,590	142,062
Fixed income securities	(181,694)	(225,215)
Infrastructure	(149,822)	(28,177)
Private equity	(120)	(1,733)
Property	(18,929)	24,464
Multi asset strategies	(22,902)	–
Ethically minded strategies	–	–
Alternatives	2,364	(8,360)
Derivatives	(52,803)	(16,940)
Total realised gains/(losses)	(52,905)	499
Total changes in fair value of investments	1,354,257	1,582,433

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

24. Investments

As required by the relevant Victorian Order in Council and Section 20 of the *Borrowing and Investment Powers Act 1987*, investment responsibilities for the defined benefit pools transferred to the Victorian Funds Management Corporation (VFMC) on 1 July 2006. However, the Board remains responsible for setting investment objectives for the defined benefit pools.

At 30 June 2024, the investments of the Fund were held in three pools:

- investments relating to Accumulation Plan (governed by the ESS Act);
- investments relating to the ESSS Defined Benefit Fund (governed by the ESS Act); and
- investments relating to the State Superannuation Fund (governed by the *State Superannuation Act 1988*).

Accumulation Plan members' funds

The Board determines the investment objectives and strategy for the Accumulation Plan. Frontier Advisors Pty Ltd is the investment adviser to the Accumulation Plan assets including advice on investment objectives, strategy, advisory services and high-level portfolio construction. The implementation is undertaken internally by the Fund's investment team and the Board retains full responsibility for the investment of Accumulation Plan assets.

Each investment manager is required to invest the assets under its management in accordance with the terms of a written investment mandate.

The internal investment team obtains regular reports from each investment manager on the nature of the investments made on behalf of the Accumulation Plan funds, on the associated risks and the performance against an agreed benchmark. In turn both Frontier Advisors Pty Ltd and the internal management team report to the Investment Committee at its quarterly meeting on all relevant and material investment matters.

ESSS Defined Benefit Fund and State Superannuation Fund members' funds

The Board determines the investment objectives for the defined benefit funds.

VFMC is the appointed fund manager and is responsible for determining and implementing the investment strategy for the defined benefit funds. VFMC evaluates and selects a panel of investment managers to invest the assets of the defined benefit funds across various asset classes.

Each investment manager is required to invest the assets under its management in accordance with the terms of a written investment mandate.

VFMC obtains regular reports from each investment manager on the nature of the investments made on behalf of the Fund, on the associated risks and the performance against an agreed benchmark. In turn VFMC reports to the Investment Committee at its quarterly meeting on all relevant and material investment matters.

25. Financial risk management

(a) Objectives, strategies, policies and processes

The assets of the Fund principally consist of financial instruments which comprise listed and unlisted equities, fixed term deposits, cash, listed and unlisted property and infrastructure trusts, derivative contracts and other unitised investments. VFMC in consultation with the Board has determined that these types of investments are appropriate for the Fund and are in accordance with the requirements of the *Borrowing and Investment Powers Act 1987* and the investment guidelines contained in the Prudential Statement issued by the Victorian Treasurer.

The Board has established an Investment Committee that receives quarterly risk management reports from VFMC and Frontier Advisors Pty Ltd in relation to defined benefit assets and accumulation assets respectively, as well as internal management reports. The Investment Committee reports to the Board on its activities. Divergence from target asset allocations and the composition of the portfolio is monitored by the Fund's investment team on a regular basis. The investment team work within the parameters of the Investment Governance Framework approved by the Board.

The Board's Governance, Risk and Compliance Committee oversees the process used by management to monitor compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Governance, Risk and Compliance Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Governance, Risk and Compliance Committee.

The Fund's investing activities expose it to market risk, credit risk and liquidity risk. The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ratings analysis for credit risk.

As part of its risk management strategy, the Fund may use derivatives and other investments, including share price and bond futures, swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks, and exposures arising from forecast transactions.

State Street is the master custodian on behalf of the Fund and as such provide services including physical custody and safekeeping of assets, settlement of trades, collection of dividends and accounting for investment transactions for the Fund.

25. Financial risk management (continued)

(b) 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: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised by ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies. This includes managing and controlling risk exposures, within acceptable parameters while optimising investment returns.

(i) Price risk

Equity price risk is the risk that the fair value of equities will fluctuate because of changes in market prices, 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.

Equity price risk exposure arises from the Fund's investment portfolio. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The investment managers, VFMC and the internal investment team mitigate this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board. The Fund's overall market positions are monitored on a daily basis by VFMC and the internal investment team and are reviewed on a quarterly basis by the Investment Committee.

Short sales made by the Fund involve certain risks and special considerations. Possible losses from short sales differ from losses that could be incurred from a purchase of a security, because losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested. At 30 June 2024, if the equity prices had increased/decreased by 10% (2023: 10%) with all other variables held constant, this would have increased/(decreased) net assets attributable to members by approximately \$1.7b/(\$1.7b) (2023: \$1.7b/(\$1.7b)).

(ii) Foreign exchange risk

The foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund holds assets denominated in currencies other than the Australian dollar, its functional currency. It is therefore exposed to foreign exchange risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis.

In accordance with the Fund's policy, VFMC manage foreign currency risk associated with the defined benefit funds in accordance with their Investment Risk Management Plan (IRMP). Foreign currency exposure arising from the Accumulation Plan is monitored by the internal investment team against Investment Committee approved target ranges. The Accumulation Plan has appointed a specialist currency manager to implement passive hedges across the portfolio's foreign currency exposed investments. Hedging is undertaken using currency forwards. Hedging is not undertaken for investments in unit trusts, whose currency risk is managed by the responsible investment manager. The disclosure of currency risk in this note depicts the fair value of currency forwards, which may not wholly reflect the Accumulation Plan's overall currency risk profile.

The table below summarises the Fund's exposure to foreign exchange risk:

	INVESTMENT IN FOREIGN CURRENCY A\$'000	FORWARD AND SWAP COVER A\$'000	NET EXPOSURE A\$'000	SENSITIVITY RISK ANALYSIS	
				INCREASE 10% A\$'000	DECREASE 10% A\$'000
2024					
United States dollar	4,458,113	(14,336,013)	(9,877,900)	897,991	(1,097,545)
Euro	400,970	(671,644)	(270,674)	24,606	(30,075)
British pound	213,444	(13,277)	200,167	(18,197)	22,241
Japanese yen	40,927	(23,571)	17,356	(1,578)	1,929
Other currencies	392,152	(236,547)	155,605	(14,146)	17,289
Total foreign currencies	5,505,606	(15,281,052)	(9,775,446)	888,676	(1,086,161)
2023					
United States dollar	3,827,741	(14,071,227)	(10,243,486)	931,226	(1,138,165)
Euro	410,898	(604,896)	(193,998)	17,636	(21,555)
British pound	165,747	(17,038)	148,709	(13,519)	16,523
Japanese yen	37,932	(40,048)	(2,116)	192	(236)
Other currencies	374,223	(223,668)	150,555	(13,687)	16,728
Total foreign currencies	4,816,541	(14,956,877)	(10,140,336)	921,848	(1,126,705)

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

25. Financial risk management (continued)

b) Market risk (continued)

(ii) Foreign exchange risk (continued)

At 30 June 2024, had the Australian dollar strengthened/(weakened) by 10% against other currencies to which the Fund is exposed, with all other variables held constant, the increase/(decrease) respectively in net assets attributable to members would amount to approximately \$888.68m/(\$1,086.16m), (2023:\$921.85m/(\$1,126.71m)).

