



2022

# Annual Report

[www.electricsuper.au](http://www.electricsuper.au)

# Contents

Welcome to the ElectricSuper Annual Report .....	1
Asset growth since 2000 .....	1
Board Members .....	2
Report from the Chairman and CEO .....	5
Service providers .....	7
Member activity .....	8
Investment commentary .....	10
Investments .....	12
Governance .....	19
Strategic Plan 2022 .....	20
Further information .....	21
Financial details .....	22

# Welcome to the ElectricSuper Annual Report

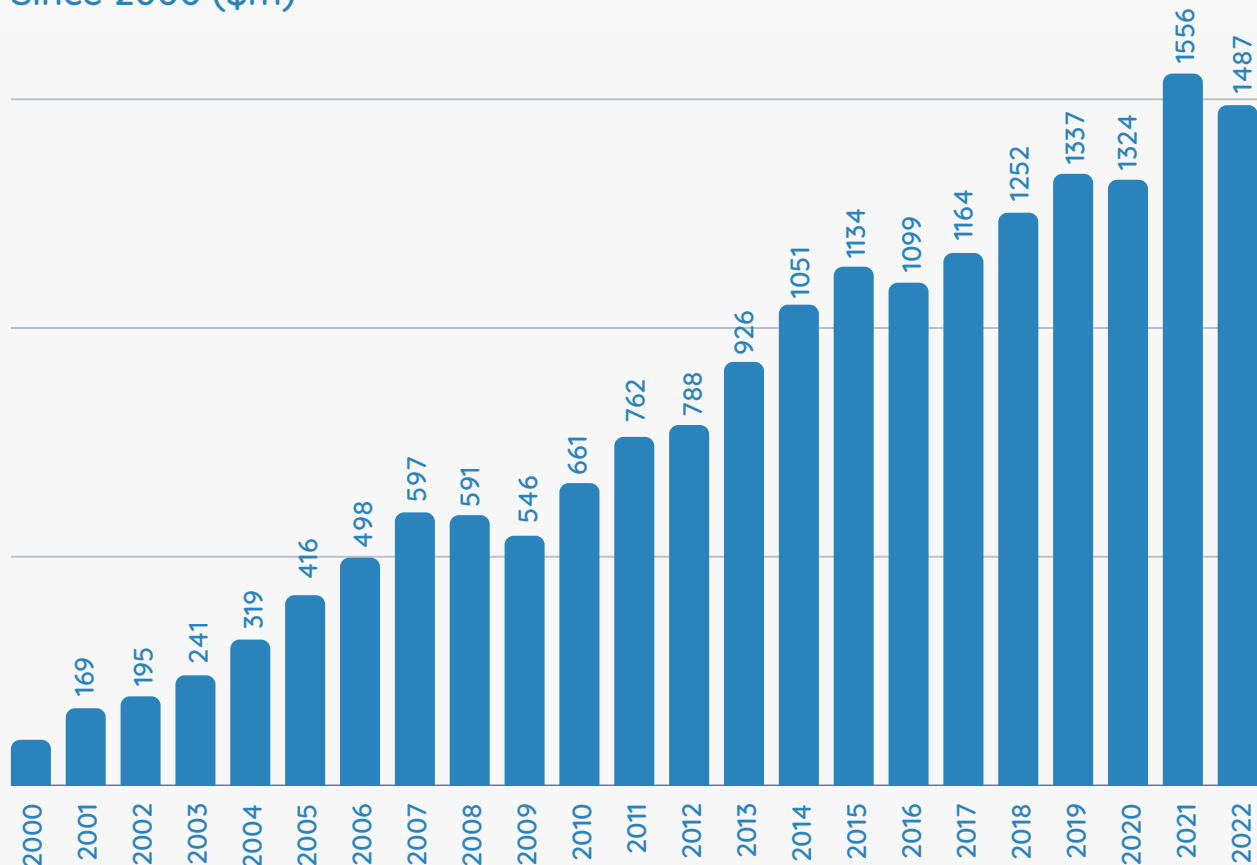
The Electricity Industry Superannuation Scheme (ElectricSuper) is the super fund for people who supply electricity to South Australia.

ElectricSuper is overseen by a Board, who are required by law to work in the best financial interests of members (within the rules of ElectricSuper). The ElectricSuper Trustee Office manages the fund on behalf of the Board.

There are many organisations who work with ElectricSuper to help run the fund. These include employers, the fund administrator, investment managers, auditors, lawyers, accountants, insurers and financial advisers.

## Asset Growth

Since 2000 (\$m)



# Board Members

At 30 June 2022

## Chairman



**Peter Siebels**

Investment Committee  
Corporate Governance Committee  
Nominations Committee

## Appointed by employers



**Sophie Holdstock**

Nominations Committee



**Patrick Makinson**

Investment Committee  
(Chair)



**Patrick McAvaney**

Corporate Governance  
Committee



**Paul Wight**

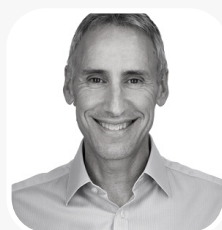
Nominations Committee (Chair)

## Elected by members



**Janette Bettcher**

Investment Committee



**Mark Vincent**

Corporate Governance  
Committee (Chair)



**John Adley**

Investment Committee



**Scott Cowen**

Corporate Governance  
Committee

## Appointed by Unions SA

## Board changes

Kylie Johnson's term as an employer representative ended on 17 December 2021. Sophie Holdstock was appointed as an employer representative from 17 December 2021 through until 31 March 2025.

## Investment Committee

The Investment Committee oversees ElectricSuper's investments, including the asset allocation and individual investment managers. The Committee provides advice to the Board on any changes that it considers necessary.

## Corporate Governance Committee

This Committee makes sure we have the right controls and procedures in place, as well as reviewing ElectricSuper's compliance with all regulations.

## Nominations Committee

The Nominations Committee is responsible for ensuring the Board has an effective skill set and composition to adequately discharge its responsibilities and duties.

## Board Member terms and conditions

Board members are appointed or elected for a term of 3 years, or, in the case of casual vacancies, for the balance of the term of their predecessor.

Under the terms of the ElectricSuper trust deed and rules, no Board member is remunerated, other than the Independent Chairman. All expenses associated with their work for ElectricSuper are reimbursed, including travel and accommodation.

## Chairman's remuneration

The Chairman's remuneration is set by the Board in accordance with ElectricSuper's trust deed following appropriate advice and consultation. The Chairman receives no incentives or bonuses, but is entitled to claim for expenses incurred in the course of his work for ElectricSuper.

## Performance reviews

The Board undertakes a performance review every year. This involves each Board Member completing 2 questionnaires of open questions. They consider the Board's performance as a whole, and the individual Board Member's view of their own performance.

The answers are reviewed by the Chairman, who discusses the results with each Board Member. In the case of the Chairman, his review is carried out by the Nominations Committee.

All ElectricSuper staff take part in regular performance reviews.

## Training

All Board Members and staff undertake training to improve their knowledge and skills in areas of benefit to ElectricSuper. The cost of this training is met by ElectricSuper.

