



Annual  
financial report  
30 June 2022

AustralianSuper Pty Ltd  
ABN 94 006 457 987



# Contents

<b>Directors' report</b>	4
<b>Independence declaration</b>	6
<b>Financial statements</b>	
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	9
<b>Notes to the financial statements</b>	
1 Corporate information	10
2 Accounting policies	10
<b>How the numbers are calculated</b>	
3 Intangible assets	13
4 Leases	14
5 Provisions	16
6 Income tax	17
7 Trade and other receivables	18
8 Contributed equity	18
9 Trustee risk reserve	18
10 Property, plant and equipment	19
11 Trade and other payables	20
12 Cash and cash equivalents	20
<b>Other information</b>	
13 Key management personnel	21
14 Auditor's remuneration	22
15 Commitments	23
16 Related parties	23
17 Reconciliation of profit after income tax to net cash	26
18 Trustee liabilities and right of indemnity	26
19 Events occurring after the reporting period	26
<b>Directors' declaration</b>	27
<b>Independent auditor's report</b>	28

# Directors' report

The Directors present their report on AustralianSuper Pty Ltd (the 'Company') at 30 June 2022 and on the results for the year then ended.

## Directors

The following persons were Directors of the Company during the financial year and up to the date of this report, unless stated otherwise:

### Member nominated

J. Angrisano  
M. O'Neil (appointed 10 Sep 21)  
J. Schofield (appointed 9 Sep 22)  
G. Thompson  
D. Walton  
B. Daley (ceased 9 Sep 22)  
D. Oliver (ceased 9 Sep 21)

### Employer nominated

G. Coyne  
J. Dixon  
C. Keating  
J. Van Reyk (appointed 1 Apr 22)  
I. Willox  
L. Di Bartolomeo (ceased 31 Mar 22)

### Independent

P. Kelly (appointed 5 Nov 21)  
D. Russell  
J. Craig (ceased 5 Nov 21)

The following persons were Alternate Directors of the Company during the financial year and up to the date of this report, unless stated otherwise:

### Member nominated

N. Apple (ceased 5 Apr 22)  
P. Cozens (ceased 14 Sep 21)  
B. Crofts (ceased 31 Dec 21)  
B. Davison (ceased 16 Aug 21)  
J. Schofield (ceased 9 Sep 22)

### Employer nominated

H. Ridout  
G. Stamas  
S. Kay (ceased 31 Oct 21)

## Principal activities

The Company is the Trustee of AustralianSuper (the 'Fund'). During the year ended 30 June 2022, the principal activity of the Company was to act as Trustee of the Fund.

## Review of operations

During the year, the Company recorded income of \$233,050,000 (2021: \$624,824,000) and expenses of \$200,692,000 (2021: \$624,824,000). Both income and expenses were significantly less than for the prior financial year, reflecting the change in the way assets and liabilities are held, as explained in 'Significant changes in the state of affairs' below.

### Impact of COVID-19

The COVID-19 pandemic continues to have a significant impact on the general business environment and financial markets. The Company has considered the impact of COVID-19 in preparing the financial statements and related disclosures and does not foresee any significant impacts with the ongoing operations or financial stability of the Company.

## Significant changes in the state of affairs

During the year, the Company changed the administration arrangements pertaining to the Fund. Effective 31 October 2021, the Fund assumed responsibility from the Company for incurring and recognising administration and related operating and capital expenditure (other than Trustee director fees and related costs). On the same date, most assets and liabilities were transferred from the Company to the Fund at their fair value.

Directors' fees and related costs continued to be recorded by the Company. Under the terms of the AustralianSuper Trust Deed, the Company is entitled to be paid fees calculated by reference to the costs incurred by the Company in running the Fund.

At AustralianSuper's request, the Trust Deed was changed by the Supreme Court of South Australia on 24 December 2021 to include a right for the Trustee to be paid a limited 'Trustee Risk Reserve Fee'. The fee enables the Company to build a limited financial risk reserve to manage financial risks of the Trustee, or its directors, that are incurred in connection with their AustralianSuper roles. The Trustee Risk Reserve cannot be used by the Trustee or its directors, to conduct other businesses or pay any dividends or profits to the Trustee's shareholders. The fee is to be calculated in accordance with the Trust Deed.

On 30 September 2021, Ian Silk stepped down as Chief Executive of the Company and was replaced by Paul Schroder.

There have been no other significant changes to the state of affairs.

## Matters subsequent to the end of the financial year

No significant events have occurred since the end of the reporting period which would impact on the balances of the Company as disclosed in the statement of financial position as at 30 June 2022 or on the results of operations of the Company for the year ended on that date.

## Likely developments

Information on likely developments in the operations of the Company have not been included in this report because the Directors believe it would likely result in unreasonable prejudice to the Company.

## Environmental regulation

The Company is not subject to significant environmental regulation in respect of its activities.