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest-bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Fund has established limits on investments in interest-bearing assets, which are monitored regularly. The Fund may use derivatives to hedge against unexpected increases in interest rates. The risk is measured using sensitivity analysis. In accordance with the Fund's policy, VFMC and the internal investment team monitor the Fund's overall interest sensitivity on a daily basis, and the Investment Committee reviews it on a regular basis.

The table below summarises the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair values, categorised by the maturity dates:

2024	FLOATING INTEREST RATE \$'000	LESS THAN 3 MONTHS \$'000	3 TO 12 MONTHS \$'000	1 TO 5 YEARS \$'000	OVER 5 YEARS \$'000	NON-INTEREST BEARING \$'000	TOTAL \$'000
Assets							
Cash and cash equivalents	2,568,946	–	–	–	–	–	2,568,946
Australian equities	–	–	–	–	–	7,333,789	7,333,789
International equities	–	–	–	–	–	10,068,892	10,068,892
Fixed income securities	192,750	476,358	635,697	178,534	486,778	6,262,057	8,232,174
Property	–	–	–	–	–	2,974,852	2,974,852
Alternatives	–	–	–	–	–	2,523,916	2,523,916
Infrastructure	–	–	–	–	–	3,583,898	3,583,898
Private equity	–	–	–	–	–	31,022	31,022
Multi asset strategies	–	–	–	–	–	–	–
Ethically minded strategies	–	–	–	–	–	105,551	105,551
Derivative assets	–	4,205	–	–	–	158,722	162,927
Other assets	–	–	–	–	–	208,401	208,401
Total assets	2,761,696	480,563	635,697	178,534	486,778	33,251,100	37,794,368
Liabilities							
Other liabilities	–	–	–	–	–	(360,587)	(360,587)
Derivative liabilities	(43)	(2,958)	–	–	(24)	(50,523)	(53,548)
Total liabilities	(43)	(2,958)	–	–	(24)	(411,110)	(414,135)
Net financial assets	2,761,653	477,605	635,697	178,534	486,754	32,839,990	37,380,233

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

25. Financial risk management (continued)

b) Market risk (continued)

(iii) Interest rate risk (continued)

2023	FLOATING INTEREST RATE \$'000	LESS THAN 3 MONTHS \$'000	3 TO 12 MONTHS \$'000	1 TO 5 YEARS \$'000	OVER 5 YEARS \$'000	NON-INTEREST BEARING \$'000	TOTAL \$'000
Assets							
Cash and cash equivalents	3,241,881	–	–	–	–	–	3,241,881
Australian equities	–	–	–	–	–	7,090,154	7,090,154
International equities	–	–	–	–	–	9,936,401	9,936,401
Fixed income securities	118,252	323,463	139,049	161,419	463,805	6,198,869	7,404,857
Property	–	–	–	–	–	3,135,457	3,135,457
Alternatives	–	–	–	–	–	2,360,470	2,360,470
Infrastructure	–	–	–	–	–	3,160,850	3,160,850
Private equity	–	–	–	–	–	37,448	37,448
Multi asset strategies	–	–	–	–	–	61,965	61,965
Ethically minded strategies	–	–	–	–	–	93,886	93,886
Derivative assets	574	343	–	–	–	57,059	57,976
Other assets	–	–	–	–	–	129,642	129,642
Total assets	3,360,707	323,806	139,049	161,419	463,805	32,262,201	36,710,987
Liabilities							
Other liabilities	–	–	–	–	–	(262,767)	(262,767)
Derivative liabilities	–	(938)	–	(546)	(17)	(398,013)	(399,514)
Total liabilities	–	(938)	–	(546)	(17)	(660,780)	(662,281)
Net financial assets	3,360,707	322,868	139,049	160,873	463,788	31,601,421	36,048,706

At 30 June 2024, should interest rates have lowered by 50 basis points with all other variables held constant, the increase in net assets attributable to members for the year would amount to approximately \$29.5m (2023: \$27.9m). If interest rates had risen by 50 basis points, the decrease in net assets attributable to members would amount to approximately \$29.5m (2023: \$27.9m). These increases/decreases in net assets attributable to members are calculated on an undiscounted basis.

(c) Credit risk

Credit risk represents the risk that a counterparty will default on its contract obligations resulting in financial loss to the Fund. Investment powers have been delegated to the Fund's appointed investment managers subject to the restrictions imposed on the Board by the *Borrowing and Investment Powers Act 1987*. VFMC and the internal investment team manage credit risk through dealing with creditworthy counterparties. Credit risk is controlled through VFMC and the internal risk management policies which deal with credit exposure limits, counterparty limits, dealing limits and broker limits. VFMC and the internal investment team monitor the performance of the VFMC/Fund appointed investment managers on an ongoing basis and report periodically to the Investment Committee.

The fair value of financial assets, including derivatives included in the financial statements, represents the Fund's exposure to credit risk related to those assets.

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

25. Financial risk management (continued)

(c) Credit risk (continued)

At 30 June 2024, the Fund was invested in debt securities with the following credit quality:

	2024 \$'000	2023 \$'000
Ratings – debt securities		
AAA+ to AAA-	394,131	339,759
AA+ to AA-	1,170,936	673,965
A+ to A-	204,027	51,733
BBB+ to BBB-	119,289	126,915
BB+ to BB-	1,861	11,093
B+ to B-	–	159
Not rated	79,873	1,482
Total debt securities	1,970,117	1,205,106

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities and the liability for member benefits as they arise. This risk is controlled through the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Fund's Governing Act provides for the daily receipt of contributions and the payment of benefits and it is therefore exposed to the liquidity risk of meeting members' benefit payments requirements as they fall due.

In accordance with the Fund's policy, the Finance division monitors the Fund's liquidity position on a daily basis making advances or recalls of investment funds to/from VFMC and State Street as required. Sufficient funds are maintained at call to meet anticipated short-term requirements. The Fund may, from time to time, invest in derivative contracts (including swaps) traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a deterioration in the creditworthiness of any particular issuer. No such investments were held at the Statement of Financial Position date. The table below analyses the Fund's derivative asset and liability position at the Statement of Financial Position date to the contractual maturity date.

The amounts in the table are the contractual undiscounted cash flows.