Some examples of the training that has been undertaken are:

- Attending the Conference of Major Super funds (CMSF) run by the Australian Institute of Superannuation Trustees (AIST)
- The Company Directors' Course run by the Australian Institute of Company Directors
- One day conferences on investments, superannuation issues and public sector superannuation funds
- Refreshers of super fundamentals (RG146), Risk management and Investment fundamentals

## Board meeting attendance

Board Member	Appointed by	Last appointed	Term expires	Meetings attended	
				Board	Committee
Adley, John	SA Unions	1 April 2020	31 March 2023	2 out of 4	4 out of 4
Alternate: Jewell, Ben	SA Unions	1 April 2020	31 March 2023	-	-
Bettcher, Janette	Member	1 April 2020	31 March 2023	4 out of 4	6 out of 6
Cowen, Scott	SA Unions	1 April 2022	31 March 2025	4 out of 4	4 out of 4
Holdstock, Sophie	Employer	1 April 2022	31 March 2025	2 out of 2	2 out of 2
Johnson, Kylie	Employer	1 April 2021	17 December 2022	1 out of 2	3 out of 3
Makinson, Patrick	Employer	1 April 2022	31 March 2025	4 out of 4	6 out of 6
McAvaney, Patrick	Employer	1 April 2021	31 March 2024	4 out of 4	3 out of 3
Siebels, Peter	Board	31 May 2020	31 March 2024	4 out of 4	13 out of 13
Vincent, Mark	Member	1 April 2020	31 March 2023	4 out of 4	4 out of 4
Wight, Paul	Employer	1 April 2021	31 March 2024	3 out of 4	7 out of 7

# Report from the Chairman and CEO

Peter Siebels (Chairman) and Nic Szuster (CEO)

The old maxim that change is the only constant has again rung true for 2021-22. The year was tumultuous, with COVID-19 remaining an ongoing presence with its resultant disruption to our old way of life, a change of government in both Australia and South Australia, and the Reserve Bank of Australia raising interest rates for the first time in many years.

## Member Services

The Board's Strategic Goals include ensuring that our members have the information they need about their superannuation to make the best decisions for themselves and their retirement. We work with our members to ensure they understand their options at retirement.

The pandemic continued to impact our lives in 2021-22, with our goal of ensuring the safety and wellbeing of our staff and members our top priority.

Staff continued to work from home in the main, holding member meetings via video conference, over the phone or in our Adelaide office where appropriate and safe to do so.

The pandemic also impacted the ability of our Member Services team to visit as many worksites as they would have liked. The team instead met with members over video conferencing or via phone where face-to-face was not possible. We held 1,020 meetings with 838 members.

Our public website has been bolstered with new online materials to allow members to self-educate. Work continues in this space with online learning materials being continually developed, including the development and soft-launch of a new Learning Hub where member self-education materials are collated in an easy-to-navigate library according to

members' different life stages. Our suite of self-service education materials on the website now includes new calculators to help members review their own situations more easily and make more informed decisions for themselves.

## Investment markets

The investment markets are currently in a state of flux, with inflationary pressures and rising interest rates featuring heavily in evening news bulletins. Investment returns at 30 June 2022 were typically negative across much of the industry as a result of the market volatility through the second half of 2021-22.

As we have mentioned in recent years, we remain cautious in our outlook for future investment performance with most asset classes looking fully priced. As such, we have maintained a slightly higher cash allocation than normal to be deployed when opportunities arise.

The message from the Board's investment adviser, JANA, strongly supports the Board maintaining a well-diversified portfolio, which aligns with the Board's strategy.

The Balanced Growth return for the year ending 30 June 2022 was -3.9%, with a 10-year average return of 8.19%.

## Changes to Board Members

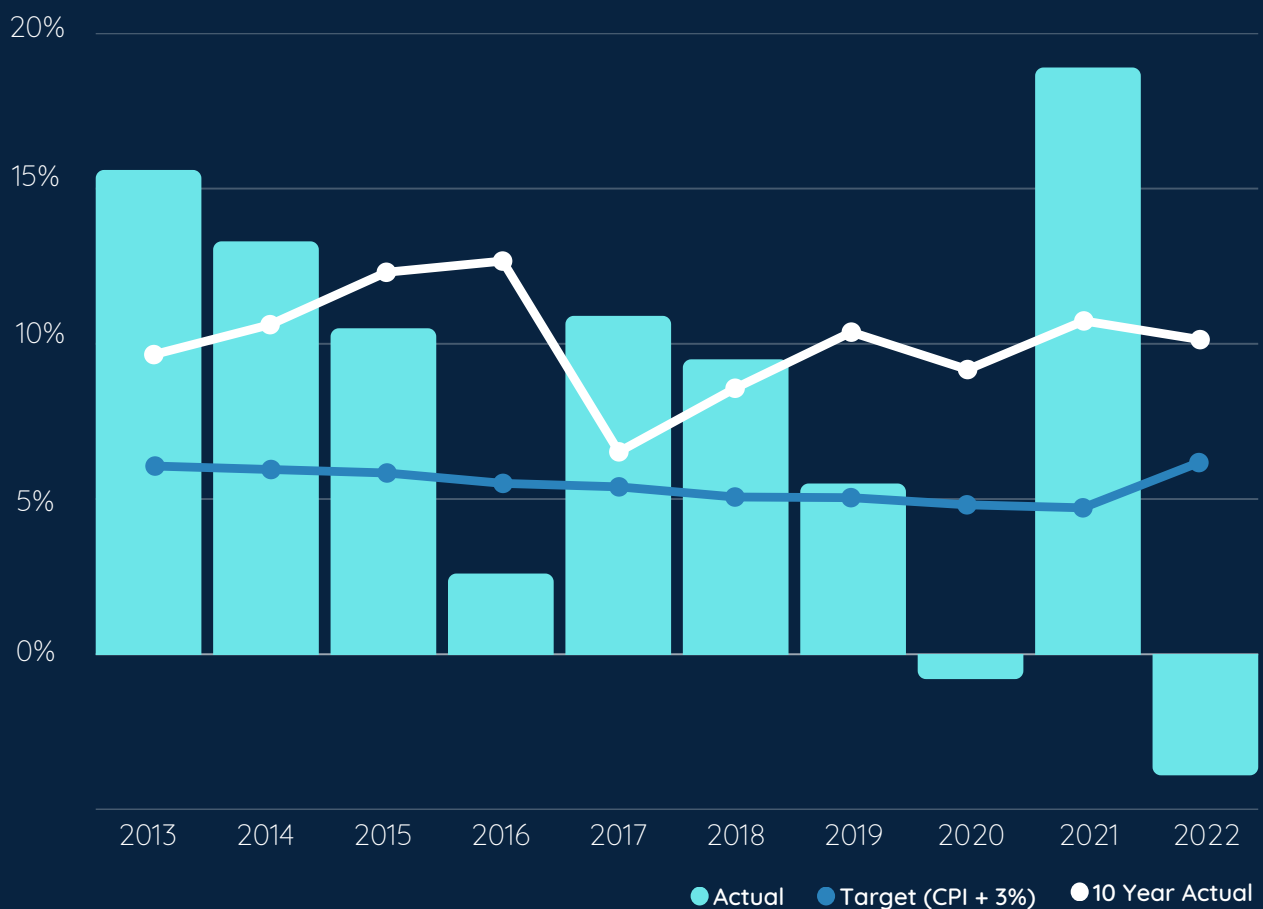
Kylie Johnson's term of appointment as a Board member finished on 17 December 2021. We would like to acknowledge the significant contribution that Kylie made to ElectricSuper, particularly as a member of the Investment Committee.

Sophie Holdstock was appointed as an employer representative to replace Kylie in December 2021 and in an ongoing capacity in

her own right from 1 April 2022. We welcome Sophie and acknowledge her contributions to the Board and Nominations Committee to date. Scott Cowen was re-nominated as a union representative and Patrick Makinson was re-nominated as an employer representative on the Board during this year.