## Rounding off

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar (as indicated).

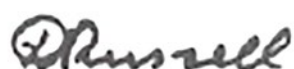
## Insurance of officers

During the financial year, the Company paid premiums of \$2,051,284 (2021: \$1,733,543) for professional indemnity insurance for the Directors and Officers of the Company.

## Auditor's independence declaration

The auditor's independence declaration is set out on page 6.

This report is made in accordance with a resolution of Directors.



**Dr D. Russell**  
Director



**C. Keating**  
Director

Melbourne  
9 September 2022

# Independence declaration



## Auditor's Independence Declaration

As lead auditor for the audit of AustralianSuper Pty Ltd for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'CJ Cummins', is written over a horizontal line.

CJ Cummins  
Partner  
PricewaterhouseCoopers

Melbourne  
9 September 2022

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# Financial statements

## Statement of comprehensive income

	Notes	2022 \$'000	2021 \$'000
<b>Income from continuing operations</b>			
Trustee services	16(a)	200,572	624,264
Trustee risk reserve fee	16(a)	31,740	-
Other income		738	560
<b>Total income from continuing operations</b>		<b>233,050</b>	<b>624,824</b>
<b>Expenses</b>			
Staff costs		80,100	230,617
Administration costs		48,746	140,187
Professional services		17,459	55,843
Facilities costs		28,191	62,652
Communications and development		10,103	46,491
Impairment	3,4,10	2	41,564
Depreciation and amortisation		9,340	39,114
Finance costs	4	1,444	4,182
Director costs		5,201	4,034
Motor vehicle costs		40	135
Travel costs		66	5
<b>Total expenses</b>		<b>200,692</b>	<b>624,824</b>
<b>Profit/(loss) before income tax</b>		<b>32,358</b>	<b>-</b>
Income tax expense	6(b)	9,675	12
<b>Profit/(loss) for the year</b>		<b>22,683</b>	<b>(12)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>22,683</b>	<b>(12)</b>

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

# Financial statements (cont.)

## Statement of financial position

	Notes	2022 \$'000	2021 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	31,906	1,016
Trade and other receivables	7	2,519	113,999
Income tax receivable	6(a)	-	64
<b>Total current assets</b>		<b>34,425</b>	<b>115,079</b>
<b>Non-current assets</b>			
Trade and other receivables	7	-	78,278
Property, plant and equipment	10	-	2,986
Intangible assets	3	-	23,712
Right of use assets	4(a)	-	119,870
<b>Total non-current assets</b>		<b>-</b>	<b>224,846</b>
<b>Total assets</b>		<b>34,425</b>	<b>339,925</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	746	82,908
Provisions	5	-	30,270
Lease liabilities	4(a)	-	11,224
Income tax payable	6(a)	9,648	-
<b>Total current liabilities</b>		<b>10,394</b>	<b>124,402</b>
<b>Non-current liabilities</b>			
Trade and other payables	11	1,830	46,118
Provisions	5	-	14,064
Lease liabilities	4(a)	-	155,775
<b>Total non-current liabilities</b>		<b>1,830</b>	<b>215,957</b>
<b>Total liabilities</b>		<b>12,224</b>	<b>340,359</b>
<b>Net assets/(liabilities)</b>		<b>22,201</b>	<b>(434)</b>
<b>Equity</b>			
Contributed equity	8	-	-
Trustee risk reserve	9	22,201	-
Retained earnings/(losses)		-	(434)
<b>Total equity</b>		<b>22,201</b>	<b>(434)</b>

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



## Statement of changes in equity

Attributable to owners of AustralianSuper Pty Ltd					
	Notes	Contributed equity \$'000	Trustee risk reserve \$'000	Retained earnings/ (losses) \$'000	Total equity \$'000
<b>Balance at 30 June 2022</b>	<b>8,9</b>	-	22,201	-	22,201
Total comprehensive income for the year		-	-	22,683	22,683
Net transfers between reserves		-	22,249	(22,249)	-
Payments made from reserves		-	(48)	-	(48)
<b>Balance at 30 June 2021</b>	<b>8,9</b>	-	-	(434)	(434)
Total comprehensive income for the year		-	-	(12)	(12)
<b>Balance at 30 June 2020</b>	<b>8,9</b>	-	-	(422)	(422)

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

## Statement of cash flows

	Notes	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Trustee services fee received		254,966	541,046
Trustee risk reserve fee received		31,692	-
Payments to suppliers and employees		(232,603)	(532,823)
Payment for transfer of net liabilities to the Fund		(24,567)	-
Other income		681	524
Interest received		57	36
Income tax refund/(paid)		37	319
<b>Net cash inflow/(outflow) from operating activities</b>	<b>17</b>	<b>30,263</b>	<b>9,102</b>
<b>Net cash inflow/(outflow) from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Principal elements of lease payments		627	(10,759)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>627</b>	<b>(10,759)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>30,890</b>	<b>(1,657)</b>
Cash and cash equivalents at the beginning of the financial year		1,016	2,673
<b>Cash and cash equivalents at end of year</b>		<b>31,906</b>	<b>1,016</b>

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

# Notes to the financial statements

## 1 Corporate information

The financial report contains the financial statements of AustralianSuper Pty Ltd (the 'Company') and are presented in Australian currency.

