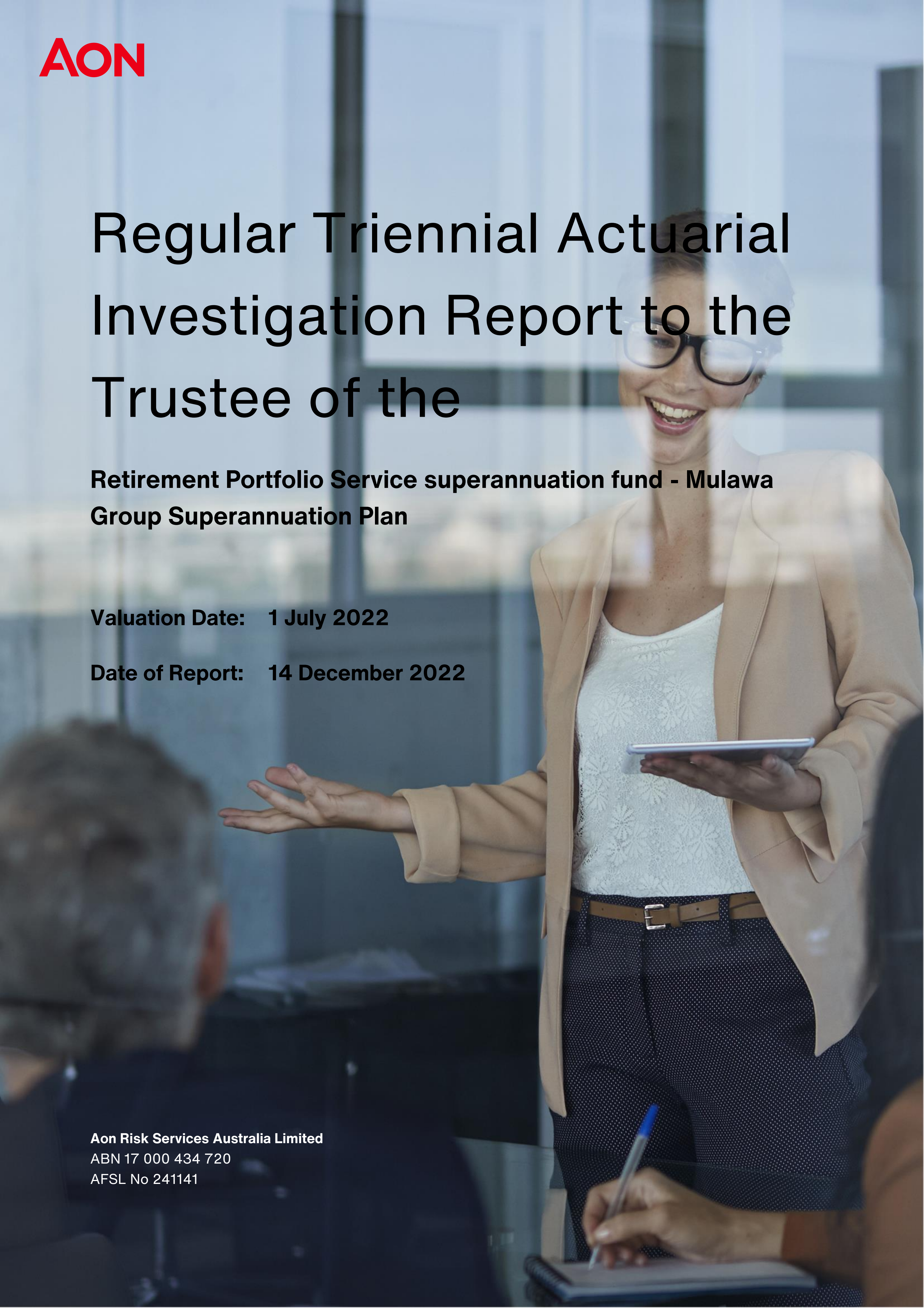

Regular Triennial Actuarial Investigation Report to the Trustee of the

Retirement Portfolio Service superannuation fund - Mulawa Group Superannuation Plan

Valuation Date: **1 July 2022**

Date of Report: **14 December 2022**

Aon Risk Services Australia Limited
ABN 17 000 434 720
AFSL No 241141

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Executive Summary

Superannuation regulations and the Trust Deed of the Retirement Portfolio Service superannuation fund - Mulawa Group Superannuation Plan (the Plan) require that the Plan undergo a regular triennial actuarial investigation. This report has been prepared in order to comply with these provisions.

The sponsor of the Plan is Mulawa Holdings Pty Ltd (the Employer) and the Trustee is OnePath Custodians Pty Limited (the Trustee).

Financial Condition

A snapshot of the financial condition of the Plan as at 1 July 2022 is set out below.

	Defined Benefits only	**Total Plan**	**Comments**
Vested Benefits Index	121.1%	120.0%	The Plan remains in a satisfactory financial position. The Plan's Vested Benefit Index for Defined Benefits is above the Shortfall Limit of 100.0%.
Actuarial Value of Accrued Benefits Index	121.5%	120.3%	The Plan remains in an adequate financial position. The Plan had a surplus on this basis of $2,317,519.
Minimum Requisite Benefits Index	203.0%	194.2%	The Plan was solvent in relation to its Minimum Requisite Benefits.

See Sections 4 and 5 for more information on the financial condition of the Plan.

Significant Changes Since the Prior Triennial Investigation

The overall return on Plan assets was lower than expected for the period 1 July 2019 to 30 June 2022 due to poor investment returns particularly in the past 12 months prior to the valuation date. This had a negative impact on the value of Plan Assets and therefore, in isolation, the financial position of the Plan. Despite this the Plan remains in a strong financial position.

No other changes or events have occurred since the last regular actuarial triennial investigation that would have had a significant effect on this year's valuation results.

Employer Contribution Recommendations

I recommend that the Employer pays contributions to the Plan at the rates set out in the table below:

Category	Employer Rate for defined benefit members
	(% p.a. of salaries[1])[2]
	1/07/2022 onwards
1	0.00%
3	0.00%

[1]The Superannuation Guarantee (SG) contribution rate is to be based on Ordinary Time Earnings (excluding bonus).

[2] As the employer is on contribution holiday, the Plan reserve will be used to fund SG contributions allocated to the members' accounts.

We further recommend that the contribution holiday applies for compulsory member contributions (5.0 percent p.a of Superannuation Salary post-tax) and the Plan's reserve be used to fund these contributions.

SG on bonus for defined benefit members, if any, is also payable as well as SG contributions at the required percentage of Ordinary Time Earnings is payable for any Late Retiree member.

These rates are the same as those currently being paid.

The Employer Superannuation Guarantee and member compulsory contributions must be loaded to Defined Benefit members' accounts by the 28th day of the month following the month to which they relate. The Employer contributions in respect of Late Retiree members must be paid by the 28th day of the month following the quarter end.

For illustration, the long-term Employer Defined Benefit contribution rates without considering the Plan's current financial position (i.e. deficit/surplus) or amounts allocated to additional accumulation accounts are:

Category	Employer Rate
	(% p.a. of salaries[1])[2]
1	11.1%
3	-3.9%[3]

[1]The Superannuation Guarantee contribution rate is based on Ordinary Time Earnings and the balance of the contribution rate is paid on the Superannuation Salary.

[2] Defined Benefit member 5 percent p.a. contributions (or 5.88 percent p.a. if salary sacrifice) of Superannuation Salary are payable in addition.

[3] The reason that the Employer long-term contribution rate is negative is that the benefit for the member remaining in this Category is limited to 7 x Final Average Salary and the member has reached that maximum. Therefore, it is expected that member contributions and earnings on the assets supporting these benefits, even excluding consideration of the surplus, will be higher than the expected increase in the benefit which is only expected to change with salary increases.

Please refer to Section 4 for details.

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 100.0 percent and confirm that, in my view, it remains appropriate.