Your Board remains committed to delivering outstanding returns and services to all members in the years ahead. The Board and staff of ElectricSuper worked hard to ensure that members received the high level of service they have come to expect from ElectricSuper. We thank the Board and staff for their efforts.

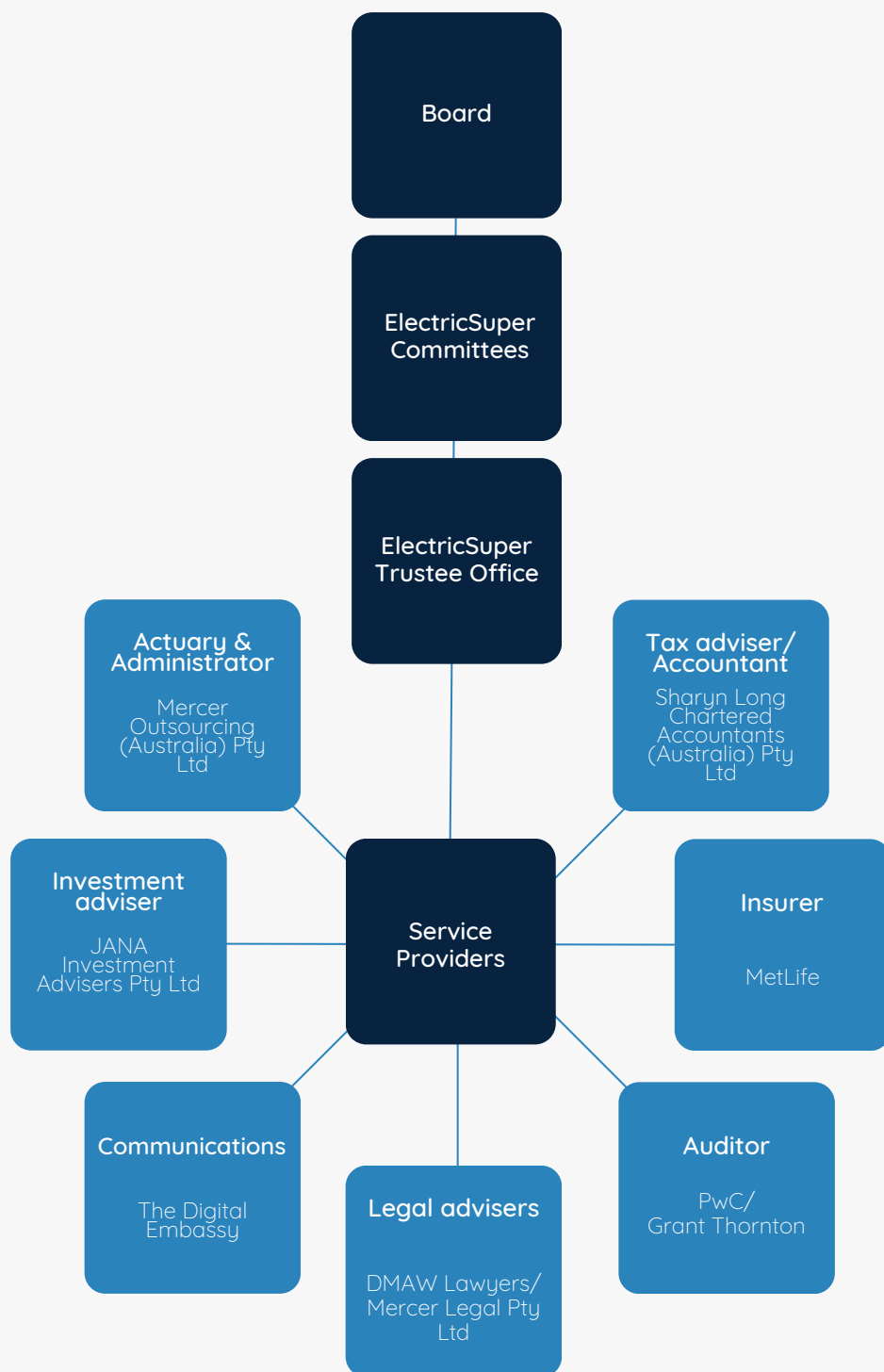
## Balanced Growth Option compared to Target





# Service providers

ElectricSuper outsources various operational roles to experienced external service providers. The Board monitors all service providers carefully, and regularly reviews their performance. These companies provide help and advice to the Board.



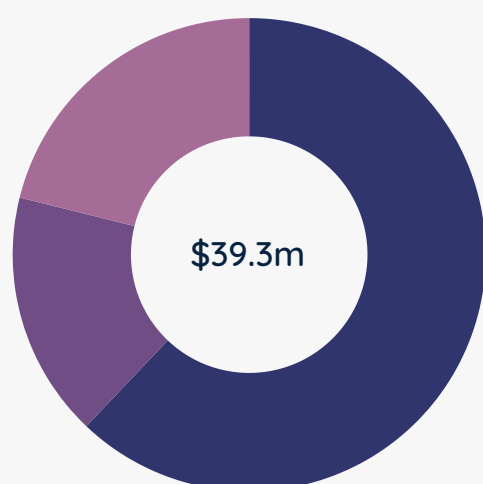
# Member activity

## Membership statistics

Division:	2	3	4	5	Retained	Total
Members at 30 June 2021	367	37	27	1,796	995	3,222
Entrants during the year	-	-	-	168	184	352
Exits during the year	31	7	9	144	358	549
Members at 30 June 2022	336	30	18	1,820	832	3,036

ElectricSuper also paid pensions to 590 members, who have retired and are receiving a regular income from the fund.

## Contributions



- Member contributions (post-tax)  
\$8.3m
- Member contributions (pre-tax)  
\$6.6m
- Employer contributions  
\$24.4m

ElectricSuper receives contributions from members (from after-tax salary and salary sacrifice) and from employers. The total contributions received during the 2021/22 year are shown here.

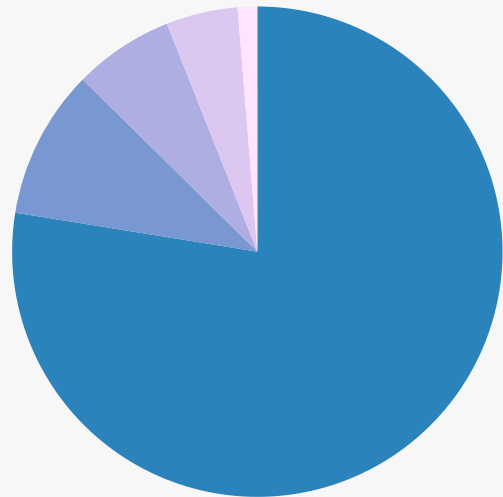
The employers pay all the contributions that the Board asks for. The Board must aim to have enough money in ElectricSuper to pay all benefits.

There was also \$32.1m rolled into the fund from other super funds.

## Participating employers

The participating employers and the numbers of employee members (including retained members\*) in ElectricSuper at 30 June 2022 were as follows:

- **Utilities Management Pty Ltd (SA Power Networks)**  
2,348 members
- **ElectraNet Pty Ltd**  
298 members
- **AGL Torrens Island Pty Ltd & AGL Energy**  
200 members
- **Withdrawn employers**  
(Alinta Servco Pty Ltd, Engie, Flinders Power, EnergyAustralia Services Pty Ltd)  
143 members
- **SA Government**  
39 members



\* Retained members have left the service of a Participating Employer, but kept their super in ElectricSuper.

## Benefits

The fund paid out many member benefits during the year, both as lump sums and pensions. We also paid rollovers to other superannuation funds on the members' requests.

The table below shows those payments made directly to members (not rollovers).