2024	AMOUNTS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION \$'000	AMOUNTS NOT SET OFF IN THE STATEMENT OF FINANCIAL POSITION \$'000	NET AMOUNT \$'000
Derivative assets	162,927	(35,006)	127,921
Derivative liabilities	(53,548)	32,419	(21,129)
Total net derivatives	109,379	(2,587)	106,792
2023			
Derivative assets	57,976	(50,573)	7,403
Derivative liabilities	(399,514)	42,121	(357,393)
Total net derivatives	(341,538)	(8,452)	(349,990)

25. Financial risk management (continued)

(d) Liquidity risk (continued)

Maturity analysis for financial liabilities

The table below analyses the Fund's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

2024	LESS THAN 3 MONTHS \$'000	3 TO 12 MONTHS \$'000	1 TO 5 YEARS \$'000	OVER 5 YEARS \$'000	TOTAL \$'000
Financial liabilities at fair value through profit or loss	(40,890)	(10,204)	(2,387)	(67)	(53,548)
Other liabilities	(161,605)	–	(193,805)	–	(355,410)
Lease liabilities	–	–	(5,177)	–	(5,177)
Total financial liabilities	(202,495)	(10,204)	(201,369)	(67)	(414,135)
2023					
Financial liabilities at fair value through profit or loss	(82,610)	(275,799)	(41,083)	(22)	(399,514)
Other liabilities	(256,138)	–	–	–	(256,138)
Lease liabilities	–	(1,452)	(5,177)	–	(6,629)
Total financial liabilities	(338,748)	(277,251)	(46,260)	(22)	(662,281)

(e) Funding risk

Vested benefits

State-funded and self-funded employers make contributions on the basis of the accruing cost of benefits for active members. Commonwealth funded employers contribute on a pay-as-you-go basis when member benefits are paid. This method of funding is not sufficient to address the excess of liabilities over assets. This shortfall in the vested benefits is shown below:

	2024 \$'000	2023 \$'000
Net assets to pay benefits	37,380,233	36,048,706
Accumulation Fund net assets	(9,984,534)	(8,814,105)
Defined benefits net assets	27,395,699	27,234,601
Defined benefits – vested benefits	35,500,177	35,551,000
Defined benefits – vested benefits shortfall	8,104,478	8,316,399

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

25. Financial risk management (continued)

(e) Funding risk (continued)

Unfunded liability

The members' accrued benefit of \$44.2b (2023: \$42.9b) exceeds the net assets of the Fund of \$37.4b (2023: \$36.0b), leaving an unfunded liability of \$6.8b (2023: \$6.9b), as set out in Note 13(a).

The Fund is largely dependent on the Victorian Government to fund the remaining unfunded liability for the State Superannuation Fund. At the discretion of the Treasurer, the Victorian Government contributes additional amounts (Note 22(k)). As part of the 2022 election platform, the Victorian Government committed to reduce payments towards the State's unfunded defined benefit superannuation liabilities by \$3 billion over the 4 years from 1 January 2023 to 30 June 2027 while retaining the financial target to fully fund the State's portion of the unfunded superannuation liability by 2035. The balance is funded by Commonwealth agencies on a pay-as-you-go basis when member benefits are paid. The Victorian Government funding is determined annually through the budget process. Accordingly, a receivable for the unfunded portion has not been recognised under AASB 1056.

(f) Fair value measurements recognised in the Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial assets equate to the market value determinations as set out in Note 2(d).

2024	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
Financial assets				
Cash and cash equivalents	2,568,946	–	–	2,568,946
Australian equities	1,222,874	6,110,724	191	7,333,789
International equities	2,153,539	7,915,353	–	10,068,892
Fixed income securities	345,373	6,232,859	1,653,942	8,232,174
Property	10,148	446,975	2,517,729	2,974,852
Alternatives	1,087,321	585,053	851,542	2,523,916
Infrastructure	5,124	1,309,388	2,269,386	3,583,898
Private equity	–	15,493	15,529	31,022
Multi asset strategies	–	–	–	–
Ethically minded strategies	10	105,541	–	105,551
Derivative assets	5,154	157,773	–	162,927
Total financial assets	7,398,489	22,879,159	7,308,319	37,585,967
Financial liabilities				
Derivative liabilities	(2,868)	(50,680)	–	(53,548)
Total financial liabilities	(2,868)	(50,680)	–	(53,548)
Net financial assets	7,395,621	22,828,479	7,308,319	37,532,419

25. Financial risk management (continued)

(f) Fair value measurements recognised in the Statement of Financial Position (continued)

2023	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
Financial assets				
Cash and cash equivalents	3,241,881	–	–	3,241,881
Australian equities	1,155,820	5,934,334	–	7,090,154
International equities	1,913,302	8,023,099	–	9,936,401
Fixed income securities	358,444	5,362,402	1,684,011	7,404,857
Property	21,996	476,793	2,636,668	3,135,457
Alternatives	1,045,773	527,743	786,954	2,360,470
Infrastructure	–	908,641	2,252,209	3,160,850
Private equity	114	16,677	20,657	37,448
Multi asset strategies	–	61,965	–	61,965
Ethically minded strategies	80	93,806	–	93,886
Derivative assets	2,029	55,947	–	57,976
Total financial assets	7,739,439	21,461,407	7,380,499	36,581,345
Financial liabilities				
Derivative liabilities	(1,358)	(398,156)	–	(399,514)
Total financial liabilities	(1,358)	(398,156)	–	(399,514)
Net financial assets	7,738,081	21,063,251	7,380,499	36,181,831

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

25. Financial risk management (continued)

(f) Fair value measurements recognised in the Statement of Financial Position (continued)

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

	2024 \$'000	2023 \$'000
Opening balance	7,380,499	6,888,089
Total gains/(losses)	(205,099)	(121,648)
Purchases/applications	767,819	971,183
Sales/(redemptions)	(634,900)	(357,125)
Closing balance	7,308,319	7,380,499

Gains or losses recognised in the Operating Statement for Level 3 transactions are presented in the movement in fair value of investments as follows:

	2024 \$'000	2023 \$'000
Total gains recognised in the Operating Statement	(205,099)	(121,648)
Total gains recognised in the Operating Statement for assets held at the end of the reporting period	(219,177)	(145,850)

The investments managed by VFMC on behalf of the Fund and internally held investments include unlisted investments. Some of these unlisted investments are traded on an inactive secondary market, and their fair values at reporting date are based on the prices advised by fund managers or valuations determined by appropriately skilled independent third parties utilising generally accepted and well-known methodologies.

Where valuation techniques including discounted cash flows, multiples based analysis, comparison with similar transactions and other techniques considered appropriate in the circumstances have been employed in pricing or valuing investments, the valuations are inherently subject to estimation uncertainty. Given this inherent subjectivity, the underlying inputs and assumptions are reviewed on an ongoing basis to ensure the valuations reflect the best estimates of the economic conditions at reporting date.

There is a possibility that outcomes within the next financial year would be different from the assumptions used in the current valuation models and a material adjustment to the carrying amounts of the related investments could be required.

The disclosures below provide details of the inputs and assumptions used in the current valuation models. Further detailed information has been provided where available. A significant majority of these investments are held via third party pooled investment vehicles, and as such the Fund is not privy to the detailed assumptions used to value the underlying investment assets.

25. Financial risk management (continued)

(f) Fair value measurements recognised in the Statement of Financial Position (continued)

Fixed income securities

Diversified fixed income investments comprise investments in government, government-related, corporate and securitised bonds, loans and other debt instruments, primarily from Australian issuers but with some limited exposure to international issuers and fixed interest and currency instruments through externally managed unlisted pooled vehicles and segregated portfolios.

The valuation of diversified fixed income investments is primarily based on third party pricing servicers, brokers, market makers and valuation methodologies determined to be appropriate by the manager or their independent valuation agent. Such methodologies applied may include discounted cash flow, amortised cost, direct comparison and others. Assumptions which may be subject to estimation uncertainty would include appropriate credit spread and other risk premium, future risk free rate, future cash flows, identification of appropriate comparables, future economic and regulatory conditions.