The Company is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 30, 130 Lonsdale Street, Melbourne, Victoria.

The Company is the Trustee of AustralianSuper (the 'Fund'). During the year, the principal activities of the Company consisted of providing trustee services to the Fund. It is also the holder of the Australian Financial Services licence and the Registrable Superannuation Entity licence.

The financial statements were authorised for issue by the Directors on 9 September 2022. The Directors have the power to amend and reissue the financial statements.

### (a) Change to administration arrangements

Effective 31 October 2021, the Fund assumed responsibility from the Company for incurring and recognising administration and related operating and capital expenditure (other than Trustee director fees and related costs), and the assets and liabilities detailed below were transferred from the Company to the Fund at their fair value.

The consideration paid to the Fund by the Company for the net assets transferred was \$24,567,000.

Assets	\$'000
Trade and other receivables	125,060
Property, plant and equipment	2,845
Intangible assets	20,468
Right of use assets	119,641
<b>Total assets</b>	<b>268,014</b>
Liabilities	\$'000
Trade and other payables	75,901
Provisions	47,610
Lease liabilities	169,070
<b>Total liabilities</b>	<b>292,581</b>
<b>Net assets/(liabilities)</b>	<b>(24,567)</b>

Directors' fees and related costs continue to be recorded by the Company, and the Fund continues to reimburse the Company for these costs.

## 2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. Unless otherwise stated, these policies are consistent with those applied in the previous year. Accounting policies specific to asset, liabilities, revenue and expenses that are no longer recognised by the Company due to the change in administration arrangements detailed in note 1(a) continue to be disclosed in this financial report as the administration changes took place part way through the current financial year.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. AustralianSuper Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial statements of AustralianSuper Pty Ltd also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These financial statements have been prepared under the historical cost convention. Where applicable, comparatives have been reclassified to reflect current year disclosures.

The Company's financial statements have been prepared on a going concern basis. The negative net asset position in the prior year was due to accumulated losses relating to the tax expense arising from non-deductible expenses. When the tax was paid, the Company invoiced the Fund in accordance with the Trust Deed, which reversed this position.

### (b) Cash and cash equivalents

Cash and cash equivalents include deposits held at call with financial institutions.

### (c) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured.

#### (d) Trade and other receivables and trade payables

Accrued income is recognised in relation to expenses that will be invoiced to the Fund in a future reporting period and arise due to tax timing differences.

Accounts payable are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company at year end. Trade payables are normally settled on 30-day terms.

Expenses prepaid by the Fund relate to the purchase of property, plant and equipment and assets. The liability unwinds as the underlying assets are depreciated and the associated trustee service fee income is recognised.

#### (e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. The depreciation methodology used for Property, plant and equipment is straight-line in order to reflect the economic benefit of the assets.

The useful lives are as follows:

- |                                 |            |
|---------------------------------|------------|
| • Leasehold improvements        | Lease term |
| • Computer equipment            | 3 years    |
| • Office equipment              | 2–5 years  |
| • Office furniture and fittings | 10 years   |
| • Motor vehicles                | 8 years    |

Any gain or loss on disposal of an item of Property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### (f) Intangibles

Costs incurred in developing products and systems and acquiring software and licences that will contribute to future period financial benefits through income generation and/or cost reduction are capitalised. Software development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Company has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over a period of 3 years.

#### (g) Employee benefits

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave are recognised in respect of the employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities for annual leave and long service leave are recognised in the provision for employee benefits. All other short-term benefit obligations are presented as payables.

##### *Other long-term employee benefits*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits. This is measured as the present value of the expected future payments to be made in respect of services provided by the employees up to the end of reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

# Notes to the financial statements (cont.)

## 2 Accounting policies (cont.)

### (h) Income tax

Tax expense in the statement of comprehensive income for the year comprises current and deferred tax. The Company's deferred tax position is offset in full between deferred tax assets and deferred tax liabilities.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for tax purposes. Any amount of deferred tax provided would be based on the expected manner of realisation of assets or settlement of the liability.

### (i) Goods and Services Tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as a part of the expense item as applicable. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from the taxation authority is included as part of receivables in the statement of financial position.

### (j) Leases

Pursuant to AASB 16 Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. The policy descriptions are provided in note 4.

### (k) New accounting standards and interpretations

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the 30 June 2022 financial year that have a material impact on the amounts recognised in the prior or current periods or that will affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2022 financial year and have not been early adopted by the Company. These standards and interpretations are not expected to have a material impact on the Company.