By way of comparison, during the 2020/21 year, benefits to members totalling \$52.6m were paid.

Benefit type	Total amount
Lump sum benefits	\$11.0m
Disability pensions	\$0.2m
Retirement pensions	\$30.5m
<b>Total</b>	<b>\$41.7m</b>

## Member queries

Phone queries from members are handled by the Helpline (run by our administrator) and the Trustee Office.

The Helpline can assist members on all matters, as well as provide financial advice on simple matters over the phone. They have access to ElectricSuper's administration data and can resolve most questions quickly. The Helpline takes about 80% of all queries.

Members are also able to email us at [inquiries@electricsuper.com.au](mailto:inquiries@electricsuper.com.au).

Over the year, the Helpline received 2,649 phone queries.

# Investment Commentary

## Growing Inflation Concerns Play an Increasingly Influential Role in Markets

In the early months of the 2021/22 financial year, risk markets were moderately positive; and were buoyed by expectations for above trend economic growth, supported by the reopening of economies and rising vaccination rates. Earlier in the September quarter, there was steady progress across developed economies in the easing of COVID-19 related restrictions, despite some concerns about the increasing spread of the Delta variant. Whilst reopening optimism was supportive to markets, concerns increased around the potential impact on the medium-term growth outlook from supply chain disruptions and rising inflation pressures. The view from the US Federal Reserve remained that the rise in inflation was largely transitory, and in Australia; Reserve Bank of Australia (RBA) Governor Philip Lowe reinforced his commitment of no rate hikes until 2024.

Market volatility spiked during November 2021, following the emergence of the Omicron variant, and its rapid spread across multiple countries. Markets however ended the calendar year strongly, as it became clear that the Omicron variant generally led to less severe illness and fewer hospitalisations. The December quarter saw robust corporate earnings growth, and markets retained positive sentiment about the ongoing strength in economic growth. Employment growth rates across developed markets also remained strong. As concerns about inflationary pressures began to mount, there was more hawkish commentary from central banks. The US Federal Reserve announced plans to accelerate the tapering of asset purchases, whilst in Australia the RBA announced that it would end its yield curve control policy, which attempted to maintain rates at low levels for 3-year government bonds.

Geopolitical tensions in Europe escalated during the first quarter of 2022. Following the invasion of Ukraine, a host of sanctions were imposed on Russia by Western nations. As a significant exporter of energy and other industrial and agricultural commodities, these sanctions had an immediate effect on the cost for energy and a range of producer and consumer prices. Of further concern to markets was how the impact of the war in Ukraine would add to already growing global inflationary pressures. Markets were impacted by these concerns, with the risk of entrenched inflation and sustained policy rate rises forcing risk asset prices lower over the quarter.

Equities in China were also weaker, amidst a growing COVID-19 outbreak and increasingly strict lockdown measures in Shenzhen, Shanghai and other cities. These lockdowns contributed further to supply chain issues impacting the global economy. Whilst overseas markets were generally weaker during the quarter, Australian equities provided positive returns; with Materials and Energy companies benefitting from the sharp rise in commodity prices.

As the financial year drew to a close, the risk of persistently higher inflation pushed most developed and emerging market equities materially lower, along with most asset classes. The first half of 2022 was also poor for both Australian and Overseas bonds, as markets priced in expectations of higher policy rates from Central Banks. The RBA communicated that it was willing to continue to raise rates and do what was necessary to ensure that inflation returns to target over time. In contrast to most other markets, Chinese equities were stronger over the June quarter, benefitting from relaxation of COVID-19 related lockdowns and improving manufacturing and services PMI data.

## Global Equities

Despite a strong end to calendar year 2021, global equities finished weaker over the financial year. The MSCI World Index ex-Australia (hedged to AUD) returned -12.1%, whilst unhedged exposures returned -6.1%. Persistent inflation, the impact of rises in policy rates and growing recession concerns have been the main drivers of the sell-off in equities during 2022 to date. Stocks that had entered 2022 with significantly higher valuations were particularly impacted by rising interest rates and the volatility in markets. Emerging markets underperformed developed markets on an unhedged basis with the MSCI Emerging Markets Index returning -18.1%.

## Australian Equities

The S&P/ASX300 Index returned -6.8% over the financial year. Like most overseas markets, Australian equities have been impacted by concerns about inflation pressures and rising interest rates. Unemployment in Australia continued to trend down over the financial year, with spare capacity in the labour market tightening materially.

## Infrastructure

The S&P Global Infrastructure Index (hedged into AUD) returned +9.4% over the financial year, with 12-month returns for both listed and unlisted infrastructure continuing to recover from COVID-19 impacts and related write-downs.

## Property

In the property sector, listed Australian Real Estate Investment Trusts (AREITs) returned -11.2% and Global REITs returned -9.8% (hedged to AUD), impacted by concerns about interest rate rises, Omicron outbreaks and general equity market sentiment. Industrial property delivered strong performance, benefitting from key economic tailwinds and high demand for assets. Performance for both Office and Retail has been mixed, impacted by the lasting effects of lockdowns and the shift to 'Work from Home'.

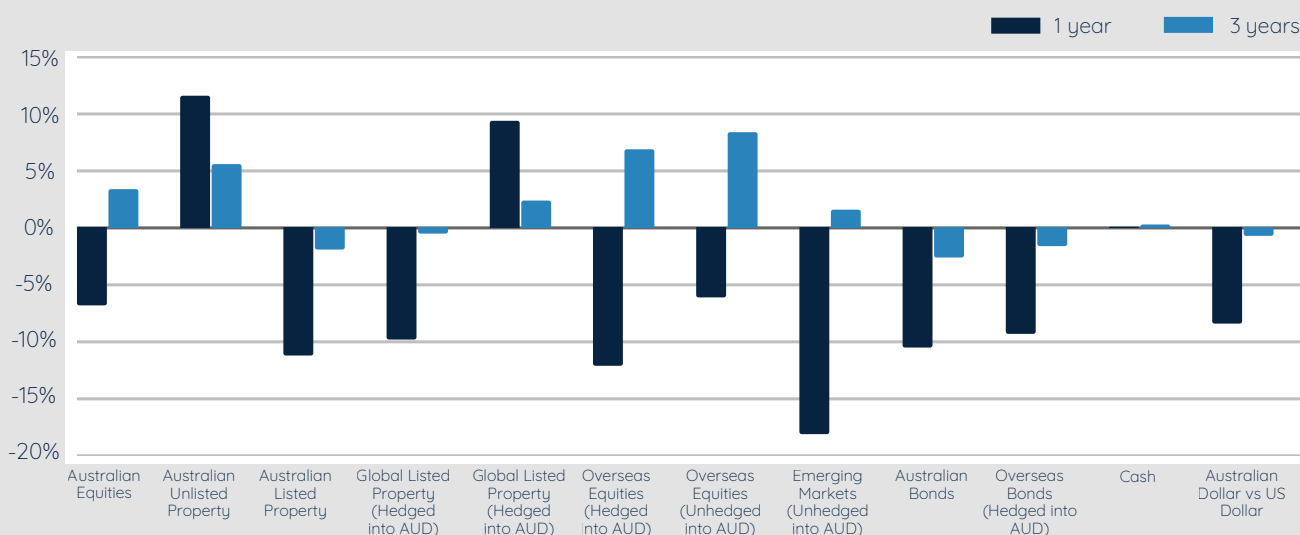
## Fixed Interest and Credit

Both Australian and Overseas Bonds (Hedged into AUD) delivered negative returns over the financial year (-10.5% and -9.3% respectively). Yields for a range of Australian and overseas bonds rose materially over the year reflecting higher inflation and increased expectations of policy tightening. The yield on the Australian Government 10-Year Bond rose from 1.53% to 3.66% over the financial year, whilst the US 10-Year yield rose from 1.45% to 2.98% at financial year end.