Infrastructure investments

Infrastructure investments comprise both domestic and international exposures to transport, social, energy and other infrastructure assets through unlisted pooled vehicles and unlisted trusts. The valuations of unlisted infrastructure investments are based primarily on the discounted cash flow methodology. Key inputs and assumptions which are subject to estimation uncertainty include the choice of risk free discount rates, risk premium, asset utilisation rates, capital expenditure and operating cost forecasts and other estimated future cash flows dependent on the longer term general economic forecasts and the forecast performance of applicable underlying assets (including for example, gearing level forecasts, expected foreign taxation rates, long term retail price indices, counterparty risks and group taxation relief).

Private equity investments

Private equity investments comprise of both domestic and international exposures to venture capital, buyout, special situations and expansion capital sectors. These investments include externally managed unlisted pooled vehicles and trusts. The valuations of unlisted private equity investments are primarily based on multiples of earnings, discounted cash flow, market equivalents and other market accepted methodologies. Assumptions which may be subject to estimation uncertainty would include the identification of appropriate comparables, estimated future profits, risk free rate, risk premium, estimated future cash flows and future economic and regulatory conditions.

Property investments

Property investments comprise externally managed unlisted property trusts with exposure to domestic and international commercial, industrial, retail and development property market. The valuations of unlisted property investments are primarily based on discounted cash flow, capitalisation and direct comparison methodologies. Assumptions which may be subject to estimation uncertainty would include the identification of appropriate comparables, estimated future profits, interest free rate, risk premium, estimated future cash flows and future economic and regulatory conditions.

Alternative investments

Alternative investments comprise investments in hedge funds and other non-traditional investments that do not fit within the definition of other asset classes but which provide diversification benefits to the total portfolio. Investments are made through externally managed unlisted pool vehicles.

The valuations of alternative investments are primarily based on prices quoted on an exchange or traded in a dealer market. For less liquid securities, valuation methodologies are set out by each manager. Depending on the investment, the methodologies applied include discounted cash flow, amortised cost, direct comparison and other market accepted methodologies. The investment manager may choose to appoint independent valuation agents to seek independent price verification. Assumptions which may be subject to estimation uncertainty would include appropriate credit spread and other risk premium, future risk free rate, future cash flows, identification of appropriate comparables, future economic and regulatory conditions.

A significant majority of the investment types listed above are held via third party pooled investment vehicles, and as such the Fund is not privy to any sensitivity analysis that may be performed.

EMERGENCY SERVICES SUPERANNUATION SCHEME

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

26. Valuation of accrued liability

The accrued benefit liability of the ESSS Defined Benefit Fund for the purposes of these financial statements was calculated in accordance with AASB 1056 *Superannuation Entities*. The primary sponsor of the Fund is the Victorian Government which, as an employer, is required to use AASB 119 *Employee Benefits* to value its accrued benefit liabilities in its financial reports. Furthermore, AASB 119 requires the use of a government bond rate as the discount rate when calculating the Defined Benefit Fund's accrued liabilities. This rate is currently lower than the discount rate used for the purposes of the Fund's financial reporting. As such, the financial reports of sponsoring employers will, in total, reflect a higher liability than that reported by the Fund.

27. Superannuation funds

The Fund contributes to itself on behalf of its employees and Board Members who are members of the Fund, a public sector defined benefit and accumulation fund and other accumulation plans, in order to satisfy the superannuation guarantee entitlements of employees; there are no outstanding superannuation contributions as at 30 June 2024 (2023: nil). In the case of the defined benefit part of the Fund, employer contributions are based on the advice of the Fund's actuary. The Fund has no unfunded liabilities for employee and Board Member entitlements for the defined benefit fund under the Fund (2023: nil). For the year ended 30 June 2024, the Fund made superannuation contributions to the Fund of \$1.040m (2023: \$0.722m), and to other accumulation plans of \$1.397m (2023: \$1.012m).

28. Contingent liabilities

As detailed in Note 24 investment responsibilities for the defined benefit pool of assets transferred to Victorian Funds Management Corporation (VFMC) on 1 July 2006. VFMC invests the defined benefit assets based on investment objectives established by ESSSuper (the Fund) in accordance with the relevant Victorian Order in Council and Section 20 of the *Borrowing and Investment Powers Act 1987*.

VFMC's investment strategies resulted in distributions and related franking credits to the Fund.

An ongoing industry wide review by the Australian Taxation Office (ATO) of certain investment strategies has brought into question the eligibility to receive franking credits attached to the shares transacted under those investment strategies. The ATO has not advised VFMC or the Fund of its position on the matter at the date of approval of these financial statements and VFMC and the Fund have concluded that there is not sufficient certainty that the outcome of the ATO's review will result in a tax liability and/or penalty. Accordingly, and with reference to accounting policy Note 2(q), no provision for a liability in respect of this matter has been taken up in these financial statements. The benefit to the Fund of the franking credits subject to ATO review is approximately \$220m.

On 11 April 2024, group proceedings were commenced against the ESS Board in the Supreme Court of Victoria concerning the alleged miscalculation and underpayment of superannuation benefits for certain members of the Transport Superannuation Scheme administered by the ESS Board. The ESS Board filed an appearance on 19 April 2024. The matter is at a preliminary stage and therefore it is not possible on the information currently available to:

1. assess the financial effect of the proceedings on ESS, if any; and
2. if liability exists, whether third parties are liable and if so, whom.

Accordingly, no provision for liability in respect of this matter has been taken up in these financial statements.

29. Subsequent events

There has not been any other matters or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund.

President, Chief Executive Officer and Chief Financial Officer's Declaration for the year ended 30 June 2024

The Emergency Services Superannuation Board hereby declares:

- (a) The attached financial statements for the Emergency Services Superannuation Scheme have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements;
- (b) In our opinion, the information set out in the Statement of Financial Position, Operating Statement, Statement of Changes in Member Benefits, Statement of Changes in Reserves, Statement of Cash Flows and accompanying notes presents fairly the financial transactions during the financial year ended 30 June 2024 and the financial position of the Fund at 30 June 2024; and
- (c) At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed in accordance with a resolution of the Members of the Board of the Emergency Services Superannuation Board (ABN 28 161 296 741).

Dated at Melbourne this 29th day of August 2024.



Joan Fitzpatrick
President
ESSSuper



Robbie Campo
Chief Executive Officer
ESSSuper



Therese Kenny
Chief Financial Officer
ESSSuper

AUDITOR GENERAL'S REPORT



Independent Auditor's Report

To the Board of the Emergency Services Superannuation Scheme

Opinion	I have audited the financial report of the Emergency Services Superannuation Scheme (the Fund) which comprises the: • statement of financial position as at 30 June 2024 • operating statement for the year then ended • statement of changes in member benefits for the year then ended • statement of changes in reserves for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including material accounting policy information • President, Chief Executive Officer and Chief Financial Officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the Fund as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.
Basis for opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our 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.
The Board's responsibilities for the financial report	The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report	As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board. • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
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MELBOURNE
4 September 2024



Roberta Skliros
As delegate for the Auditor-General of Victoria

ACTUARIAL OVERVIEW



Emergency Services Superannuation Scheme AASB 1056 disclosures as at 30 June 2024

This note provides information for the disclosures for the purposes of AASB 1056 for the Emergency Services Superannuation Scheme (the Scheme) as at 30 June 2024.