# How the numbers are calculated

## 3 Intangible assets

	Software development costs \$'000
<b>At 30 June 2022</b>	
Cost	-
Accumulated amortisation	-
<b>Net book amount</b>	<b>-</b>
<b>Year ended 30 June 2022</b>	
Opening net book amount	23,712
Additions	845
Transfer to the Fund (refer note 1(a))	(20,468)
Impairment	-
Amortisation	(4,089)
<b>Closing net book amount</b>	<b>-</b>
<b>At 30 June 2021</b>	
Cost	101,652
Accumulated amortisation	(77,940)
<b>Net book amount</b>	<b>23,712</b>
<b>Year ended 30 June 2021</b>	
Opening net book amount	39,077
Additions	6,157
Impairment	(3,466)
Amortisation	(18,056)
<b>Closing net book amount</b>	<b>23,712</b>

Prior to the administration changes detailed in note 1(a), the following applied:

Software included capitalised development costs being an internally generated intangible asset.

Amortisation of \$4,089,000 (2021: \$18,056,000) was included in depreciation and amortisation expense in the statement of comprehensive income.

Intangible assets were reviewed annually for impairment. Impairment of \$nil (2021: \$3,466,000) was recognised in the statement of comprehensive income.

# How the numbers are calculated (cont.)

## 4 Leases

This note provides information for leases where the Company is a lessee. Prior to the administration changes detailed in note 1(a), the following applied:

### (a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	30 June 2022 \$'000	30 June 2021 \$'000
<b>Right of use assets</b>		
Buildings	-	116,293
Equipment	-	3,577
	-	<b>119,870</b>
<b>Lease liabilities</b>		
Current	-	11,224
Non-current	-	155,775
	-	<b>166,999</b>

Additions to the right-of-use assets during the 2022 financial year were \$3,791,820 (2021: \$11,579,000).

### (b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2022 \$'000	2021 \$'000
<b>Depreciation charge of right-of-use assets</b>		
Buildings	4,225	16,931
Equipment	350	639
	<b>4,575</b>	<b>17,570</b>
Interest expense (included in Finance costs)	1,444	4,182
Expense relating to short-term leases (included in in Facilities costs)	276	321
Expense relating to variable lease payments not included in lease liabilities (included in Facilities costs)	999	2,036
Impairment expense	-	31,062

The total cash outflow for leases in 2022 was \$4,978,621 (2021: \$13,116,000).

During the 2021 financial year the Company relocated its Melbourne CBD head office. The Company's lease over its previous head office expires on 31 December 2026. Due to significant uncertainty in the Melbourne CBD office leasing market, the Company fully impaired the right of use asset associated with the lease in the 2021 financial year. The Company also provided for estimated make good costs at the end of the lease (\$2,342,000) and outgoings over the remaining term of the lease (\$8,530,000).

### (c) The Company's leasing activities and how these are accounted for

The Company leases offices across most Australian states. Rental contracts are typically made for fixed periods of 2 years to 12 years but may have extension options as described in (d) below.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options, if exercised, will be included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

### (d) Extension and termination options

Extension and termination options are available in a number of property leases, and will be included in the measurement of the lease liability where exercised.

### (e) Impact of the change to administration arrangements

As a part of the change to administration arrangements detailed in note 1(a), right of use assets of \$119,641,000 and lease liabilities of \$169,070,000 were transferred to the Fund.

# How the numbers are calculated (cont.)

## 5 Provisions

	2022 \$'000	2021 \$'000
<b>Current</b>		
Employee benefits	-	29,868
Lease provisions	-	402
<b>Sub-total current</b>	<b>-</b>	<b>30,270</b>
<b>Non-current</b>		
Employee benefits	-	2,192
Lease provisions	-	11,872
<b>Sub-total non-current</b>	<b>-</b>	<b>14,064</b>
	<b>-</b>	<b>44,334</b>

### (a) Movements in provision

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	2022 \$'000	2021 \$'000
<b>Current lease provisions</b>		
Carrying amount at start of year	402	860
Provisions recognised/(used) during year	-	(458)
Transfer to the Fund (refer note 1(a))	(402)	-
<b>Carrying amount at end of year</b>	<b>-</b>	<b>402</b>
<b>Non-current lease provisions</b>		
Carrying amount at start of year	11,872	1,000
Provisions recognised during year (refer note 4(b))	(152)	10,872
Transfer to the Fund (refer note 1(a))	(11,720)	-
<b>Carrying amount at end of year</b>	<b>-</b>	<b>11,872</b>



## 6 Income tax

### (a) Income tax payable (receivable)

	2022 \$'000	2021 \$'000
Gross tax payable	9,669	12
Tax instalments paid	(21)	(76)
	<b>9,648</b>	<b>(64)</b>