Both High Yield and Investment Grade Credit yields also increased during the financial year, reflecting concerns about rising rates. The Bloomberg Barclays Global Credit Index (hedged into AUD), ended the financial year down -13.7%.

## Market performance to 30 June 2022

	1 year	3 years p.a.
Australian Equities	-6.8%	3.4%
Australian Unlisted Property	11.6%	5.6%
Australian Listed Property	-11.2%	-1.9%
Global Listed Property (Hedged into AUD)	-9.8%	-0.5%
Global Listed Infrastructure (Unhedged into AUD)	9.4%	2.4%
Overseas Equities (Hedged into AUD)	-12.1%	6.9%
Overseas Equities (Unhedged into AUD)	-6.1%	8.4%
Emerging Markets (Unhedged into AUD)	-18.1%	1.6%
Australian Bonds	-10.5%	-2.6%
Overseas Bonds (Hedged into AUD)	-9.3%	-1.6%
Cash	0.1%	0.3%
Australian Dollar vs US Dollar	-8.4%	-0.7%



# Investments

## Summary

The Board aims to get the best return that it can, within its agreed risk appetite.

The Board sets investment objectives and a strategy with a long-term view in mind. This strategy involves using "growth" assets like shares and property as well as "defensive" assets such as fixed interest and cash. The value of investments moves up and down with investment markets. We try to reduce the movements as much as we can, but we can - and do - get negative returns sometimes.

The Board selects professional fund managers to invest the assets of ElectricSuper. Each manager is a specialist in the relevant investment sectors, for example Australian shares, and is selected after taking into account advice received from ElectricSuper's investment adviser.

ElectricSuper believes that sound environmental, social and governance (ESG) practices lead to better investment outcomes. ESG risks are considered in any new manager appointment and an ESG Policy has been implemented.

At 30 June 2022, after fees and tax, the default Balanced Growth option earned 8.19% over a rolling 10 year period, which was ahead of the SuperRatings median fund return of 7.9% over 10 years - a positive outcome for members.

## Investment philosophy

### Background

It is ultimately the Board's responsibility to make all decisions relating to the investments of ElectricSuper. ElectricSuper has a mix of defined benefit and accumulation liabilities.

For accumulation liabilities, the investment risk is carried by the member. This means that if investment returns are poor, the member's balance is directly affected. ElectricSuper provides a mix of investment options to allow members to choose the risk profile that best suits their circumstances.

However, for defined benefit liabilities, the investment risk is carried by the employers. If returns are poor, then the employers have to contribute more to pay for the benefits. The Board has sought the employers' views on the investment risk profile for the assets backing the defined benefit liabilities and will seek reaffirmation of employer views every 5 years.

The pre-privatisation divisions of ElectricSuper provide a mixture of defined and accumulation benefits, hence the investment risk is shared between the employer and the member.

Currently the majority of the liabilities are defined benefit. The sections of ElectricSuper providing defined benefits are closed to new members, and so the timeframe over which these benefits will be paid is shortening.

### Board philosophy - Default and Defined Benefit Investment Pool

In light of its role as custodian for assets supporting benefits for members, the Board considers it appropriate to take an approach to investing ElectricSuper's assets aimed at lowering investment volatility while maintaining an exposure to growth assets.

The Board will diversify investments, both across asset classes and managers, within any constraints imposed by the asset size of ElectricSuper.

### Manager configuration

The Board has no deliberate bias towards any style of investment management, but will select managers on their perceived ability to add investment value. Manager configuration is determined within, rather than across, asset classes having regard to:

- any decision reached on active vs passive management
- the merits of using a particular manager
- the need for adequate manager diversification
- the managers' particular skills in the asset class in question
- the ability to monitor managers effectively and efficiently

### Use of derivatives

The Board uses foreign exchange instruments to manage the risk of fluctuations in the Australian dollar for ElectricSuper's overseas investments. In addition, investment managers employed by ElectricSuper are permitted to use futures, options and other derivative instruments in accordance with their particular Risk Management Statements. The Board expects that over the longer term the use of these instruments will enhance the returns and/or reduce the risk of ElectricSuper.

### Use of gearing

The Board may invest in funds that use gearing and leverage where appropriate.

## Asset Allocation - Balanced Growth

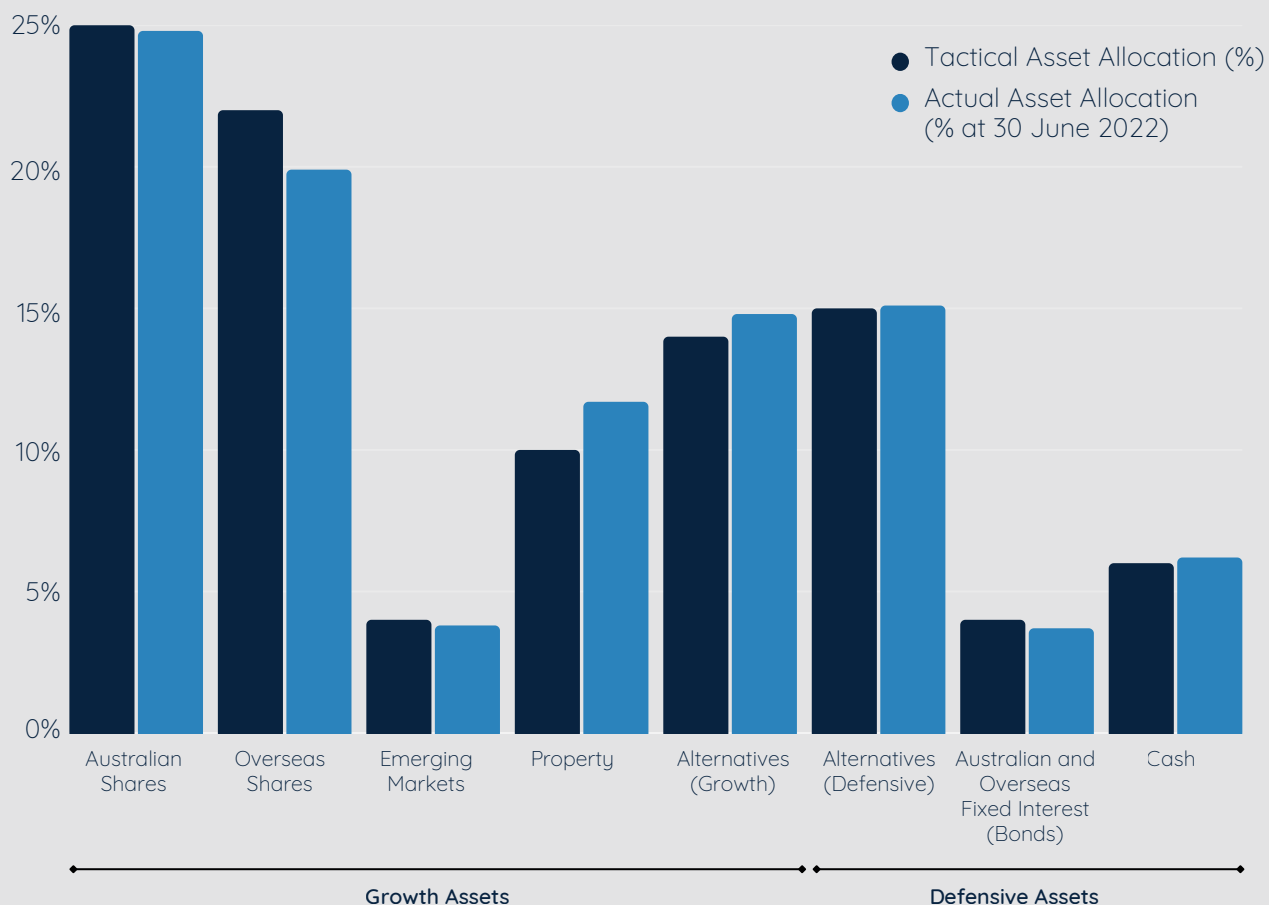
ElectricSuper sets a Strategic Asset Allocation focussing on the long term expectations of asset class returns but also uses a Tactical Asset Allocation (TAA) process to cater for short- to medium-term variations in asset class expectations.