Please refer to Section 5 for details.

Insurance Recommendations

I have reviewed the formula and confirm that, in my view, it remains appropriate and the current insurance arrangement should be maintained.

Please refer to Section 6 for details.

Investment Recommendations

Other than the SG minimum benefit and resignation benefit, the defined benefits are not impacted by the investment return. As a result, the financial position of the Plan and contribution requirements are particularly sensitive to the investment return achieved on the Plan's assets.

In my opinion, the retention of the current investment strategy (since 2 September 2019) is appropriate to meet the long-term liabilities of the Plan including the projected lump sum benefits of Defined Benefit members on termination of employment or on reaching their Normal Retirement Date and converting to the Plan's Accumulation benefits as Late Retirees.

For more information refer to Appendix C.

Crediting Rate Recommendations

I have reviewed the crediting rate policy for the Plan and confirm that, in my view, it remains appropriate and should be maintained. For more information refer to Appendix C.

Monitoring Recommendations

I have reviewed the current practice of carrying out the regular actuarial investigation on a triennial basis and confirm that, in my view, it remains appropriate based on the current and expected financial position over the next three years. However, as the youngest defined benefit member of the Plan will reach normal retirement age soon after 1 July 2025, this valuation may be the last for the Plan.

Actuarial Assumptions

There have been changes to the actuarial assumptions since the previous regular triennial actuarial investigation. For more information refer to Section 3.

Material Risks

I have reviewed the material risks of the Plan and confirm that, in my view, there are no unusual significant risks that the Trustee needs to be aware of.

Please refer to Section 8 for details.

Next Actuarial Investigation

The next regular triennial actuarial investigation of the Plan should be carried out with an effective date of 1 July 2025 unless an earlier actuarial investigation is needed in relation to the wind-up of the Plan should the last member exit prior to this date. The Trustee may request that an interim actuarial investigation be carried out before this date.

An interim actuarial investigation may need to be carried out at an earlier date if one or more of the notifiable events within the Funding and Solvency Certificate occur prior to that date as advised by the Trustee or Employer (unless, after reviewing the details of a specific event which would otherwise be classified as a notifiable event, the actuary advises the Trustee in writing that such an event does not constitute a notifiable event).

Disclaimer

The calculations provided in this report are based on a number of assumptions. The assumptions used are best estimates only and may not be borne out in practice. It is therefore important to review the calculations in the light of actual experience and obtain regular updates.

Saffron Sweeney

Saffron Sweeney
Fellow of the Institute of Actuaries of Australia
14 December 2022

Section 1 – Introduction

Purpose of the Regular Triennial Actuarial Investigation

The reasons for this regular triennial actuarial investigation are:

- to satisfy the requirements of Superannuation Prudential Standard (SPS) 160 which requires a regular actuarial investigation to be carried out once every three years;
- to review the Plan's financial position as at 1 July 2022 (the Effective Date);
- to examine the Plan's immediate solvency and funding indices;
- to recommend appropriate Employer contribution rates so that the Plan remains in a satisfactory financial position and in order to satisfy the Trust Deed;
- to review the basis for insuring death and disability benefits; and
- to comment on any aspect of the Plan that may assist with improving its objectives.

The main provisions of the Plan that relate to benefits and contributions are set out in Appendix A.

Name of Actuary

This regular triennial actuarial investigation was carried out as at 1 July 2022 by Saffron Sweeney, of Aon Risk Services Australia Limited, Fellow of the Institute of Actuaries of Australia. The previous regular triennial actuarial investigation was also completed by Saffron Sweeney as at 1 July 2019. The results are shown in the report dated 21 November 2019.

Compliance with the Standards of the Institute of Actuaries of Australia

This report satisfies the requirements of the Professional Standards (including Professional Standards 400, 402 and 404) and Practice Guideline 1 published by the Institute of Actuaries of Australia and Superannuation Prudential Standard (SPS) 160.

Reliance and Limitations in the Report

There have been no restrictions or limitations placed on me in providing the recommendations in this report.

This report is intended for the sole use of the Trustee and Employer for the purposes set out in this report. It may not be appropriate for other business purposes. Reliance on information contained in this report by anyone for other reasons than the intended purpose, puts the relying entity at risk of being misled because of confusion or failure to understand applicable assumptions, methodologies, or limitations of the report's conclusions. Accordingly, no person or entity, including the Trustee, should base any representations or warranties in any business agreement on any statements or conclusions contained in this report without the written consent of Aon Risk Services Australia Limited ABN 17 000 434 720 AFSL No 241141 (Aon).

Previous Investigation Results

The results of the previous investigation were as follows:

	Regular Triennial Actuarial Investigation as at 1 July 2019
A surplus of Assets over the Actuarial Value of Accrued Benefits	$[redacted]
An excess of Assets over the Vested Benefits	$[redacted]
Summary of the recommended Employer contribution for DB members	3.4% until 31 December 2019 (with member compulsory contributions payable in addition); 0% from 1 January 2020 onwards (and the reserve to fund the member compulsory contributions from 1 January 2020)

The average long-term Employer contribution rate was -1.9 percent p.a. of Defined Benefit members' superannuation salaries as at 1 July 2019.

Contributions have been paid in accordance with the above recommendations since the last regular triennial actuarial investigation to the date of this report.

Section 2 – The Plan's Experience

This section considers the assumptions used in the previous regular triennial actuarial investigation as at 1 July 2019 and the experience of the Plan relative to these assumptions.

The main factors affecting the Plan's financial position during the period since the previous triennial actuarial investigation as at 1 July 2019 were as follows:

	Assumptions at the previous triennial investigation	**Plan Experience**	**Impact on the financial position of the Plan (when considered in isolation)**
Investment Returns[1]	4.6% p.a.	1.2% p.a.	Unfavourable effect: The Defined Benefit assets increased at a lower rate than assumed.
		Approximately equal to the average return of funds with a similar investment strategy which was 1.8% p.a.[2]	The Plan earned less than the return of other funds with a similar investment mix.
Salary Increases	[redacted]% p.a.	[redacted]% p.a.	Favourable effect: The Defined Benefit liabilities increased at a lower rate than assumed.
Average Employer Contribution rate[4]	Recommended rate (averaged based on category and period) of 1.6% p.a.	Long-term rate of 4.0% p.a.	Unfavourable effect: The Defined Benefit assets increased at a lower amount than the long-term cost of providing the defined benefits.
			As recommended, the Defined Benefit contribution rates were kept to nil and is at a lower rate than the long-term cost of providing the defined benefits.
Expenses and Insurance Premiums	0.9% p.a. for Expenses	1.2% p.a. for Expenses	Unfavourable effect: The Defined Benefit assets, on average, have paid more expenses and premiums than assumed.
	0.6% p.a. for Death and TPD insurance premiums	0.6% p.a. for Death and TPD insurance premiums	
	0.4% p.a. for SCI insurance premiums	0.2% p.a. for SCI insurance premiums	

[1]net of investment expenses and tax

[2]based on the 3-year median return for Rainmaker Workplace Super Performance on Capital Stable options for the period ending 30 June 2022

[3]for existing Defined Benefit members over the investigation period

[4]Percentage of Defined Benefit members' salaries. This includes compulsory member contributions as a contribution holiday for compulsory member contributions occurred from 1 January 2020 in accordance with the recommendation at the last regular triennial actuarial investigation.

The other factors affecting the Plan's financial position during the period since the previous regular triennial actuarial investigation include membership movements. One Defined Benefit member left the Plan due to early retirement during the triennial actuarial investigation period, which is lower than that assumed in the previous investigation. Overall the benefit paid was less than the amount reserved and therefore, in isolation, this has led to a favourable effect on the financial position of the Plan.

The overall experience of the Plan during the regular triennial actuarial investigation period has had a negative effect on its financial position.