This information excludes the assets and accumulation benefits of the ESSPlan, Beneficiary Account and Income Streams.

AASB 1056 disclosures as at 30 June 2024

Information for the AASB 1056 disclosures for the ESSS Defined Benefit Fund and the State Superannuation Fund as at 30 June 2024 are shown in the table below.

The AASB 1056 accrued benefits are valued as the present day, discounted value of the expected future benefit payments arising from membership completed prior to the valuation date (excluding any minimum of vested benefits).

	ESSS Defined Benefit Fund (\$'000)	State Superannuation Fund (\$'000)	Total (\$'000)
Net Assets ¹	13,626,407	13,769,292	27,395,699
Less Reserves ²			52,302
Less AASB 1056 Accrued benefits ²	10,512,551	23,654,780	34,167,331
Surplus/(Deficiency)	3,113,856	(9,885,488)	(6,823,934)

1. Based on the unaudited asset figures provided by ESSSuper 8 August 2024. These may differ from assets shown in the financial statements due to information available at different dates.
2. Reserves advised via email 19 August 2024.
3. Accrued benefits include Incurred But Not Reported benefits (ESSS DB and SSF) and lump sum accounts (SSF only) but excludes contribution tax on the deficiency of assets over accrued liabilities (SSF only).

The AASB 1056 accrued benefits deficiency reduced by \$82 million (approximately 1.2% of overall deficit) since 30 June 2023 (from a deficit of \$6,906 million to a deficit of \$6,824 million after reserves).

Vested benefits as at 30 June 2024

The vested benefits of the ESSS Defined Benefit Fund and the State Superannuation Fund as at 30 June 2024 are shown in the table below.

The vested benefits are equal to the resignation/retirement benefit for active members and the present day, discounted value of the expected future benefit payments for pensioners and deferred benefits.

	ESSS Defined Benefit Fund (\$'000)	State Superannuation Fund (\$'000)	Total (\$'000)
Vested benefits ¹	11,438,072	24,062,105	35,500,177

1. Vested benefits include Incurred But Not Reported benefits (ESSS DB and SSF) and lump sum accounts (SSF only).

ACTUARIAL OVERVIEW

Contingent liability on termination

The governing legislation includes the Emergency Services Superannuation Act 1986 (Vic), the State Superannuation Act 1988; the Transport Superannuation Act 1988; the State Employee Retirement Benefits Act 1979 and the PCSF Salaries and Superannuation Act 1968. This legislation makes no provision for the termination of the Scheme.

Actuarial assumptions

The key economic assumptions used this year (as at 30 June 2024) are set out in the table.

Assumption	ESSS Defined Benefit Fund	State Superannuation Fund
Discount rate for active and deferred members	6.5% p.a.	6.75% p.a.
Discount rate for pensioners	7.5% p.a.	7.75% p.a.
Salary increases ¹	3.25% p.a.	3.25% p.a.
Pension increases (CPI) ²	2.85% in FY25, 2.5% p.a. thereafter	2.85% in FY25, 2.5% p.a. thereafter

1. Plus promotional salary increases

2. The pension increase assumption for FY2025 (2.85%) is based on known CPI from 31 December 2023 to 31 March 2024 (which will be reflected in the pension increase applied in November 2024) and the long-term assumption of 2.5% p.a. for the remaining period of FY2025.

Similar to last year, we have revised our pension increase assumption for the year following the valuation date (2.85%) to allow for known experience not yet reflected in existing pensions. Otherwise, there were no changes to the key economic assumptions since last year.

The demographic assumptions include the rates of exit for retirement, death, invalidity, resignation, and redundancy, along with choices made by members, such as commutation of pension benefits. The demographic assumptions underlying the calculations have been updated in accordance with the latest experience review study dated May 2024.



Nathan Bonarius FIAA
Superannuation and Investment Consulting
Authorised Representative (#1284864) of
PricewaterhouseCoopers Securities Ltd

23 August 2024

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Emergency Services Superannuation Scheme Actuarial Investigation as at 30 June 2021

The information below is extracted from the most recent triennial actuarial investigation, as required under Section 19(7) of the Emergency Services Superannuation Act, which was completed as at 30 June 2021 by Catherine Nance of PricewaterhouseCoopers Securities Ltd.

The next triennial actuarial investigation is as at 30 June 2024 and is due to be completed following the preparation of the 30 June 2024 financial statements.

Major actuarial assumptions

The long term financial assumptions used in the 2021 investigation were as follows:

Assumption	ESSS Defined Benefit Fund	State Superannuation Fund
Discount rate for active and deferred members	6.5% p.a.	6.75% p.a.
Discount rate for pensioners	7.5% p.a.	7.75% p.a.
Salary inflation ¹	3.0% p.a.	2.5% p.a.
Rate of pension increases (CPI)	2.5% p.a.	2.5% p.a.

1. Plus promotional salary increases

Financial condition as at 30 June 2021

The Scheme's net financial position as at 30 June 2021 was as follows:

Net Assets ¹	27,606,945
Less Accrued benefits ²	33,498,000
Excess/ (shortfall) of net assets over accrued benefits and accrued tax liability	(5,891,055)

1. Based on unaudited asset figures provided by ESSS 22 July 2021.

2. Accrued benefits include allowance for contributions tax (SSF only), Incurred But Not Reported benefits (ESSS DB and SSF) and lump sum accounts (SSF only) and were subject to a minimum of vested benefits for ESSS DB members as at 30 June 2021.

The figures above exclude the assets and accumulation benefits of the ESSPlan, Beneficiary Account and Income Streams.

State Superannuation Fund recommendations

The employer contribution rate recommendations for the State Superannuation Fund from the 2021 investigation were as follows (effective 1 July 2022):

- 17.4% of salaries for Revised Scheme members;
- A rate dependent on the rate of member contributions for New Scheme members. This rate ranged from 7.1% of salaries for a member with a 0% contribution rate to 9.9% of salaries for a member with a 7% contribution rate;
- A rate dependent on the rate of member contributions for Transport Scheme members. This rate ranged from 7.7% of salaries for a member with a 0% contribution rate to 11.6% of salaries for a member with a 7.5% contribution rate;
- 13.0% of salaries for State Employees Retirement Benefits Scheme members;

ACTUARIAL OVERVIEW

- 9.3% of salaries for Melbourne Water Corporation Employee Superannuation Scheme members; and
- 20% of salaries for Port of Melbourne Superannuation Fund members.

The balance of the employer contributions are paid by the State from the Consolidated Fund. The total recommended contributions for the Fund were set so as to achieve full funding of the Victorian Government's unfunded liabilities in the Fund by 2035.

ESSS Defined Benefit Fund recommendations

The employer contribution rate recommendations for the ESSS Defined Benefit Fund from the 2021 investigation were as follows (effective 1 July 2022):

Employer	Recommended contribution rate (% of salary for accruing members only)
Police	14.1
MFESB	12.8
ASV	12.3
CFA	12.5
DSE	Nil
ESSB	Nil
FIRE	12.0

Note: no recommended contribution rate for SECVA as it consists solely of pensioners.