There were a number of changes to the Tactical Asset Allocation (TAA) during the year as ElectricSuper responded to the continuing volatility in investment markets.

In August 2021, the TAA for Australian Equities was increased by 1% to 25% (lifting total equities to 51%) and the TAA for Unlisted Property was reduced by 1% to 10%.

In May 2022, the TAA for Diversified Bonds was increased by 1% and the Defensive Alternatives reduced by 1%

The Tactical Asset Allocations for the Balanced Growth option (which is also where the assets supporting the defined benefits are invested) at 30 June 2021 were:



## Investment managers

ElectricSuper uses Australian and international investment managers. Each investment manager is responsible for a specified amount of the fund's assets. They are managed in accordance with a mandate as agreed between the manager and the Trustee in consultation with the fund's asset consultant.

ElectricSuper has no direct investments with related parties. The Board monitors the performance of each investment manager closely throughout the year and compares it with industry benchmarks.

Selection of fund managers is a responsibility of the Board, with assistance from the Investment Committee and the fund's asset consultant.

The tables below provide a breakdown of ElectricSuper's total investments by investment manager. The amount shown is the percentage of total fund assets invested with each manager at 30 June.

Australian Shares	2022	2021
Cooper Investors	8.0%	7.9%
Solaris	4.9%	4.8%
Optar	4.8%	4.5%
Alphinity	3.0%	3.0%
Tribeca Investment Partners	2.6%	3.1%
Lanyon Asset Management	1.3%	1.6%
Overseas Shares	2022	2021
JANA	23.8%	27.2%
Direct Property	2022	2021
Dexus	6.8%	6.1%
AMP	2.1%	3.0%
Lend Lease	1.3%	1.2%
Kayne Anderson	1.3%	1.0%
Alternative - Growth	2022	2021
Bentham	5.2%	5.1%
UTA	2.1%	1.8%
Harbourvest	2.7%	2.5%
LGT	0.8%	1.2%
Partners Group	0.7%	0.7%

Alternatives - Growth	2022	2021
Resolution Life	1.2%	0.9%
Macquarie	1.7%	2.0%
Siguler Guff	0.4%	0.2%
Alternatives - Defensive	2022	2021
IFM	4.3%	0.7%
Ardea	2.5%	0.9%
Blackrock	1.9%	2.0%
PIMCO	1.7%	0.2%
Janus Henderson	1.7%	1.3%
Revolution	1.4%	-
Macquarie	1.3%	2.0%
Australian & Overseas Bonds	2022	2021
JANA	3.7%	2.5%
Cash	2022	2021
Janus Henderson	2.4%	6.7%
Antares	4.5%	-
Term Deposits	-	1.3%



## Recent investment returns - Balanced Growth vs Inflation

The returns from the fund over a longer 10-year term look good compared to inflation. The investment earnings that are allocated to each member's account will depend on the division of the fund that the member is in, different accounts within each membership

and, in some cases, when the member joined ElectricSuper. This is because each division has different rules about what is deducted from the declared rates in terms of administration fees and tax. The declared rates that apply are shown on member statements.

	17/18	18/19	19/20	20/21	21/22	Over last 10 years
ElectricSuper Balanced Growth option (after tax)	9.6%	5.6%	-0.2%	18.8%	-1.3%	8.19%
Inflation	2.7%	1.4%	0.8%	2.9%	6.4%	2.3%

## Investment objectives - Balanced Growth

The investment strategy has 2 objectives against which the Balanced Growth Portfolio's investment performance is measured. The objectives and the results for 2021/22 are

shown in the first table below. The second table shows when the investment objectives have been met. ElectricSuper met both of its objectives in the period to 30 June 2022.



Investment objectives	Balanced Growth portfolio return	Objective return
1. Exceed the Consumer Price Index by 3% p.a. over rolling 10-year periods	8.19%	5.3%
2. Exceed median return in the SuperRatings survey over rolling 10-year periods	8.19%	7.9%

Investment objectives	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Objective 1	✓	✓	✓	✓	✓	✓	✓	✓	✓
Objective 2	✓	✓	✓	✓	✓	✓	✓	✓	✓

## Investment options

ElectricSuper has 4 investment options available to members. Accumulation Scheme members can invest all of their balance in any one of these options (or a combination of the 4 options).

Members in the defined benefit divisions can invest their additional voluntary contributions and roll-overs in any one of these options (or a combination of these options).

	Cash		Conservative Growth	
<b>Volatility/return</b>	Very low volatility, lowest rate of growth in long term		Low volatility, expected stable but low returns	
<b>Return profile</b>				
<b>Volatility scale</b>	① 2 3 4 5 6 7		1 2 ③ 4 5 6 7	
<b>Most suited to</b>	Members seeking to minimise their investment risk over the short term		Members who prefer stable but moderate returns over the short to medium term	
<b>Investment time frame</b>	No minimum		3 years	
<b>Likelihood of negative return</b>	Not likely to have a negative return		1 negative year in 20, returns not expected to show large swings	
<b>Objective</b>	Match the Bloomberg AusBond Bank Bill Index before tax and fees over rolling annual periods		To achieve investment returns after tax and fees exceeding the Consumer Price Index by 1.5% p.a. over rolling 10 year periods	
<b>Management fees* at 30 June 2022</b>	0.13% (deducted from the returns credited to your account)		0.57% (deducted from the returns credited to your account)	
<b>Strategy</b>	Fully invested in short term fixed interest investments and has a very conservative investment risk profile		Around 30% invested in growth investments, and hence has a moderately conservative investment risk profile	
<b>Asset allocation at 30 June 2022</b>	<b>Actual allocation</b>	<b>Strategic allocation</b>	<b>Actual allocation</b>	<b>Strategic allocation</b>
Australian Shares	-	-	10%	10%
Overseas Shares	-	-	12%	12%
Property	-	-	10%	10%
Alternatives - Growth	-	-	11%	11%
Alternatives - Defensive	-	-	27%	23%
Fixed Interest	-	-	8%	12%
Cash	100%	100%	22%	22%

\*Includes JANA and Board costs, plus investment management fees. Defined benefit members incur an additional 0.07% fee for administration expenses.