Section 3 – Assumptions

As part of this regular triennial actuarial investigation, I have analysed the method and assumptions used in the previous regular triennial actuarial investigation as at 1 July 2019. Where appropriate I have maintained these methods and assumptions, however some have changed in light of the experience discussed in Section 2 of this report and after consideration of changes in market expectations. The actuarial method used is described in Appendix D.

Interest/Salary Differential

The most significant financial assumptions used in a regular triennial actuarial investigation are the rate of future investment returns and the rate of future salary increases. These rates must be considered together because of their economic interdependence in the medium to long-term.

While the absolute level of assumed investment returns is relevant in any regular triennial actuarial investigation, the critical factor is the relationship that this rate has with the assumed rate of salary increase. The difference between the two figures is the Interest/Salary Differential. For this investigation I have used an Interest/Salary Differential assumption of 1.7 percent p.a. as shown in the table below. Therefore the Interest/Salary Differential is less conservative than used in the previous regular triennial actuarial investigation. The overall impact of these assumptions, in isolation to all others, is that the Actuarial Value of Accrued Benefits decreased and the long-term contribution rate has decreased.

	Net investment return (p.a.)	Salary increase rate (p.a.)	Differential (p.a.)
Assumption as at 1 July 2019	4.60%	[redacted]%	1.60%
Assumption as at 1 July 2022	4.70%	[redacted]%	1.70%

These assumptions have taken into account the long-term outlook of economic conditions, in particular:

- The investment return assumption was derived using long-term assumptions for each asset class net of tax as determined by Aon's global investment team, multiplied by the strategic asset allocation of the Defined Benefit related assets (based on the OnePath OptiMix Conservative option) and allowing for correlations of investment returns between asset classes and investment fees;
- We expect that inflation will return to the RBA target of 2 percent p.a. to 3 percent p.a. We have assumed CPI will be 2.5 percent p.a.;
- The long- term outlook for investment returns being higher than those earned in the last three years; and
- The salary increase rate assumption was determined based on the forecast increases in Average Weekly Ordinary Time Earnings (AWOTE), the Employer's expectations and past experience.

Demographic Assumptions

The Death and TPD and early retirement assumptions have been updated from the last regular triennial actuarial investigation based on the overall experience of Master Trusts in the Australian market and considers the occupations and experience of the defined benefit members. The impact of this change in isolation is to create a small increase in the liabilities.

Specimen rates of leaving through various causes which have been used in this regular triennial actuarial investigation and the previous regular triennial actuarial investigation are shown in the following table:

Number of exits per 10,000 members

	1 July 2022		**1 July 2019**	
Age Last	**Death and Disablement**	**Retirement**	**Death and Disablement**	**Retirement**
55	72	1,000	63	1,000
60	137	1,950	116	1,500
65*	0	10,000	0	10,000

* exact age

No allowance has been made for retrenchment which is consistent with the last triennial actuarial investigation. Note that there is no specific retrenchment benefit for the Plan (i.e. members receive the same benefit as if they had resigned or retired, as applicable).

The impact of these changes in assumptions in isolation has slightly increased both the Actuarial Value of Accrued Benefits and the long-term contribution rate.

Expenses and Insurance Premiums

The operating expenses and insurance premiums of the Plan are met from the Assets of the Plan, and as such, the regular triennial actuarial investigation requires a specific allowance to be made to meet these costs. The assumed expenses and insurance premiums for this valuation and the previous investigation are shown in the table below.

	1 July 2019	**1 July 2022**
Operating expenses^*	0.9% p.a.	1.4% p.a.
Death and TPD insurance premiums*	0.6% p.a.	0.3% p.a.
Salary Continuance Insurance premium*	0.4% p.a.	0.3% p.a.
Total expense and insurance premium assumption*	**1.9% p.a.**	**2.0% p.a.**

^ As the assumption is based on total Defined Benefit salaries, the impact of having fewer Defined Benefit members means that the expenses as a percentage of total Defined Benefit salaries increases.

* Percent p.a. of Defined Benefit salaries.

The total expenses and insurance premiums assumption has increased from the previous regular triennial actuarial investigation to reflect the expected expenses over the next three years.

Premiums for any voluntary insurance cover for defined benefit members are deducted from Defined Benefit members' additional accounts and are not funded by the Plan Assets therefore no assumption is required for this cover.

Premiums for any insurance cover for Late Retirees are deducted from their accounts and are not funded by the Plan Assets and therefore no assumption is required for this cover, if any.

The impact of this change in total expense and insurance premiums assumption in isolation has increased the long-term contribution rate.

Tax

There have been no changes to our assumptions regarding tax since the last regular triennial actuarial investigation. These assumptions are set out below.

Contribution rates for future service benefits include an allowance for the current 15 percent tax on Employer contributions, net of deductible expenses.

For the purpose of meeting funding requirements, we have made the following assumptions:

- No allowance has been made in the projections for the impact of the surcharge (up to 30 June 2005 but not assessed before 1 July 2022), or withholding tax due to members not providing their Tax File Number to the Trustee, or excessive contributions tax levied on the member where the member has elected the Plan to pay it on their behalf, if not assessed before 1 July 2022;
- No allowance has been made for the additional 15 percent tax on contributions for high-paid individuals or any excessive contributions tax levied. It is assumed that benefits will be adjusted (via additional accumulation accounts) for affected members to meet these tax amounts assessed;
- No adjustment has been made to the non-concessional contributions, if any, of members where their total superannuation benefit exceeds $1.7 million;
- The Trustee has made a decision in relation to the tax deductibility rules for after-tax contributions from 1 July 2017 in a way that would not lead to a funding implication for Defined Benefit members; and
- That the SG Rate is paid without limitation (i.e. not limited to the SG maximum salary base) for Defined Benefit members.

Overall Effect of Changes in Assumptions

Overall, the changes have increased the expected cost of providing Defined Benefits to the members of the Plan.

Section 4 – Actuarial Value of Accrued Benefits

I have adopted the actuarial method and assumptions described in Section 3 and in Appendix D of this report to determine the present value of past and future liabilities and Employer contributions in relation to Defined Benefit members. The results of the regular triennial actuarial investigation are detailed in the following table and both the assets and liabilities include the additional accounts for the Defined Benefit members.

Actuarial Value of Accrued Benefits (past service)	**Total ($)**
Retirement	[redacted]
Death and Disablement	[redacted]
Resignation	0
Total of Defined Benefit related liabilities	[redacted]
Surcharge accounts for Defined Benefit members	([redacted])
Additional Accounts (excluding Surcharge accounts) for Defined Benefit members	[redacted]
Actuarial Value of Accrued Benefits	[redacted]
Assets*	[redacted]
Surplus/(Deficit)	[redacted]

*Additional Accounts (excluding Surcharge accounts) for Defined Benefit members have been set equal to the balance amount provided by the Plan's adminsitrator.

Analysis of Changes in Financial Position Since the Last Regular Triennial Actuarial Investigation

The following table quantifies the various impacts on the financial position of the Plan since the last regular triennial actuarial investigation as at 1 July 2019. These figures give an indication of the impact of the factors that affect the final regular triennial actuarial investigation result.

	$(000's)
Previous surplus/(deficit)	[redacted]
Interest on surplus/(deficit)[1]	[redacted]
Investment gains/(losses)[2]	([redacted])
Employer contributions (including member contributions) paid at a higher/(lower) rate than long-term rate[3]	([redacted])
Expense gains/(losses)[4]	([redacted])
Salary gains/(losses)[5]	[redacted]
Change in basis gains/(losses)[6]	([redacted])
Withdrawal gains/(losses)[7]	[redacted]
Miscellaneous	([redacted])
Surplus/(deficit) as at the valuation date	[redacted]

[1] Interest on surplus over the period.

[2] An investment loss occurs when investment earnings are lower than assumed.

[3] A contribution loss occurs when employer contributions are paid at a lower rate than the long-term rate.

[4] An expense loss occurs when expenses are more than assumed.

[5] A salary gain arises when salaries increase at a lower rate than was assumed.