### (b) Income tax expense

	2022 \$'000	2021 \$'000
Under provision from prior year	6	-
Current year tax expense	9,669	12
	<b>9,675</b>	<b>12</b>

### (c) Numerical reconciliation between tax expense and profit before income tax

	2022 \$'000	2021 \$'000
Profit before income tax	32,358	-
Tax at the Australian Tax rate of 30%	9,707	-
<b>Adjusted for tax effect of the following items:</b>		
Non-deductible entertainment expense	4	12
Movement in accrued expenses not yet deductible	(8,019)	18,049
Provision for annual leave and long service leave	1,149	1,986
Prior year under provision	7	-
Movement in accrued income not yet assessable	6,827	(20,035)
<b>Income tax expense on profit</b>	<b>9,675</b>	<b>12</b>

# How the numbers are calculated (cont.)

## 7 Trade and other receivables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Trade receivables	1,163	53,340
Accrued income - receivable from the Fund	-	48,513
Other receivables	26	8,635
Prepayments	1,330	3,511
<b>Sub-total current</b>	<b>2,519</b>	<b>113,999</b>
<b>Non-current</b>		
Trade receivables	-	78,278
<b>Sub-total non-current</b>	<b>-</b>	<b>78,278</b>
	<b>2,519</b>	<b>192,277</b>

## 8 Contributed equity

Issued and paid up capital	2022 \$	2021 \$
Issued capital - 6 'A' class shares of \$1 each, fully paid	6	6
Issued capital - 6 'B' class shares of \$1 each, fully paid	6	6
<b>Total issued and paid up capital</b>	<b>12</b>	<b>12</b>

Under the terms of the Company's constitution, the owners of the Company are not entitled to receive dividends from the Company.

## 9 Trustee risk reserve

	2022 \$'000	2021 \$'000
Trustee risk reserve	22,201	-
	<b>22,201</b>	<b>-</b>

At AustralianSuper's request, the Trust Deed was changed by the Supreme Court of South Australia on 24 December 2021 to include a right for the Trustee to be paid a limited 'Trustee Risk Reserve Fee'. The fee enables the Company to build a limited financial risk reserve to manage financial risks of the Trustee, or its directors, that are incurred in connection with their AustralianSuper roles. The Trustee Risk Reserve cannot be used by the Trustee or its directors, to conduct other businesses or pay any dividends or profits to the Trustee's shareholders. The fee is to be calculated in accordance with the Trust Deed.

## 10 Property, plant and equipment

	Leasehold improvements \$'000	Computer equipment \$'000	Office furniture, fittings and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>At 30 June 2022</b>					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
<b>Net book amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Year ended 30 June 2022</b>					
Opening net book amount	823	1,432	275	456	2,986
Additions	194	355	-	-	549
Disposals/Trade-ins/Impairments	-	(8)	(2)	(6)	(16)
Transfers to the Fund (note 1(a))	(895)	(1,269)	(262)	(419)	(2,845)
Depreciation charge	(122)	(510)	(11)	(31)	(674)
<b>Closing net book amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2021</b>					
Cost	3,328	5,686	688	853	10,555
Accumulated depreciation	(2,505)	(4,254)	(413)	(397)	(7,569)
<b>Net book amount</b>	<b>823</b>	<b>1,432</b>	<b>275</b>	<b>456</b>	<b>2,986</b>
<b>Year ended 30 June 2021</b>					
Opening net book amount	7,165	2,861	2,482	502	13,010
Additions	2	428	43	95	568
Disposals/Trade-ins/Impairments	(5,076)	(111)	(1,878)	(40)	(7,105)
Depreciation charge	(1,268)	(1,746)	(372)	(101)	(3,487)
<b>Closing net book amount</b>	<b>823</b>	<b>1,432</b>	<b>275</b>	<b>456</b>	<b>2,986</b>

During the 2021 financial year, \$6,947,000 of leasehold improvements in relation to the Company's lease of its previous head office were impaired. Refer to note 4(b) for further information.

# How the numbers are calculated (cont.)

## 11 Trade and other payables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Trade payables	268	27,358
Other payables	478	55,550
<b>Sub-total current</b>	<b>746</b>	<b>82,908</b>
<b>Non-current</b>		
Expenses prepaid by the Fund	1,830	46,118
<b>Sub-total non-current</b>	<b>1,830</b>	<b>46,118</b>
	<b>2,576</b>	<b>129,026</b>

## 12 Cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash at bank	1,906	1,016
Term deposits	30,000	-
	<b>31,906</b>	<b>1,016</b>

The Company monitors cash and cash equivalents on the basis of expected cash flows.