Note, the contribution rates are reviewed annually and may have been updated from the rates based on the most recent triennial actuarial investigation shown here.

EMERGENCY SERVICES SUPERANNUATION BOARD

FINANCIAL REPORT

Statement of Financial Position as at 30 June 2024

	NOTE	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	7(a)	69	23
Receivables	3	84	97
Total current assets		153	120
Non-current assets			
Plant and equipment	5	–	–
Total non-current assets		–	–
Total assets		153	120
Liabilities			
Current liabilities			
Payables	4	(153)	(120)
Loan from the Fund		–	–
Total current liabilities		(153)	(120)
Net assets		–	–
Equity			
Operating reserve		–	–
Total equity		–	–

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Operating Statement for the year ended 30 June 2024

	NOTE	2024 \$'000	2023 \$'000
Fees and charges appropriated by the Board			
Emergency Services and State Superannuation Scheme	10(d)	773	845
Expenses			
Board expenses	6	(773)	(845)
Operating result		–	–

The Operating Statement is to be read in conjunction with the notes to the financial statements.

Statement of Cash Flows for the year ended 30 June 2024

	NOTE	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Emergency Services Superannuation Scheme fees received		789	850
General administration expenses paid		(743)	(857)
Net cash flows from operating activities	7(b)	46	(7)
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		–	–
Net cash flows from investing activities		–	–
Cash flows from financing activities			
Repayment of loan from the Fund		–	(107)
Net cash flows from/(used in) financing activities		–	(107)
Net increase/(decrease) in cash held		46	(114)
Cash and cash equivalents			
Opening balance		23	137
Closing balance		69	23

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

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

	NOTE	2024 \$'000	2023 \$'000
Opening balance		–	–
Net result		–	–
Closing balance		–	–

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

EMERGENCY SERVICES SUPERANNUATION BOARD

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

1. Operations of the Board

The Emergency Services Superannuation Board (the Board) and Emergency Services Superannuation Scheme (the Fund) were established under the *Emergency Services Superannuation Act 1986* (ESS Act).

The Fund is responsible for the running of its operations and the Board provides oversight of the Fund. All administration costs associated with running the Fund are incurred by the Fund.

The Board recoups any expenditure it does incur from the Fund and continues to operate as a going concern.

The Fund and Board meet the requirements of the ESS Act.

This financial report includes the activities of the Board.

The financial report of the Board was authorised for issue in accordance with a resolution of the Board Members on the 29th August 2024.

2. Summary of material accounting policies

(a) Basis of preparation, statement of compliance and use of judgements and estimates

The financial report is a general-purpose financial report, which has been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS), which includes Interpretations, issued by the Australian Accounting Standards Board and relevant Financial Reporting Directions (FRDs) issued by the Assistant Treasurer and distributed by the Department of Treasury and Finance.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The preparation of financial statements, in conformity with AAS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Board's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other events is reported.

(b) Compliance with International Financial Reporting Standards (IFRS)

As the Board is classified as a not-for-profit entity for financial reporting purposes it has adopted and complied with the "Aus" paragraphs included in AAS. Accordingly, it cannot make a statement of full compliance with IFRS.

The accounting policies adopted are consistent with those applied in the previous financial year.

(c) Revenue recognition

Revenue is recognised to the extent that it is earned. Revenue earned by appropriating money from the Fund is recognised as it is charged.

(d) Expenses incurred in operating as a Board

Expenses (both direct and indirect) are recognised as they are incurred by the Board relating to the running of the Board only. The Board recoups any expenditure it does incur from the Fund on a monthly basis.

(e) Receivables and prepayments

Receivables

Receivables are recognised and carried at original invoice amounts. Receivables are normally settled within 30 days.

Prepayments

Where an amount is paid for the provision for goods and services, and where the benefit arising from the expenditure extends beyond the current accounting period, then such expenditure is brought to account over the period to which the benefit derives. In such circumstances, a prepayment will exist at balance date representing the value of the economic benefit that will be derived in the future.

(f) Payables

Accounts payable are recognised as amounts to be paid in the future for goods and services received, whether or not billed to the Fund and are carried at nominal amounts which approximate the fair value. Payables are normally settled within 30 days.

(g) Financial instruments

Financial assets and liabilities include cash and cash equivalents, receivables, payables and the loan from the Fund. The carrying amount of these items approximates fair value. Refer to Note 12(e) for further details.

2. Summary of material accounting policies (continued)

(h) Employee benefits

Wages, salaries and annual leave

Under the Board and Fund structure, the provision of employee benefits in respect of wages, salaries and annual leave is recognised in the Fund. The Board provides no employee benefits, although it pays remuneration for the Board Members.

Long service leave

Under the Board and Fund structure, the provision of employee benefits in respect of long service leave is recognised in the Fund. The Board provides no long service leave to the Board Members.

Superannuation

The Board contributes on behalf of its Board Members to the Fund and other accumulation plans in order to satisfy entitlements of the Board Members. The amount charged to the Operating Statement in respect of superannuation represents the contributions made and payable by the Board to superannuation funds.

Superannuation contributions are made to the plans based on the relevant rules of each plan. See Note 9 for further details.

(i) Impairment of assets

All of the Board's assets are assessed annually for indicators of impairment. If there is an indicator of impairment the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount the difference is written off by a charge to the Operating Statement. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of its fair value less costs of disposal and its value in use.

(j) Fair value measurement

AASB 13 *Fair Value Measurement* establishes a single source of guidance for all fair value measurements. AASB 13 does not change when the Board is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The Board has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. In light of AASB 13, the Board has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

(k) Plant and equipment

Plant and equipment are recognised at fair value. Depreciation is provided on a straight-line basis over the assets' estimated useful life to the Board. Depreciation rates are reviewed annually with a view to adjusting them to reflect the most recent assessment of the useful life of new assets purchased by the Board.

PLANT AND EQUIPMENT CATEGORY	2024 USEFUL LIFE	2023 USEFUL LIFE
Office equipment	5 years	5 years
Motor vehicles	5 years	5 years
Furniture and fittings	10 years	10 years

In line with FRD 103 *Non-Financial Physical Assets*, current replacement cost represents a reasonable approximation of fair value.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are stated net of any applicable GST. Where applicable, GST incurred that is not recoverable from the Australian Taxation Office (ATO) has been recognised as part of the expense or asset to which it applies. Receivables and payables are stated with any applicable GST included in the values. The net amount of GST recoverable from or payable to, the ATO is included as a receivable or payable in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

EMERGENCY SERVICES SUPERANNUATION BOARD

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

2. Summary of material accounting policies (continued)

(m) Rounding off of amounts

Amounts in the financial report have been rounded off to the nearest thousand dollars unless otherwise stated.

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at bank and short-term deposits with a maturity of less than 90 days.

(o) Operating reserve

Expenses incurred by the Board are offset against revenue appropriated from the Fund.

(p) Commitments

Commitments are not recognised in the Statement of Financial Position but are disclosed by way of a note (refer to Note 13). Commitments are presented net of GST receivable or payable respectively.

(q) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 14) and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented net of GST receivable or payable respectively.