[6] A loss from a change in basis occurs when the overall set of assumptions becomes more conservative.

[7] A withdrawal gain occurs when the benefit paid is lower than reserved for in the Plan.

Use of Excess Reserves

The excess of assets over Actuarial Value of Accrued Benefits equates to the surplus of Assets held by the Plan. It is useful to hold a small surplus to protect the Plan from minor fluctuations in asset values and to ensure Vested Benefits are covered.

Total assets exceeded the Actuarial Value of Accrued Benefits as at 1 July 2022 by $[redacted]. This is equivalent to 21.5 percent of Defined Benefit liabilities (i.e. excluding Defined Benefit members' additional accounts) and [redacted] percent of total Defined Benefit salaries. The excess can be used to continue to suspend all Employer contributions for all Defined Benefit members and compulsory member contributions.

Long-term Contribution Rate

The Defined Benefits long-term Employer contribution rate has increased since the last regular triennial actuarial investigation due to the change in actuarial assumptions and membership.

Present Value of Future Service Liability	**Total ($)**
Retirement	[redacted]
Death and Disablement	[redacted]
Resignation	[redacted]
Total of Defined Benefit related liabilities	[redacted]
Less member contributions	[redacted]
Net Future Service Liability	([redacted])
Equivalent net future contribution rate	(0.38%)
Tax	(0.07%)
Expense allowance	1.40%
Death and TPD premiums	0.30%
Salary Continuance premiums	0.30%
Employer contribution rate required for Future Service Benefits (p.a. salary)	**1.55%**

Section 5 – Immediate Solvency and Funding Indices

Immediate Tests on the Adequacy of the Assets

An important objective of this regular triennial actuarial investigation is the measurement of the funding of expected member benefits in respect of their service up to the valuation date.

- Assets: I have taken the fair value of the net assets provided by the Plan administrator, based on the Mulawa Group Superannuation Plan Statement of Account as the value of assets for Defined Benefit members for the purpose of this regular triennial actuarial investigation. The financial statements for the Retirement Portfolio Service superannuation fund at 30 June 2022 were audited and signed on 26 October 2022. The assets are net of any amount held to meet the Operational Risk Financial Requirement (ORFR). The assets are discussed further in Appendix C.
- Liabilities: Appendix D contains a summary of the method used in the regular triennial actuarial investigation to determine the liabilities of the Plan.

The indices described here have been used to assess whether the Assets of the Plan are sufficient to ensure its ongoing solvency and to measure the changes in these indices since the last regular triennial actuarial investigation.

The table below shows the relevant indices calculated by dividing the level of assets by the total of the relevant benefit based on the results of this regular triennial actuarial investigation and the previous regular triennial actuarial investigation.

	1 July 2019			1 July 2022			
	Amount ($)	Index[1]	DB Index[2]	Amount ($)	Index[1]	DB Index[2]	
Minimum Requisite Benefits	[redacted]	215.4%	211.8%	[redacted]	194.2%	203.0%	A
Vested Benefits	[redacted]	115.1%	114.9%	[redacted]	120.0%	121.1%	A
Leaving Service Benefits[3]	[redacted]	114.9%	114.6%	[redacted]	120.0%	121.1%	A
Actuarial Value of Accrued Benefits	[redacted]	122.5%	122.1%	[redacted]	120.3%	121.5%	A
Retrenchment Benefits[4]	[redacted]	115.1%	114.8%	[redacted]	119.9%	121.0%	A
Accumulation Benefits[5]	[redacted]						B
Assets[5]	[redacted]						C

[1]Index is C/A.

[2]DB Index is (C – B)/(A – B), i.e. the index excluding accumulation benefits.

[3]The benefit design allows the Employer to grant early retirement consent for Defined Benefit members between ages 55 and 60. Consent is generally granted. At 1 July 2022, all members are over age 60 resulting in this benefit being the same as the vested benefit.

[4]The Retrenchment benefit is the amount determined by the Actuary as the member's equitable share of the Plan if they remained in service. For the purposes of this valuation it is taken to be the greater of a member's Actuarial Value of Accrued Benefits and their Vested Benefit as per the prior valuation. Should a defined benefit member be retrenched the financial position of the Plan would also be taken into account generally with allowance of a 10 percent buffer for investment fluctuations.

[5]The accumulation benefits are inclusive of additional accounts for Defined Benefit members (including surcharge accounts) and any Late Retiree member's benefits. Additional Accounts (excluding Surcharge accounts) for active Defined Benefit members (of $767,646 at 30 June 2022) have been set equal to the balances provided by the Plan Administrator.

Vested Benefits Index

Vested Benefits are the benefits that members are entitled to receive upon voluntary withdrawal from the Plan. It is either the resignation benefit or early retirement benefit, if eligible (assuming Employer consent is not granted).

The Vested Benefits Index provides a measure of the Plan's ability to meet its minimum obligations to all members if they had withdrawn from the Plan on the valuation date.

To ensure that the Plan is in a satisfactory financial position, it is essential that the Vested Benefits Index is kept above 100 percent. The Vested Benefits Index was at a satisfactory level at the valuation date.

Leaving Service Benefits Index

Leaving Service Benefits are the benefits that members are entitled to receive upon voluntary withdrawal from the Plan. It is either the resignation benefit or early retirement benefit, if eligible assuming Employer consent is granted.

The Leaving Service Benefits Index provides a measure of the Plan's ability to meet its minimum obligations to all members if they had withdrawn from the Plan on the valuation date and, if eligible for early retirement, assuming Employer consent is granted.

Where the Employer regularly gives consent for early retirement, it is desirable to have the Leaving Service Benefits Index above 100 percent. The Employer usually consents to the early retirement benefit for members.

The Leaving Service Benefits Index was at an adequate level, and therefore the Defined Benefit Leaving Service Benefits Index was at an adequate level at the valuation date.

Shortfall Limit

In accordance with SPS 160, the Trustee has set a Shortfall Limit of 100.0 percent. This is the extent to which the Trustee considers the Plan can be underfunded (on the basis that assets are insufficient to meet all members' Vested Benefits) but retain a reasonable expectation of returning to a funded position within a year, solely due to a correction to temporary negative market fluctuations in the value of the Plan assets.

This Shortfall Limit is to be compared to the Defined Benefit Vested Benefits Index i.e. the ratio of Defined Benefit assets and Defined Benefit Vested Benefit liabilities. Additional accounts for Defined Benefit members are excluded from the assets and liabilities.

The Defined Benefit Vested Benefit Index at 1 July 2022 was 121.1 percent. Therefore, the Plan has not fallen below the Shortfall Limit at the valuation date.

I have reviewed the Shortfall Limit of 100.0 percent and confirm that, in my view, it remains appropriate

As the Shortfall Limit is determined with reference to the proportion of growth-oriented assets (as well as salary related benefits) the Shortfall Limit will need to be recalculated if the Trustee changes the investment strategy of Defined Benefit related assets.

Minimum Requisite Benefits Index

Minimum Requisite Benefits (MRBs) are the minimum benefits that members are entitled to under the Superannuation Guarantee legislation. The Plan is 'solvent' if the net realisable value of the Assets of the Plan exceeds the MRB of all members of the Plan.

The Minimum Requisite Benefits Index provides a measure of the Plan's ability to meet its minimum Superannuation Guarantee obligations to all active members if they had withdrawn from the Plan on the valuation date.

The Minimum Requisite Benefits Index was kept above 100 percent and therefore the Plan was solvent at the valuation date.

Actuarial Value of Accrued Benefits Index

The valuation results shown in Section 4 of this report disclose the Actuarial Value of Accrued Benefits, also known as the Past Service Liability. This amount constitutes the "value of the liabilities in respect of accrued benefits" as defined in Division 9.5 of the Superannuation Industry (Supervision) (SIS) Regulations and has been calculated in accordance with Professional Standard 402 issued by the Institute of Actuaries of Australia.