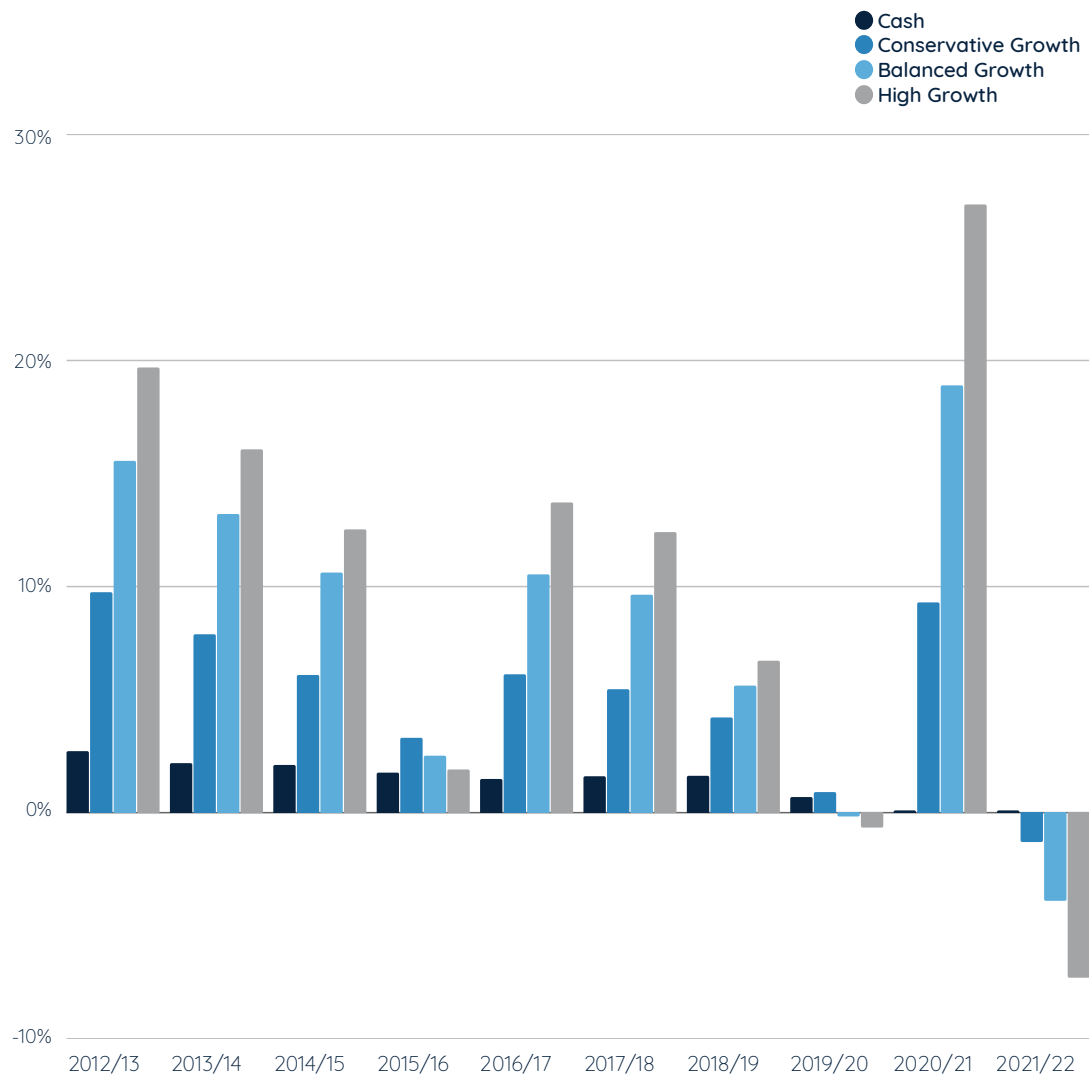
## Investment options (continued)

	Balanced Growth (default option)		High Growth	
<b>Volatility/return</b>	High volatility, medium growth		Highest volatility, expected higher long term returns	
<b>Return profile</b>				
<b>Volatility scale</b>	1 2 3 4 ⑤ 6 7		1 2 3 4 5 ⑥ 7	
<b>Most suited to</b>	Members who want reasonable medium term returns and can put up with large variations in the short term		Members who want higher returns in the long term and can put up with large variations in the short term	
<b>Investment time frame</b>	10 years minimum		10 years (or more)	
<b>Likelihood of negative return</b>	3-4 years in 20, returns may show large swings in the short term		4-5 years in 20, returns may show large swings in the short term	
<b>Objective</b>	To achieve investment returns after tax and fees exceeding 1) the Consumer Price Index by 3% p.a. over rolling 10 year periods and 2) the median return in the SuperRatings survey of Balanced options over rolling 10 year periods		To achieve investment returns after tax and fees exceeding the increase in the Consumer Price Index by 4% p.a. over rolling 10 year periods	
<b>Management fees* at 30 June 2022</b>	0.67% (deducted from the returns credited to your account)		0.70% (deducted from the returns credited to your account)	
<b>Strategy</b>	Around 70% invested in growth assets and hence has a moderately aggressive investment risk profile		Fully invested in growth investments, and has a very aggressive investment risk profile	
<b>Asset allocation at 30 June 2022</b>	<b>Actual allocation</b>	<b>Strategic allocation</b>	<b>Actual allocation</b>	<b>Strategic allocation</b>
Australian Shares	24.8%	24.5%	35%	35%
Overseas Shares	23.7%	26.5%	40%	40%
Property	11.7%	11%	10%	10%
Alternatives - Growth	14.8%	14%	12%	12%
Alternatives - Defensive	15.1%	11%	3%	3%
Fixed Interest	3.7%	6%	-	-
Cash	6.2%	7%	-	-

\*Includes JANA and Board costs, plus investment management fees. Defined benefit members incur an additional 0.07% fee for administration expenses.

## Investment options performance

The returns below are after tax and investment fees



# Governance

## Background

Electricity Industry Superannuation Scheme (ElectricSuper) is a superannuation scheme covering members employed in the electricity supply industry in South Australia. ElectricSuper was created in 2000 following the privatisation of ETSA.

ElectricSuper is established under the Electricity Corporations Act 1994 and is overseen by the Electricity Industry Superannuation Board ("the Board") made up of employer and union appointees and member elected representatives. The Board is served by a Trustee office.

As ElectricSuper was established under an Act of Parliament, the scheme is classified as an exempt public sector scheme in Schedule 1AA of the Superannuation Industry (Supervision) Regulations. Accordingly, ElectricSuper is not regulated by APRA and is not required to operate under SIS legislation.

Both defined and accumulation benefits are provided. The defined benefit sections are closed, with the accumulation section open to new members.

## Compliance with the fund Rules

During the year ended 30 June 2022, the Board has, to the best of its knowledge, met all of its commitments as required by the Rules governing the fund.

## Main drivers

The main factors that affect the work of the Board include the following:

### Legal

The Board is required to comply with the Electricity Corporations Act and the Rules of ElectricSuper. This requires that the Board seeks employer consent for any rule change that increases employer liabilities, and seeks member consent before winding up ElectricSuper.

### Fiduciary

The Board has a fiduciary duty to members. This requires that any exercise of Board discretion be in the best interest of members. The Board is also required to act prudently when managing the fund.

### Demographics

The majority of liabilities are defined benefit and the average age of defined benefit members is over 50. Therefore a significant proportion of ElectricSuper's liabilities is in respect of members who are approaching retirement over the next 5-10 years.

### Expectations of members

ElectricSuper operates within the Australian superannuation industry and complies with industry norms as much as practicable. Pre-privatisation members were given a government promise that their superannuation would not be adversely affected by privatisation.