(r) Events after the reporting period

Transactions are only recognised in the financial statements when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue if those events provide information about the conditions which existed at the reporting date.

(s) New standards or interpretations adopted

There were no new standards adopted for the year ended 30 June 2024.

(t) Accounting standards and interpretations issued, but not yet effective

At the date of authorisation of the financial report, standards, AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material* and AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*, are expected to be relevant to the Board were in issue but not yet effective. The Board has chosen not to early adopt these new standards. The Board anticipates that the adoption of these standards will have no material impact on the financial report of the Board.

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

3. Receivables

	2024 \$'000	2023 \$'000
Recovery of expenditure		
The Fund – Board expenses	81	92
Other debtors and prepayments		
Other debtors	3	5
Total receivables	84	97

4. Payables

	2024 \$'000	2023 \$'000
Sundry creditors	46	15
Accrued expenditure	107	105
Total payables	153	120

5. Plant and equipment

2024	OFFICE FURNITURE AND FITTINGS \$'000	OFFICE EQUIPMENT \$'000	TOTAL \$'000
Cost			
Opening balance	313	113	426
Additions	–	–	–
Disposals	(204)	(113)	(317)
Closing balance	109	–	109
Accumulated depreciation			
Opening balance	(313)	(113)	(426)
Depreciation	–	–	–
Disposals	204	113	317
Closing balance	(109)	–	(109)
Net carrying value	–	–	–

EMERGENCY SERVICES SUPERANNUATION BOARD

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

5. Plant and equipment (continued)

2023	OFFICE FURNITURE AND FITTINGS \$'000	OFFICE EQUIPMENT \$'000	TOTAL \$'000
Cost			
Opening balance	376	114	490
Additions	–	–	–
Disposals	(63)	(1)	(64)
Closing balance	313	113	426
Accumulated depreciation			
Opening balance	(371)	(114)	(485)
Depreciation	(2)	–	(2)
Disposals	60	1	61
Closing balance	(313)	(113)	(426)
Net carrying value	–	–	–

6. Board expenses

	2024 \$'000	2023 \$'000
Salaries and related on costs	675	726
Audit fees (Board) - Victorian Auditor General	13	13
Other professional fees	50	66
Information services	35	35
Depreciation expenses	–	2
(Gain)/loss on asset disposal	–	3
Total board expenses	773	845

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

7. Cash flows

(a) Reconciliation of cash and cash equivalents as per Statement of Financial Position to Statement of Cash Flow

	2024 \$'000	2023 \$'000
Cash and cash equivalents as per:		
Statement of Cash Flows	69	23
Statement of Financial Position	69	23
Difference	–	–

(b) Reconciliation of net result to net cash inflow from operating activities

	2024 \$'000	2023 \$'000
Operating result	–	–
Non-cash movements		
Depreciation	–	2
Movements in assets and liabilities		
Increase/(decrease) in accounts payable	33	(14)
Decrease in accounts receivable	13	2
(Gain)/loss on sale of asset	–	3
Net cash flow from operating activities	46	(7)

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cash at bank, and short-term deposits with a maturity of less than 90 days.

8. The Board's obligations

The Board must, from time-to-time appropriate money from the Fund to recoup any expenditure it incurs necessary to administer the Fund per the ESS Act.

The Board's financial statements do not include the assets and liabilities of the Fund. However, a summary of the total assets and liabilities of the Fund, as reflected in its audited Statement of Financial Position as at 30 June 2024 and 30 June 2023, is as follows:

	2024 \$'000	2023 \$'000
Emergency Services Superannuation Scheme		
Net assets available	37,380,233	36,048,706
Less amounts held in reserves	(52,302)	(49,777)
Net assets available to pay benefits	37,327,931	35,998,929
Liability for accrued benefits	(44,151,865)	(42,905,105)
Unfunded accrued liability	(6,823,934)	(6,906,176)

The Fund is largely dependent on the Victorian Government to fund the remaining unfunded liability for the State Superannuation Fund. At the discretion of the Treasurer, the Victorian Government contributes additional amounts. As part of the 2022 election platform, the Victorian Government committed to reduce payments towards the State's unfunded defined benefit superannuation liabilities by \$3 billion over the 4 years from 1 January 2023 to 30 June 2027 while retaining the financial target to fully fund the State's portion of the unfunded superannuation liability by 2035. The balance is funded by Commonwealth agencies on a pay-as-you-go basis when member benefits are paid. The Victorian Government funding is determined annually through the budget process.

EMERGENCY SERVICES SUPERANNUATION BOARD

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

9. Superannuation funds

At the balance date, the Board contributes to the Fund’s accumulation plan and other accumulation plans, in order to satisfy the superannuation guarantee entitlements of Board Members; there are no outstanding superannuation contributions as at 30 June 2024 (2023: nil).

For the year ended 30 June 2024, the Board made superannuation contributions to the Fund of \$0.022m (2023: \$0.014m), and to other accumulation plans of \$0.024m (2023: \$0.025m).

10. Related entity information

(a) Responsible persons

The names of persons who were responsible persons during the year and up to the date of signing the financial report were:

- The Responsible Minister:
The Honourable Danny Pearson, Assistant Treasurer*
- The below listed Board Members and their deputies:

Government Appointed

Joan Fitzpatrick, President;
George Boubouras (appointed 6 February 2024);
Douglas Kearsley (ceased 15 August 2023);
Paul Mulraney;
Jacqueline Pirone; and
Pam Rebecca.

Member Elected

Dean Glare;
Colin Jones;
Eamon Leahy;
Ben McKie; and
Angela Stringer.

Government Appointed Deputy

-

Member Elected, Deputy

Steven Branson, Deputy for Dean Glare;
Adam Gullo, Deputy for Ben McKie;
Jessie Ann Humphries, Deputy for Angela Stringer;
Rebecca Pierce, Deputy for Colin Jones; and
Christopher Goldrick, Deputy for Eamon Leahy.

- The Chief Executive Officer
Robbie Campo

* The Assistant Treasurer’s remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the Annual Financial Report of the State.

10. Related entity information (continued)

(b) Remuneration received or receivable by responsible persons

The number of responsible persons and the total remuneration paid or payable during the year are detailed below:

	2024 \$'000	2023 \$'000
Responsible persons' remuneration	1,058	1,051
Income band		
\$0 - \$9,999	6	8
\$10,000 - \$19,999	1	–
\$20,000 - \$29,999	–	3
\$30,000 - \$39,999	–	1
\$40,000 - \$49,999	5	7
\$50,000 - \$59,999	3	–
\$130,000 - \$139,999	1	1
\$480,000 - \$489,999	–	1
\$490,000 - \$499,999	1	–
Total key management personnel	17	21

Key management personnel of the Board include Board Members and the Chief Executive Officer. The remuneration of Board Members is incurred by the Board and recouped from the Fund. The remuneration of the Chief Executive Officer is incurred by the Fund.

During the year, remuneration in the form of short-term, post-employment and other long-term benefits to key management personnel have been made from the Fund or the Board, in relation to work performed. No other remuneration has been paid to any other key management personnel.

	2024 \$'000	2023 \$'000
Short-term benefits	973	970
Post-employment benefits	73	70
Other long-term benefits	12	11
Total remuneration	1,058	1,051

(c) Loans

The Board provides no loans to the Board Members.