# Other information

## 13 Key management personnel

Key management personnel include persons who were Directors of the Company at any time during the financial year, and up to the date of this report, as follows:

### Member nominated

J. Angrisano  
M. O'Neil (appointed 10 Sep 21)  
J. Schofield (appointed 9 Sep 22)  
G. Thompson  
D. Walton  
B. Daley (ceased 9 Sep 22)  
D. Oliver (ceased 9 Sep 21)

### Employer nominated

G. Coyne  
J. Dixon  
C. Keating  
J. van Reyk (appointed 1 Apr 22)  
I. Willox  
L. Di Bartolomeo (ceased 31 Mar 22)

### Independent

P. Kelly (appointed 5 Nov 21)  
D. Russell  
J. Craig (ceased 5 Nov 21)

The following persons were Alternate Directors of the Company during the financial year and up to the date of this report, unless stated otherwise:

### Member nominated

N. Apple (ceased 5 Apr 22)  
P. Cozens (ceased 14 Sep 21)  
B. Crofts (ceased 31 Dec 21)  
B. Davison (ceased 16 Aug 21)  
J. Schofield (ceased 9 Sep 22)

### Employer nominated

H. Ridout  
G. Stamas  
S. Kay (ceased 31 Oct 21)

Members of the Committees of the Board who are not Directors or Alternate Directors of the Company are considered key management personnel.

### Committee members

P. Downes  
R. Maddox  
C. Rosenberg (ceased 10 Sep 21)  
D. Taylor (ceased 10 Sep 21)

Other key management personnel:

### Key management personnel

P. Schroder  
  
I. Silk  
M. Delaney  
S. Adams  
S. Blackmore  
P. Curtis  
  
M. Glover  
R. Kerlin  
A. Mantello  
F. Trewin

### Role

Chief Executive (appointed 1 Oct 2021)  
Chief Risk Officer (ceased 30 Sep 2021)  
Chief Executive (ceased 30 Sep 2021)  
Deputy Chief Executive and Chief Investment Officer  
Group Executive Strategy, Reputation and Corporate Affairs  
Group Executive Member Experience  
Chief Operating Officer (appointed 4 Apr 2022)  
Group Executive Finance and Operations (ceased 1 Apr 2022)  
Group Executive, People and Culture  
Group Executive Membership and Brand  
Chief Risk Officer (appointed 1 Oct 2021)  
Group Executive Technology Services (ceased 1 Dec 2021)

## Other information (cont.)

### 13 Key management personnel (cont.)

#### Key management personnel compensation

	2022 \$	2021 \$
Short-term benefits	10,620,397	9,027,926
Post-employment benefits (superannuation)	435,783	402,665
Long-term benefits	1,039,996	583,775
<b>Total key management personnel compensation</b>	<b>12,096,176</b>	<b>10,014,366</b>

Short-term benefits include cash salary, annual leave, lump sum payments, and other non-monetary benefits. Post-employment benefits relate to superannuation benefits. Other long-term benefits relate to long service leave entitlements and deferred Investment Performance Payment Plan payments.

Separate to the above disclosures, the Fund reimbursed the Chief Executive \$22,797 for salary sacrifice amounts incorrectly deducted from his salary in a previous financial period.

#### Transactions with key management personnel

During the year ended 30 June 2021, the Company changed from paying its employees fortnightly in advance to fortnightly in arrears. As part of this change the Company paid all eligible employees a once-off taxable 'bridging payment' that will be recovered upon termination of the employees' employment.

The key management personnel that received the bridging payment were:

S. Adams	M. Glover	I. Silk
S. Blackmore	R. Kerlin	F. Trewin
M. Delaney	P. Schroder	A. Mantello

The aggregate bridging payment made to key management personnel in 2021 and outstanding at 30 June 2021 was \$125,000. The amounts outstanding from I. Silk and F. Trewin were recovered during the year on the cessation of their employment. The amount outstanding from key management personnel at 30 June 2022 was \$95,000.

### 14 Auditor's remuneration

	2022 \$	2021 \$
Amounts paid and payable to PwC and related network firms:		
Audit-related services	1,297,665	1,495,205
Audit of compliance and other regulatory returns	287,600	225,930
Other non-audit services	717,540	434,848
<b>Total</b>	<b>2,302,805</b>	<b>2,155,983</b>

Auditors' remuneration includes fees in relation to all entities in the AustralianSuper group.

## 15 Commitments

### Non-cancellable operating leases

Up to the change in the administration arrangements detailed in note 1(a), the Company recognised right-of-use assets for various office and equipment leases, except for short-term and low-value leases. See note 4 for further information.

Short-term and low-value lease commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Lease commitments	2022 \$'000	2021 \$'000
Within one year	-	253
Later than one year but not later than five years	-	-
Later than five years	-	-
	-	253

## 16 Related parties

### (a) Transactions with Company

The Company is owned by the Australian Industry Group ('Ai Group') and ACTU Super Shareholding Pty Ltd. ACTU Super Shareholding Pty Ltd holds the shares on behalf of the Australian Council of Trade Unions ('ACTU') and participating unions. Under the terms of the Company's constitution, the owners of the Company are not entitled to receive dividends from the Company.