The Actuarial Value of Accrued Benefits Index provides a measure of the Plan's ability to meet its benefit obligations to all members of the Plan based on membership to the valuation date.

The minimum desirable range for this index is 100 to 105 percent which allows for possible variations in asset values. The index was at an adequate level at the valuation date.

Retrenchment Benefits Index

This index considers the extent to which the Plan could meet the retrenchment benefits applicable to its members if they were all retrenched and the Plan was not terminated. The retrenchment benefit is equal to the members' equitable share in the Plan as determined by an Actuary. The equitable share is determined according to the circumstances of the Plan at the time of the valuation. However, the greater of the Actuarial Value of Accrued Benefit and the Vested Benefit for each member is considered to be a reasonable estimate of the equitable share (where assets permit) and then the financial position of assets in excess of this amount would also be considered.

The Retrenchment Benefits Index provides a measure of the Plan's ability to meet its minimum obligations to all members if they had withdrawn from the Plan due to being retrenched on the valuation date.

A Retrenchment Benefit Index below 100 percent indicates that a major retrenchment programme would strain the resources of the Plan and therefore may result in higher contributions.

Termination of the Plan

In the event of the termination of the Plan, all assets available at that time, net of accruals and expenses, would be distributed to members to the extent of their "termination liabilities" as per the Trust Deed and in accordance with relevant law. Each member would be credited with an amount (as resources permit) determined by an Actuary to be equitable. These are known as "termination liabilities".

There is no guarantee of adequacy for the termination liabilities, only a priority charge on available assets up to the level of termination liabilities. At 1 July 2022 the available assets exceeded the members' termination liabilities.

Section 6 – Adequacy of Insurance Arrangements

The Plan Trustee has taken out insurance to protect the assets against certain contingencies which may have a material adverse effect on the solvency of the Plan.

Death or Total and Permanent Disablement Insurance (Lump Sum)

The Trustee has effected Group insurance with Zurich (formerly OnePath Life) to cover part of the lump sum benefits payable from the Plan in the event of the death or Total and Permanent Disablement (TPD) of members. The Sum Insured is designed to supplement the proportion of the benefit which has already been accrued in respect of the members within the Plan and to provide the balance of the relevant benefit from the insurance arrangement. Insurance replaces the otherwise volatile impact on the Plan of payments required in respect of the 'unfunded' portion of each death or disablement benefit with an annual premium, which can be taken into account in the financial planning of the Plan.

The Trustee has confirmed that there are no unusual terms and conditions in the insurance contract. Standard terms imposed by Zurich have been considered with reference to the Plan's product disclosure statement.

At the present time, the formula used to determine the amount to be insured is as follows:

Defined Benefit Members

Death/TPD benefit less the greater of:

a. the member's Vested Benefit; and

b. the member's accrued retirement benefit (based on projected Final Average Salary) discounted by 3 percent for each complete year of future service to age 65.

The Plan has restricted insurance cover, although no members are currently affected. However, if the restriction applies, the member will not have insurance calculated based on the above formula and it is acceptable to continue under this method as the Trustee has an undertaking by the Employer to fund any insurance shortfall in respect of these members should a member die or be totally and permanently disabled and they have restricted cover.

Death or Total and Permanent Disablement (TPD) Funding and Insurance

The following table shows the funded and insured portions of the benefit. It identifies the shortfall or excess amount of insurance in the event that all members were to die or become totally and permanently disabled.

	1 July 2022
	($)
Total sums insured (A)	[redacted]
Plan Assets (B)	[redacted]
Amount of Surplus, if any, set aside for funding purposes (C)*	[redacted]
Plan Assets available to meet Death or TPD benefits (B)-(C)=(D)	[redacted]
Available on Death or TPD (A)+(D)=(E)	[redacted]
Total Death or TPD benefits (F)	[redacted]
Excess/(shortfall) (E) - (F)	[redacted]

* a portion of the surplus is set aside for funding purposes to make allowance for the recommended contribution rate being lower than the long-term Employer contribution rate and therefore this cannot be considered for Death or TPD purposes.

Recommendation

I have reviewed the formula and confirm that, in my view, it remains appropriate and the current insurance arrangement should be maintained.

Disability Income Insurance

The Trustee also has effected Group Insurance (with Zurich, previously OnePath Life) to cover disability income benefits payable from the Plan in certain circumstances of disablement. This is a fully insured benefit, however the Plan remains liable for the payment of retirement, death, total and permanent disablement and resignation benefits if a member who receives a disability income benefit terminates service. Benefits are payable for a period of two years in the Plan.

Indemnity Insurance

The Trust Deed provides an indemnity to the Trustee against claims which may be made against it. This is secured against the Assets of the Plan.

The Trustee has taken out trustee indemnity insurance to help protect the Trustee, its Directors and the Fund against certain liabilities, that is consistent with the size and nature of its business and industry standards. As with any insurance, the indemnity is subject to the terms and conditions of the relevant insurance policy.

Material Issues Arising From Insurance

There are no material issues arising from insurance, although the Trustee should periodically review that all insurance cover remains sufficient.

Section 7 – Sensitivity Analysis and Projections

Assumption Variation

The values of the benefit liabilities shown in this report depend on the assumptions used to calculate them. The main assumptions relate to salary increases and the long-term investment return (net of assumed tax and investment expenses). Examples below provide an indication of the effect on the Actuarial Value of Accrued Benefits and on the Employer contribution rate of changing these assumptions only. The actual investment earning rate and salary increase rate may not be constantly above or below the rates assumed in carrying out the projection of benefits and the actual results may not fall within the ranges shown in the table below:

Assumptions (salary increase rate/long-term investment return)	Actuarial Value of Accrued Benefits as at 1 July 2022*	Overall long-term Employer contribution rate as at 1 July 2022**
	($)	(p.a.)
This valuation (3.0% p.a./4.7% p.a.)	[redacted]	1.6%
Last valuation (3.0% p.a./4.6% p.a.)	[redacted]	2.7%
Last valuation with this valuation decrements (3.0% p.a./4.6% p.a.)***	[redacted]	2.8%
Salary inflation rate plus 1% p.a. (4.0% p.a./4.7% p.a.)	[redacted]	1.6%
Salary inflation rate minus 1% p.a. (2.0% p.a./4.7% p.a.)	[redacted]	1.5%
Investment return plus 1% p.a. (3.0% p.a./5.7% p.a.)	[redacted]	1.5%
Investment return minus 1% p.a. (3.0% p.a./3.7% p.a.)	[redacted]	1.8%

* Defined Benefit members liabilities only

**This is calculated based this valuation's expense and premiums assumption.

*** This is based on last valuation's financial assumptions only, i.e. the decrement assumptions are the same as those used for this valuation.

Based on the above results, it is clear that the financial position of the Plan and the required Employer contribution will vary depending on the actual experience of the Plan and particularly in relation to salary increases and long-term investment returns. Note that the Actuarial Value of Accrued Benefits varies based on the assumptions adopted, however the long-term Employer contribution rate is less sensitive to the assumptions, due to a member in the Plan having reached the maximum accrual of seven (7) times Final Average Salary and hence having no future accrual within the Plan.