(d) Transactions with related entities

The aggregate amounts recognised/incurred in respect of related entities were as follows:

TRANSACTION TYPE	NATURE OF TRANSACTION	RELATED ENTITY	2024 \$'000	2023 \$'000
Board fee income	Recoupment of expenditure	Emergency Services Superannuation Scheme	773	845

(e) Amounts due from related entities

TRANSACTION TYPE	2024 \$'000	2023 \$'000
Emergency Services Superannuation Scheme	81	92

EMERGENCY SERVICES SUPERANNUATION BOARD

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

10. Related entity information (continued)

(f) Amounts payable to related entities

TRANSACTION TYPE	2024 \$'000	2023 \$'000
Emergency Services Superannuation Scheme	20	2

11. Remuneration of auditors

The Board is responsible for the audit costs of the Board's financial statements.

	2024 \$'000	2023 \$'000
Amounts paid or payable to the Victorian Auditor-General's Office	13	13

12. Financial risk management

Risk management policies

This note presents information about the Board's financial instrument risk management objectives, policies and processes for measuring and managing risk and the management of capital.

The Board has responsibility for the establishment and oversight of the risk management framework to guide the Board to identify and analyse the risks faced by the Board.

The Board's principal financial instruments comprise cash and accounts receivable.

The Board's activities do not expose it to the risks of changes in price risk. Liquidity risk for the Board is managed as part of the Fund's liquidity policy.

The Board does not enter into or trade financial instruments including derivative financial instruments for speculative purposes. The Board frequently reviews its exposure to credit risk, price risk, interest risk and liquidity risk, and undertakes regular monitoring of the performance of its financial assets and liabilities.

(a) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of cash and deposits held by the Board will fluctuate because of changes in market interest rates.

It is deemed that the sensitivity on interest rate risk is immaterial.

(b) Price risk management

The Board is not exposed to price risk.

(c) Liquidity risk management

The Board has in place a framework to manage the Board's short, medium and long term funding and liquidity.

Liquidity risk is managed with a Board-approved annual expense, capital acquisition and recovery budget. Performance against budget is reported regularly to the Board and corrective action, if required, to keep within set parameters is instigated. Formal invoices for recoveries are issued to the Fund monthly.

(d) Credit risk exposure

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Board.

The Board only deals with a limited number of government superannuation funds in its capacity and they are all creditworthy counterparties. This in turn mitigates the risk of financial loss from defaults. The Board's exposure is continuously monitored and the Board's only significant credit risk exposure is to the Fund and to the Treasury Corporation of Victoria.

Trade receivables are concentrated in Australia. The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount of those.

(e) Fair value

The Board considers that the carrying amount of financial assets and liabilities recorded in the financial statements approximates their fair value.

13. Commitments

There are no known commitments as at 30 June 2024 (2023: nil).

14. Contingent assets and liabilities

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

15. Subsequent events

There has not been any other matters or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Board.

EMERGENCY SERVICES SUPERANNUATION BOARD

President, Chief Executive Officer and Chief Financial Officer's Declaration for the year ended 30 June 2024

The Emergency Services Superannuation Board hereby declares:

- (a) The attached financial statements for the Emergency Services Superannuation Board have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements;
- (b) In our opinion, the information set out in the Statement of Financial Position, Operating Statement, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes presents fairly the financial transactions during the year ended 30 June 2024 and the financial position of the Board at 30 June 2024; and
- (c) At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

Signed in accordance with a resolution of the Members of the Board of the Emergency Services Superannuation Board (ABN 28 161 296 741).

Dated at Melbourne this 29th August 2024.



Joan Fitzpatrick
President
ESSSuper



Robbie Campo
Chief Executive Officer
ESSSuper



Therese Kenny
Chief Financial Officer
ESSSuper

AUDITOR GENERAL'S REPORT (VAGO)



Independent Auditor's Report

To the Board of the Emergency Services Superannuation Board

Opinion	I have audited the financial report of the Emergency Services Superannuation Board (the Board) which comprises the: • statement of financial position as at 30 June 2024 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including material accounting policy information • President, Chief Executive Officer and Chief Financial Officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the Board as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.
Basis for opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our 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.
The Board members' responsibilities for the financial report	The Board members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board members are responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report	As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members. • conclude on the appropriateness of the Board member's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
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MELBOURNE
4 September 2024



Janaka Kumara
as delegate for the Auditor-General of Victoria

DISCLOSURE INDEX

Standing Directions

The ESSSuper Annual Report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of ESSSuper's compliance with statutory disclosure requirements.

Standing Directions & Financial Reporting Directions

		PAGE REFERENCE	
		THE SCHEME	THE BOARD
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APPENDIX 1

Employment and conduct principles

ESSSuper is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Workforce data disclosures in the Report of Operations

FULL TIME EQUIVALENTS (FTE) STAFFING TRENDS FROM 2020 TO 2024				
2024	2023	2022	2021	2020
152.7	136.05	132.02	155.26	169.03

	ONGOING EMPLOYEES				FIXED TERM & CASUAL
	NUMBER (HEADCOUNT)	FULL TIME (HEADCOUNT)	PART TIME (HEADCOUNT)	FTE	FTE
June 2024	138	122	16	133.79	18.91
June 2023	132	119	13	128.48	7.57
June 2022	131	114	17	125.90	6.12

	JUNE 2024			JUNE 2023		
	ONGOING		FIXED TERM & CASUAL	ONGOING		FIXED TERM & CASUAL
	NUMBER (HEADCOUNT)	FTE	FTE	NUMBER (HEADCOUNT)	FTE	FTE

Gender

Female	67	63.46	4	67	64.28	4.44
Male	71	70.33	14.91	65	64.20	3.13
Self-Described	–	–	–	–	–	–
Total	138	133.79	18.91	132	128.48	7.57

Age

Under 25	3	3	–	2	2.00	0.00
25–34	25	24.47	2	20	19.68	1.00
35–44	46	44.44	9	50	49.00	2.50
45–54	38	37.2	4.91	36	35.20	3.29
55–64	20	18.88	2	21	19.80	0.68
Over 64	6	5.8	1	3	2.80	0.10
Total	138	133.79	18.91	132	128.48	7.57

Classification	JUNE 2024			JUNE 2023		
	ONGOING		FIXED TERM & CASUAL	ONGOING		FIXED TERM & CASUAL
	NUMBER (HEADCOUNT)	FTE	FTE	NUMBER (HEADCOUNT)	FTE	FTE
Executive	8	8	0.8	9	9.00	–
ESS 4	26	25.8	5.8	25	24.60	0.83
ESS 3	51	49.95	10	53	51.40	3.15
ESS 2	27	25.6	2.31	26	24.80	1.59
ESS 1	26	24.44	–	19	18.68	2.00
Total	138	133.79	18.91	132	128.48	7.57



SOCIAL PROCUREMENT

As ESSSuper is administered under the laws of the State of Victoria, we seek opportunities to distribute opportunity more fairly, and to make further inroads towards a more inclusive and sustainable future. To this end, we're proud to work with Indigi-Print when printing this Annual Report.

Established in 2017, Indigi-Print prioritises other Indigenous businesses or social enterprises, ensuring they make a lasting impact on Australian society.

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