Prior to the change in administration arrangements detailed in note 1(a), the Company paid the Ai Group and the ACTU for advertising related opportunities and general marketing for AustralianSuper. After the change in administration arrangements, these payments were made by the Fund. The amounts paid were \$220,000 to Ai Group (2021: \$215,000) and \$220,000 to the ACTU (2021: \$215,000). The Company also paid the Ai Group \$182,435 (2021: \$122,120) for AustralianSuper Directors, Alternate Directors and Committee members and the ACTU \$49,820 (2021: \$ nil) for AustralianSuper Directors and Alternate Directors who were employed by the Ai Group and the ACTU.

The Company is the Trustee of AustralianSuper. Under the terms of the Trust Deed, the Company is entitled to receive trustee services fees, calculated by reference to the costs incurred by the Company in running the Fund. Following the changes to the administration arrangements of the Fund detailed in note 1(a), these costs are limited to directors' fees and related costs.

The Trustee is also entitled to receive a trustee risk reserve fee, to be calculated in accordance with the Trust Deed.

	2022 \$	2021 \$
Trustee services fees paid and payable by the Fund to the Trustee	200,572,531	624,263,905
Trustee risk reserve fee paid and payable to the Trustee	31,740,273	-
Amount payable by the Fund to the Trustee at the end of the reporting period	997,435	42,309,382
Expenses prepaid by the Fund	1,830,268	46,118,096
Accrued income receivable from the Fund	-	126,791,825

## Other information (cont.)

### 16 Related parties (cont.)

#### (b) Transactions with other entities

The Company and the Fund paid the following amounts to the organisations that employ either a Director, an Alternate Director or a Committee member of the Company. Directors' and Committee members' remuneration is set with reference to rates paid by comparable businesses in the financial services industry. The amounts disclosed include superannuation contributions paid directly to the Director or Committee member. Other payments include advertising, marketing, and education services for AustralianSuper and are made on normal commercial terms.

2022	Directors' and committee members' payments \$	Other payments \$	Total payments \$
Australian Manufacturing Workers' Union	169,522	95,000	264,522
Australian Workers' Union	172,610	194,500	367,110
Finance Sector Union	93,555	29,500	123,055
United Workers Union	29,040	-	29,040
<b>Total</b>	<b>464,727</b>	<b>319,000</b>	<b>783,727</b>

2021	Directors' and committee members' payments \$	Other payments \$	Total payments \$
Australian Manufacturing Workers' Union	157,336	185,000	342,336
Australian Workers' Union	128,906	190,000	318,906
Finance Sector Union	58,510	30,000	88,510
United Workers Union	21,160	-	21,160
<b>Total</b>	<b>365,912</b>	<b>405,000</b>	<b>770,912</b>

#### (c) Related party investments and transactions

Details of the Company's related party investments and transactions are listed below:

##### (i) Industry Super Holdings Pty Ltd ('ISH')

AustralianSuper held a 19.95% (2021: 19.95%) shareholding in ISH valued at \$292,951,422 (2021: \$242,488,837). ISH has a number of subsidiary companies, one of which manages investments on behalf of the Fund. IFM Investors Pty Ltd (IFM) manages a selection of infrastructure, Australian listed equities, private equity, fixed interest, and cash portfolios on behalf of the Fund.

IFM managed portfolios totalling \$55,264,707,211 (2021: \$49,182,018,412) on behalf of the Fund and received \$73,795,372 (2021: \$60,332,530) in fees for the management of these portfolios. These fees included fees paid to underlying investment managers for various portfolios and management fees paid directly to IFM of \$43,980,679 (2021: \$40,455,522). The income earned on the portfolios managed by IFM, inclusive of fair value movements, was \$660,587,148 (2021: \$3,308,063,442).



ISH has various other subsidiaries with which the Fund transacts. These non-investment transactions are summarised in the following table.

Company	Nature of transaction	2022 \$	2021 \$
Industry Funds Services Limited	Financial planning, arrears collections and other member services	1,786,550	1,766,000
Industry Super Australia Pty Ltd	Marketing services	5,171,723	5,070,000
IFS Insurance Solutions Pty Ltd	Insurance services	338,000	270,000

During I. Silk's tenure at AustralianSuper he was a director of Industry Super Australia Pty Ltd which is a subsidiary of ISH. B. Crofts and G. Thompson were Directors of The New Daily Pty Ltd ('The New Daily'), a wholly owned subsidiary of ISH. During the year ended 30 June 2022, the Company paid B. Crofts \$nil (2021: \$23,970) for being AustralianSuper's nominee on the Board of The New Daily. During the year, The New Daily reimbursed the Company \$184,000 (excl GST), being the amounts paid, plus an interest adjustment, by the Company to its nominee directors on the Board of The New Daily since 2013.