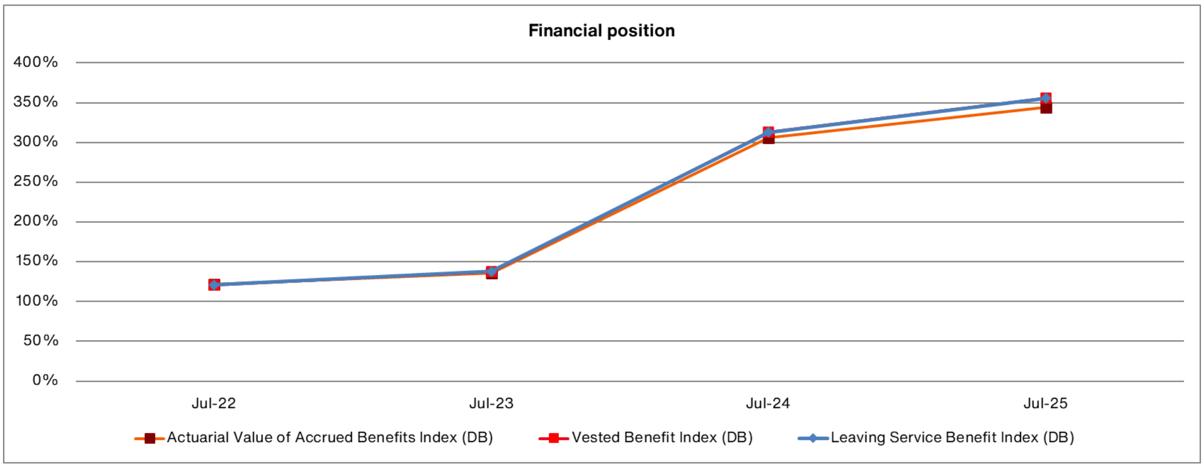
Post Valuation Events

The Plan has earned an average investment return of 2.7 percent from the date of the valuation to 30 November 2022. This is higher than the rate assumed for the valuation and has resulted in a slight improvement in the financial position of the Plan, however with the contribution holiday the overall impact is a slight deterioration in the financial position of the Plan. I estimate that coverage of Vested Benefits (exclusive of Defined Benefit members' additional accounts) has decreased from 121.1 percent at the valuation date to approximately 120.8 percent as at 30 November 2022. This has been taken into account in the recommended Employer contributions.

As Minimum Requisite Benefits (MRBs) are accumulation in nature, they will have moved in line with this investment return. Therefore the funding position, in regards to MRBs, is largely unchanged since the valuation date.

Projection of Future Liabilities

The graph below shows the projected value of Defined Benefit Vested Benefits, Defined Benefit Leaving Service Benefits and Actuarial Value of Accrued Benefits for Defined Benefit members funding indices over the next three years. These projections have been based on defined benefit liabilities and assume that the Employer will pay contributions in accordance with the contribution recommendation (refer to Section 9 of this report) and are based on the assumptions used to calculate past service liabilities at each of the future dates. These projections also allow for the post valuation events described above.



Assuming the Employer contributions are not less than the rates which I have recommended, I expect that on the assumptions, methods and asset values adopted in the valuation, that the Assets will remain sufficient to cover the value of these liabilities during the period up to 1 July 2025.

Section 8 – Material Risks

Financial Risk

As noted in the results of the Sensitivity Analysis (Section 7), the items that have the greatest impact on the financial position of the Plan are the differences between the assumed and the actual salary increase rate and the assumed and actual long-term investment return. Should salaries increase at a higher rate than assumed, the liabilities will be higher than expected and the assets may then be insufficient to cover members' benefits. This may then require the Employer to make larger contributions to the Plan. Similarly, if there are lower than assumed investment returns, the assets of the Plan would be reduced compared to the assets expected and may then be insufficient to cover members' benefits. This may then require larger contributions to be made by the Employer. If the Employer is willing and able to make these larger contributions and accept the volatility involved, a deterioration in the financial position can be managed.

Other strategies to mitigate these risks are:

- to ensure that the Employer is aware of the effect on the financial position of salary increases being granted above assumed rates; and
- to change the asset allocation on the Defined Benefit related assets to a less risky strategy (note: that this would generally increase the long-term cost to the Employer but provide lower contribution volatility).

Employer Financial Viability

The future of the Plan relies on the Employer remaining a viable entity and being willing and able to pay contributions as and when needed. The Trustee should discuss the valuation report with the Employer and ensure the Employer understands the recommendations before agreeing to the contribution rates.

Plan Specific Risks

Size of the Plan

The defined benefit section of the Plan has [redacted] members and $[redacted]m of defined benefit related assets (inclusive of additional accounts) remaining. As a result, the Plan is exposed to additional risks than when it was larger. In particular, given the number of members remaining the "law of averages" may no longer hold and actual experience of the remaining few members may be significantly different to the assumptions adopted for funding calculations. This can result in a more volatile funding position, with the experience of just one member now having a proportionately larger impact. Closer and more regular monitoring of the funding position can help mitigate these risks.

Other risks that the Plan is exposed to as a result of its smaller size include:

- Member data, particularly salary data, which if not accurate and up-to-date can have a larger (negative) impact on funding once updated. Allowing for potential future salary increases for key personnel and for any known defined benefit member exits can be taken into account in future funding position projections.

- Many costs are not directly linked to the number of members or asset value of the Plan. Therefore the expenses will have a greater impact on the funding position and/or the Employer contribution rates required. Similarly, any cost associated with legislative or other changes will also impact the funding position.
- As member numbers decline, so too can the remaining lifetime of the Plan. The assumptions adopted for funding purposes and in setting the investment strategy may have considered a longer time horizon and now may need to change to reflect the shorter timeframe.

Investment Policy

As mentioned above, market risk is a key driver in the financial position of the Plan. However, there are other investment risks to consider. These include:

- **Liquidity Risk** – the risk that illiquid assets or large cashflows from the Plan cause the payment of benefits to be delayed or assets to be sold at reduced values to meet liability obligations.

The Trustee mitigates this risk by holding and monitoring of adequate levels of liquid securities.

- **Concentration Risk** – the risk that investments are concentrated in one particular asset class, country or manager, the poor performance of which could cause a material effect on the investment return.

The Trustee mitigates this risk by investing across a number of asset classes holding a diversified portfolio of securities, and where relevant, across currencies and geographies.

The Trustee should periodically monitor the risks summarised in this section and seek advice or take action as may be deemed necessary.

Section 9 – Recommendations and Actuary's Summary Statement for the Purposes of SPS 160

Recommendations

Future Contribution Recommendations

I recommend that the Employer pays contributions to the Plan at the rates set out in the table below:

Category	Employer Rate for defined benefit members
	(% p.a. of salaries[1])[2]
	1/07/2022 onwards
1	0.00%
3	0.00%

[1]The Superannuation Guarantee (SG) contribution rate is to be paid based on Ordinary Time Earnings (excluding bonus).

[2] As the employer is on contribution holiday, the Plan reserve will be used to fund SG contributions allocated to the members' accounts.

We further recommend that the contribution holiday applies for compulsory member contributions (5.0 percent p.a. of Superannuation Salary post-tax) and the Plan's reserve be used to fund these contributions.

SG on bonus for defined benefit members, if any, is also payable as well as SG contributions at the required percentage of Ordinary Time Earnings is payable for any Late Retiree member.

These rates are the same as those currently being paid.

The Employer Superannuation Guarantee and member compulsory contributions must be loaded to Defined Benefit members' accounts by the 28th day of the month following the month to which they relate. The Employer contributions in respect of Late Retiree members must be paid by the 28th day of the month following the quarter end.

The recommended contributions will need to be reviewed prior to the next regular triennial actuarial investigation due with an effective date of 1 July 2025 if one or more of the notifiable events within the Funding and Solvency Certificate occur prior to that date as advised by the Trustee or Employer (unless, after reviewing the details of a specific event which would otherwise be classified as a notifiable event, the Actuary advises the Trustee in writing that such an event does not constitute a notifiable event).

Shortfall Limit Recommendations

I have reviewed the Shortfall Limit of 100.0 percent (see Section 5) and confirm that, in my view, it remains appropriate.

Insurance Recommendations

I have reviewed this formula (see Section 6) and confirm that, in my view, it remains appropriate.

Investment Recommendations

Other than the SG minimum benefit and resignation benefit, the defined benefits are not impacted by the investment return. As a result, the financial position of the Plan and contribution requirements are particularly sensitive to the investment return achieved on the Plan's assets.

In my opinion the investment strategy is appropriate to meet:

- the long-term liabilities of the Plan;
- the expected lump sum benefits of Defined Benefit members on termination of employment; and
- a conversion to the Plan's Late Retiree category on reaching their Normal Retirement Date.