# Strategic Plan 2022

Areas of focus	What it means for you	KPIs
Members are well informed	<p>You'll have lots of opportunities to find out about your super and have your questions answered.</p> <p>You'll understand what's needed to obtain your desired financial outcomes.</p>	<p>All members will have an opportunity for a face-to-face meeting with ElectricSuper staff at least once every 3 years.</p> <p>All members will be contacted:</p> <ul style="list-style-type: none"> <li>• 4 months after joining the fund</li> <li>• When they turn 50</li> <li>• When a financial authority is received on their behalf</li> </ul> <p>All member queries will be responded to within 2 working days.</p>
Investment returns	Returns on your super will be competitive	<p>The Balanced Growth option investment returns will exceed CPI plus 3% over rolling 10 year periods.</p> <p>The High Growth option investment returns will exceed CPI plus 4% over rolling 10 year periods.</p> <p>The Conservative Growth option investment returns will exceed CPI plus 1.5% over rolling 10 year periods.</p> <p>The Cash option investment returns will match the Bloomberg AusBond bank Bill index over rolling 1 year periods.</p> <p>The Balanced Growth option will return above the median SuperRatings balanced fund over rolling 10 year periods.</p>
Member Service excellence	<p>ElectricSuper will be a good option for your super, both before and after retirement.</p> <p>You will be provided with competitive products and services.</p>	ElectricSuper will exceed the median superannuation fund for each of the APRA heatmap metrics.
Maintaining scale	<p>Your super won't be affected by the fund having to sell assets.</p> <p>Administration and investment costs on your super will remain competitive.</p>	<p>The fund will retain 75% by assets of members on retirement and 60% by assets of other members.</p> <p>Funds under management will be maintained at \$1b or higher.</p> <p>Management Expense Ratio will remain below the industry average.</p>
Governance	<p>Your super will be in a fund that is well run.</p> <p>Risks will be well managed.</p>	<p>Internal audit will return "Substantially Effective" findings.</p> <p>External audit will issue an unqualified audit report.</p> <p>The Board will average 16 hours of relevant training per Board member per year.</p>

# Further information

## Employer funding

Employers must fund their liabilities in advance, in particular, each employer must contribute:

- amounts sufficient to keep the part of ElectricSuper related to the employer fully funded.
- in respect of each Voluntary Separation Package (VSP) benefit paid to a Pension Scheme member, an amount equal to the difference between the level of that benefit and actuarial reserve for that member.

The actuary has specified the levels of employer contributions and these have been duly paid by the private sector employers. The total employer contributions paid in respect of 2021/22 was \$24.4m.

Separate accounts are operated for each of the employers.

Employer contributions by Participating Employers are set by the Board after receiving advice on the amounts required to pay for the benefits. Employers are required to pay contributions under the Rules of ElectricSuper. These contributions are monitored by an independent actuary who projects the likely benefit payments, salary growth and investment returns to estimate employer contributions and reviews this annually or as required.

## What insurance does ElectricSuper have?

The Board takes out insurance against the death and invalidity of ElectricSuper members to protect the fund against those risks. Also ElectricSuper pays for insurance to protect the Board and the fund against the financial effects of any "honest mistakes" that might occur in the running of the fund.

## Privacy and compliance

During the year, there were no breaches reported to the Privacy Commissioner about ElectricSuper.

ElectricSuper has not been subject to any fines or other penalties for failure to comply with laws or regulations.

ElectricSuper's privacy policy is available at [www.electricsuper.au/privacypolicy](http://www.electricsuper.au/privacypolicy).

## When we will transfer your account to the ATO

As an exempt public sector scheme, ElectricSuper is not required by law to transfer accounts to the ATO when they meet certain conditions but may decide to voluntarily do so when it is in the best interest of members.

The conditions that may result in such a transfer to the ATO may include that:

- you are a lost member and, after several attempts we have not been able to reach you, or
- your account balance is under \$6,000 and you have not made any contact with us (such as making an investment switch, updating your details, updating your beneficiary details or notifying us in writing that your account is not an "inactive" account) and your account has not received any contributions for at least 16 months.

We may also transfer your account to the ATO if we are advised by the ATO to do so because you are a former temporary Australian resident who has left the country.

We may transfer your account to the ATO in some other specific situations. Please speak to us for more information.

## Complaints

ElectricSuper members who wish to lodge a complaint can contact the Complaints Officer at Level 1, 89 Pirie Street, Adelaide SA 5000.

If the complaint cannot be resolved within 45 days (or 90 days for a death benefit complaint) or if you are not satisfied with the outcome, you have the option to refer your complaint to the Australian Financial Complaints Authority (AFCA). The AFCA website provides information about the timeframes and conditions that apply to lodging a complaint with them.

AFCA can be contacted at:

Web: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678

Post: Australian Financial Complaints Authority,  
GPO Box 3, Melbourne, VIC 3001

# Financial details

## Simplified Financial Report

The tables below show a summary of the draft accounts for ElectricSuper which shows how the finances of ElectricSuper have changed over the

last 2 years. For more detailed information, please refer to the full financial statements on the ElectricSuper website.

During the year, what amounts did we receive?	2021/22 (this year) \$m	2020/21 (last year) \$m
What investment return did we earn?	-51.8	258.8
What contributions were received?		
• from employers	22.7	21.0
• from members by salary sacrifice	10.1	9.2
• from members after tax	8.6	6.3
What benefits were rolled in from other funds?	10.8	10.0
What other income did we receive?	1.7	0.5
<b>Total income into the fund</b>	<b>2.1</b>	<b>305.8</b>

During the year, what amounts were paid out?	2021/22 (this year) \$m	2020/21 (last year) \$m
What benefits were paid to members?	52.6	53.1
What did it cost to run the fund?	3.1	3.0
What were insurance premiums for death and disability benefits?	1.2	1.2
What tax was paid on contributions and investment return?	1.0	16.0
<b>Total amounts paid from the fund</b>	<b>57.9</b>	<b>72.8</b>

At the end of the year	2021/22 (this year) \$m	2020/21 (last year) \$m
How much money did the fund have?	1.487	1.556
What benefits did the fund owe to members if they had all left?	1.487	1.387

\*\*\*Please refer to the attached note for subsequent corrections to some of the numbers shown above in this Annual Report.





## We're here to help... contact us!

**Helpline** 1300 307 844  
**Website** [www.electricsuper.au](http://www.electricsuper.au)  
**Email** [inquiries@electricsuper.com.au](mailto:inquiries@electricsuper.com.au)

### **Street address**

Level 1, 89 Pirie Street, Adelaide SA 5000

### **Postal address**

GPO Box 4303  
Melbourne Vic 3001

Electricity Industry Superannuation Board ("the Board") ABN 57 923 283 236 as Trustee of the Electricity Industry Superannuation Scheme.

Disclaimer: This report is for the purpose of providing you with information about the products available for ElectricSuper. The information is subject to change from time to time. The ElectricSuper Rules (the "Rules") are the final authority should there be a discrepancy between this report and the Rules. The Board recommends that if you intend to act in connection with any information contained in this report you should first consult a licensed or appropriately authorised financial consultant.

# Financial details

## Corrections

The following errors were identified in a review of previous Annual Reports.

The information below shows the incorrect (in red) and correct (in black) figures across the financial years 2021/22-2023/24.

No errors were identified in the audited and signed Financial Statements.

During the year, what amounts did we receive?		2023/24 \$m
What other income did we receive?	<del>-8.4</del> 0.8	
Total income into the fund		<del>-231.1</del> 223.5

At the end of the year	2023/24 \$m	2022/23 \$m	2021/22 \$m
How much money did the fund have?	<del>-1.703</del> 1,703	<del>-1.580</del> 1,580	<del>-1.487</del> 1,487
What benefits did the fund owe to members if they had all left?	<del>-1.703</del> 1,551	<del>-1.485</del> 1,441	<del>-1.487</del> 1,378

**Note:** The information shown in this Annual Report for the previous year (2020/21) is correct. No update is required to the data shown for 2020/21.