**(ii) Frontier Advisors Pty Ltd ('Frontier')**

AustralianSuper held a 31.0% (2021: 31.0%) shareholding of ordinary shares valued at \$2,054,000 (2021: \$1,570,771) in Frontier. Frontier provides investment consulting services to the Fund and other institutional clients. Frontier received fees from AustralianSuper for investment consulting services. These fees were \$1,705,410 (2021: \$1,599,325). J. Dixon was a director of Frontier Advisors Pty Ltd during the year ended 30 June 2022.

**(iii) AustralianSuper (UK) Limited**

AustralianSuper (UK) Limited, a wholly owned subsidiary of the Fund domiciled in the UK, was incorporated to provide investment management services to the Fund. AustralianSuper (UK) Limited is entitled to receive service fees, calculated by reference to the costs it incurs. Fees paid and payable by the Company and the Fund to AustralianSuper (UK) Limited during the year totalled \$32,432,593 (2021: \$17,615,577). The Company has a net amount payable of nil (2021: \$600,586) to AustralianSuper (UK) Limited at year end.

**(iv) AustralianSuper (US) LLC**

AustralianSuper (US) LLC, a wholly owned subsidiary of the Fund domiciled in the USA, was incorporated to provide investment management services to the Fund. AustralianSuper (US) LLC is entitled to receive service fees, calculated by reference to the costs it incurs. Fees paid and payable by the Company and the Fund to or on behalf of AustralianSuper (US) LLC during the year totalled \$10,918,496 (2021 \$4,400,869). The Company has a net amount receivable of nil (2021: \$4,400,869) from AustralianSuper (US) LLC at year end.

**(v) AustralianSuper Research Pty Ltd**

AustralianSuper Research Pty Ltd, a wholly owned subsidiary of the Fund domiciled in Australia, was incorporated to provide investment management services to the Fund, specifically to support the Fund's investment operations in China. During the reporting period the Company and the Fund incurred expenses on behalf of AustralianSuper Research Pty Ltd of \$807,573 (2021: \$617,717) and the Company has a net amount receivable of nil (2021: \$69,236) from AustralianSuper Research Pty Ltd at year end.

All transactions with the related parties listed above were made on normal commercial terms, under normal conditions and at market rates.

## Other information (cont.)

### 17 Reconciliation of profit after income tax to net cash

#### (a) Reconciliation of profit after income tax to net cash inflow/(outflow) from operating activities

	2022 \$'000	2021 \$'000
Profit/(loss) after tax	22,683	(12)
Depreciation and amortisation	9,340	39,114
Asset impairments	2	41,564
Other fixed asset movements	2,312	(499)
Other intangible asset movements	19,623	(6,157)
Other lease right of use asset movements	(53,775)	(2,091)
Finance costs	1,444	4,182
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	189,758	(89,725)
Increase/(decrease) in payables	(126,502)	5,361
Increase/(decrease) in provisions	(44,334)	17,034
Increase/(decrease) in income tax payable	9,712	331
<b>Net cash inflow/(outflow) from operating activities</b>	<b>30,263</b>	<b>9,102</b>

#### (b) Non-cash investing and financing activities

Non-cash financing activities disclosed in other notes are the acquisition of right-of-use assets - note 4(a).

### 18 Trustee liabilities and right of indemnity

The Company acts as the Trustee of AustralianSuper. Assets are held in trust on behalf of members and other beneficiaries and liabilities have been incurred on behalf of AustralianSuper in the Company's capacity as Trustee.

The Company has a right of indemnity for liabilities incurred in performing its fiduciary duties as a Trustee. The assets of AustralianSuper, which support the right of indemnity, are not directly available to meet any liabilities of the Company acting in its own right.

### 19 Events occurring after the reporting period

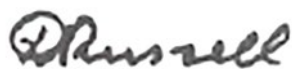
No events have occurred since the end of the reporting period which would impact on the balances of the Company as disclosed in the statement of financial position as at 30 June 2022 or on the results of operations of the Company for the year ended on that date.

# Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 26 are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
  - ii. complying with Accounting Standards and other mandatory professional reporting requirements, and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the Board of Directors of AustralianSuper Pty Ltd.



**Dr D. Russell**  
Director



**C. Keating**  
Director

Melbourne  
9 September 2022

# Independent auditor's report



## Independent auditor's report

To the members of AustralianSuper Pty Ltd

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### Our opinion

In our opinion:

The accompanying financial report of AustralianSuper Pty Ltd (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2022
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

### Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

PricewaterhouseCoopers, ABN 52 780 433 757  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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#### **Responsibilities of the directors for the financial report**

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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#### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CJ Cummins', written in a cursive style.

CJ Cummins  
Partner

Melbourne  
9 September 2022