The Employer has chosen to have the Defined Benefit assets to be invested in a less growth orientated investment in order to minimise the fluctuations of assets in volatile investment markets. This change was agreed to by the Trustee and made on 2 September 2019.

The levels of liquidity available to the Plan are adequate to meet any of its short-term liquidity requirements.

Crediting Rate Recommendations

I have reviewed the crediting rate policy for the Plan and confirm that, in my view, it remains appropriate and should be maintained. For more information refer to Appendix C.

Monitoring Recommendations

I have reviewed the current practice of carrying out the regular actuarial investigation on a triennial basis and confirm that, in my view, it remains appropriate based on the current and expected financial position over the next three years. However as the youngest defined benefit member of the Plan will reach normal retirement age soon after 1 July 2025, this valuation may be the last for the Plan.

Disclaimer

The calculations provided in this report are based on a number of assumptions. The assumptions used are best estimates only and may not be borne out in practice. It is therefore important to review the calculations in the light of actual experience and obtain regular updates.

Actuary's Statement for the Purposes of SPS 160

I have conducted a regular triennial actuarial investigation of the Retirement Portfolio Service superannuation fund - Mulawa Group Superannuation Plan (the Plan) as at 1 July 2022 covering the three-year period to that date.

In my opinion:

1) As at 1 July 2022, the fair value of the net Assets of the Plan for Defined Benefit members, based on audited accounts was $[redacted] and this is the value of assets used to determine the Employer contribution rate with an allowance for investment returns for the period from 1 July 2022 to 30 November 2022.

2) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Actuarial Value of Accrued Benefits of $[redacted] as at 1 July 2022. This amount was not used for the purposes of Australian Accounting Standard AASB1056. The Trustee has determined to use an approximate method for the AASB1056 Defined Benefit member liabilities to ensure timely disclosure in Retirement Portfolio Service superannuation fund financial statements.

3) The value of the Assets of the Plan was adequate to meet the value of liabilities of the Plan in respect of the Minimum Requisite Benefits as at 1 July 2022.

4) The investigation disclosed the Plan was in a satisfactory financial position as at 1 July 2022. The Plan's financial condition has not fallen below the Shortfall Limit set by the Trustee at the valuation date.

5) The Plan has no liability in respect of current pensioners. Any member who has postponed retirement or deferred receipt of their benefit remains a member under the Rules and any relevant liability is included with that of other members.

6) I have recommended contributions to ensure that the assets will continue to be adequate to meet the liabilities of the Plan and I expect the Plan to remain in a satisfactory financial position as defined in the SIS Regulations.

7) All Funding and Solvency Certificates required to be obtained during the period of investigation were provided. I expect that an actuary will be able to certify the solvency of the Plan in any Funding and Solvency Certificate required during the three-year period following the valuation date.

Saffron Sweeney

Saffron Sweeney
Fellow of the Institute of Actuaries of Australia
Aon Risk Services Australia Limited

14 December 2022

Appendix A – Summary of Plan Rules

As set out in Clause 20 of the Trust Deed, the Trustee may review and amend contributions and/or benefits under the Trust Deed as long as the amendment does not reduce the benefits accrued to any member with respect to the period before the date of the amendment, unless the member or regulator has approved the amendment in writing.

Eligibility

The Plan is closed to new entrants. Members are eligible to transfer between the following categories at the invitation of the Employer:

Category 1 (ex Category A)

Category 2 (ex Category B) [no members left]

Category 3 (ex Category C)

Category 4 (ex Category D) [no members left]

Category 5 (ex Category E) [no members left]

Plan Structure

The Retirement Portfolio Service superannuation fund - Mulawa Group Superannuation Plan (the Plan) is a Defined Benefit plan and is constituted by a Trust Deed originally dated 1 March 1993. Since the last regular triennial actuarial investigation there have been no changes made to the Deed.

All new employees join other complying superannuation funds.

The Plan is a complying fund for the purposes of the Superannuation Industry (Supervision) Act 1993. This results in the Plan being taxed at the favourable rate of 15 percent on income net of allowable deductions.

Annual Review Date

1 July

Definitions

Normal Retirement Date (NRD)

65th Birthday

Early Retirement Date (ERD)

After age 55 with the consent of the Employer or at any time after the age of 60, or if the member retires at any time due to ill health.

Salary

The ordinary annual rate of salary or wages excluding commissions, bonuses, overtime payments and any other additional payments. Contributions are paid on part-time salary (i.e. Salary x Fraction).

Final Average Salary

Final Average Salary is the average of the member's Salaries at 1st September in the period of three years preceding the date of actual retirement. If the member joined service in the three years prior to retirement, the Salary on joining will be deemed as being received prior to this date.

Previous Plan

Any superannuation plan approved by the previous Trustee in which a member participated before being accepted as a member of the Previous Fund.

Previous Fund

The Mulawa Group Superannuation Fund (formerly The Federal Hotels Limited Superannuation Fund).

Service

Plan Service

The period of membership with the Employer from the date joined the Previous Plan, or Previous Fund if later, and membership of the Retirement Portfolio Service superannuation fund (formerly OnePath Corporate Super and ING Master Trust), calculated in years and complete months.

Service

The period of continuous employment with the Employer.

Supplementary Benefits

The aggregate of any rollovers and voluntary member or Employer contributions paid by (or in respect of) the member. The supplementary benefits for members have member choice and are valued by the applicable unit price. The Supplementary Benefits are administered in the accumulation section of the Retirement Portfolio Service superannuation fund.

Fraction

This is the proportion of a full-time working week worked and is varied if working hours change (for full-time employees the Fraction is 1).

Contributions

Member

Category 1,2,3,4,5 5 percent p.a.

Members may have their contributions paid by the Employer at a rate of 5.88 percent of Salary (and be “deemed” to have contributed for the purposes of their resignation benefit), whilst other members may opt to have the Employer pay their contributions through a salary-sacrifice arrangement.

Employer

Category 1,2,3,4,5 Balance of costs

Benefits

Normal Retirement Benefit (NRB)

Equal to Retirement Benefit Multiple times Final Average Salary. The Retirement Benefit Multiple is the sum of the following:

- The Accrual Rate (as given by the following table) for each year and complete month of Plan Service of the relevant category:

Category	Accrual Rate (%)
1	16.0
2	15.5
3	24.0
4	18.0
5	11.0

- The maximum amount payable is equal to seven times Final Average Salary. This benefit has a minimum of the member’s Resignation Benefit.

Early Retirement Benefit (ERB)

The benefit is determined as for normal retirement, based on Service and Final Average Salary at the date of retirement. This benefit has a minimum of the member’s Resignation Benefit and a maximum amount payable is equal to seven times Final Average Salary.

Late Retirement Benefit (LRB)

If a member retires after their Normal Retirement Date, a benefit equal to the benefit which would have been payable had the member retired at their Normal Retirement Date is calculated and transferred into the accumulation section of the Retirement Portfolio Service superannuation fund (formerly OnePath Corporate Super and ING Master Trust). Any net contributions made after the Normal Retirement Date are added to this accumulation account.

Death Benefit

1) Lump sum benefit equal to:

   (a) the prospective benefit which would have been paid at NRD if the member had continued on the same Salary.

2) If a member has had their group life insurance restricted their benefit shall equal the minimum of:

   (a) the member's ERB plus the restricted insured amount; or

   (b) the death benefit calculated in 1).

Plus any voluntary insurance cover the member has elected and been approved for.

Total and Permanent Disablement (TPD) Benefit

The TPD Benefit is the same as for the Death Benefit.

Total and Temporary Disablement Benefit

75 percent of salary payable in monthly instalments. This income is payable after a three month waiting period and for a maximum period of 24 months.

Resignation Benefit

If a member leaves the Service before their Normal Retirement Date and no other benefit is payable, then a benefit equal to the value of the member's own or deemed contributions (to the Plan, Previous Fund and the Previous Plan) with compound interest up to the date of leaving Service, shall be payable.

The above benefit will be increased by a vesting factor times the above benefit. The vesting factor is calculated as 10 percent for each year and complete month of Plan Service by the Member in excess of five years, subject to a minimum of 85 percent and a maximum of 100 percent. This is summarised in the table below:

Membership	**Accrual Rate (%)**
<13	85
14	90
15	100

Retrenchment Benefit

If a member leaves the Service as a result of Retrenchment, a benefit equal to the members' equitable share of the Plan shall be payable.

Plan Termination Benefits

In the event of the termination of the Plan, all assets available at that time, net of accruals and expenses, would be distributed to members to the extent of their "termination liabilities" as per Clause 22 of the Trust Deed and in accordance with relevant law. Each member would be credited with an amount (as resources permit) determined by an Actuary to be equitable.

There is no guarantee of adequacy for the termination liabilities, only a priority charge on available assets up to the level of termination liabilities.

Additional Accounts (excluding Surcharge accounts)

Additional Voluntary Contribution Accounts and Rollover Accounts are in addition to all of the above benefits.

Surcharge Account

All benefits are offset by the Surcharge Account (if any). The Account is the accumulation, with investment earnings, of all surcharge amounts assessed for each member.

Appendix B – Membership

Changes in membership 1 July 2019 – 1 July 2022

	Total
Active DB Membership at 1 July 2019	**4**
Plus	
New Entrants	0
Transfers from other funds	0
Transfers from other categories	0
Less	
Transfer to other funds	[redacted]
Transfers to other categories	[redacted]
Deaths	[redacted]
Total and Permanent Disablement	[redacted]
Early retirements	[redacted]
Normal retirements	[redacted]
Resignations	[redacted]
Retrenchments	[redacted]
Late retirements	[redacted]
Active DB Membership at 1 July 2022	**3**

Membership Characteristics as at 30 June 2022

The main characteristics of the Plan's Defined Benefit membership at the valuation date are summarised in the following table. For comparison, active figures for the previous valuation date (1 July 2019) are shown also:

Defined Benefit members	**1 July 2019**	**1 July 2022**
Number of members	4	3
Average age (years)	[redacted]	[redacted]
Average membership (years)	[redacted]	[redacted]
Total annual salary ($)	[redacted]	[redacted]
Average annual salary ($)	[redacted]	[redacted]

Quality of Data

Member data was received electronically and was in good order for the purposes of preparing this Report. Defined benefit individual membership data as well as Defined Benefit asset information was reconciled to the last regular triennial actuarial investigation data.

We have relied on the asset information provided by the Plan administrator as at 1 July 2022 as audited financial statements for the Plan at that date are not available, however we understand that the financial statements for the Retirement Portfolio Service superannuation fund as at 30 June 2022 have been audited and signed on 26 October 2022.

Aon have relied on data and information provided by the Plan administrator. Aon did not audit the employee data and financial information used in this valuation. However, on the basis of our review of this data, we believe that the information is sufficiently complete and reliable, and that it is appropriate for the purpose intended.

If the data and information provided is revised for any reason and materially changes the results, then this report may need to be revised.

Administration

No significant variations were detected between the method of calculation of benefits on the administration system and our calculations. The data received was adequate and appropriate for the purposes of the regular triennial actuarial investigation. Data checking included:

- Accrued and normal retirement multiples;
- Final average salary and consistency of salaries from year to year; and
- All benefit calculations at the valuation date (resignation, retirement, death and total and permanent disablement benefits).

Appendix C – Accounts and Summary of Assets

Accounts

The following is a summary of the Financial Accounts provided by the Plan administrator for the regular triennial actuarial investigation period 1 July 2019 to 30 June 2022. The final accounts of the Retirement Portfolio Service superannuation fund for 30 June 2022 have received audit clearance.

	1 July 2019 to 30 June 2022 ($)
Defined Benefit Related Plan Assets at start of period	[redacted]
Plus	
Member contributions	[redacted]
Employer contributions	[redacted]
Rollovers/transfers in	0
Investment income (including capital appreciation/depreciation)	[redacted]
Sundry income	0
Less	
Group Life premiums (net of rebates)	[redacted]
Benefits (net of insurance recoveries)	[redacted]
Transfers out to other funds	0
Administration and other charges	[redacted]
Income tax	[redacted]
Other taxes	0
Others	0
Defined Benefit Related Plan Assets at end of period*	[redacted]

*In addition Defined Benefit members had Additional Accounts (excluding Surcharge accounts) of $[redacted] at 30 June 2022. We have not been provided cashflow of this amount over the inter-valuation period. We were not provided similar information for the regular triennial actuarial investigation as at 1 July 2019. As the assets and liabilities for these account balances are equal this has not had any impact on the funding position as the assets and liabilities had been understated by the Defined Benefit members' Additional Accounts (excluding Surcharge accounts) at 1 July 2019.

Aon have relied on data and information provided by the Plan administrator. Aon did not audit the financial information used in this valuation. However, on the basis of our review of this data, we believe that the information is sufficiently complete and reliable, and that it is appropriate for the purpose intended.

If the financial information provided is revised for any reason and materially changes the results, then this report may need to be revised.

Summary of Assets

Defined Benefit members can invest their Supplementary Benefits and any Late Retiree members can invest their full benefit in the accumulation section of the Retirement Portfolio Service superannuation fund in any option(s) they choose but all other account balances (i.e. those that relate to the Defined Benefit) will be invested in the OnePath Optimix Conservative Option.

The benchmark asset allocations of the defined benefit assets at the last regular triennial actuarial investigation and this regular triennial investigation are as follows:

By Asset Class	**1 July 2019[1]**	**1 July 2022**
(based on benchmark asset allocation)	**(%)**	**(%)**
Australian Shares	10.0	8.0
International Shares	12.0	10.0
Property	4.0	6.0
Alternatives Asset - growth	12.5	6.0
Alternatives Asset - defensive	12.5	4.0
Australian Fixed Interest	22.0	22.0[2]
International Fixed Interest	20.0	22.0[2]
Cash	7.0	22.0
Total	**100.0**	**100.0**

[1] Optimix Conservative Option – asset strategy change applying from 2 September 2019

[2] Optimix Conservative Option's diversified fixed interest allocation of 44 percent split equally for comparison purposes. OnePath's split may vary.

The asset valuation method is in accordance with Professional Standard 404 published by the Institute of Actuaries of Australia. There were no material qualifications identified in the latest audit report that impact on the value of assets. We have relied on the asset information provided by the Plan administrator as at 30 June 2022 as audited financial statements for the Plan at that date are not available, however we understand that the financial statements of the Retirement Portfolio Service superannuation fund as at 30 June 2022 were audited and signed on 26 October 2022.

Crediting Rate Policy

The Plan return and crediting rate (which is the Optimix Balanced option return plus indirect costs up to 2 September 2019 and Optimix Conservative option return plus indirect costs thereafter) for the period was:

	Year to 30 June 2020	Year to 30 June 2021	Year to 30 June 2022	3 Years to 30 June 2022
Relevant Optimix option	-1.03%	7.68%	-2.76%	1.2% p.a.
Plan Crediting Rate	-0.70%	7.88%	-2.56%	1.4% p.a.

The Plan credits the investment earnings plus an allowance for indirect costs (including advisor fee, expense recovery fee net of any rebate) to members' accounts via a crediting rate mechanism. This method of crediting interest is appropriate as members receive interest on their accounts in accordance with what the Plan has earned with indirect costs added back in as members are not to wear any expenses or costs for the defined benefit and there are no cross-subsidisations. Investment earnings credited to members can be positive or negative.

Appendix D – Funding Method

Funding Method

The funding method is the manner in which the Employer's recommended contribution rate is determined. In this regular triennial actuarial investigation I have calculated the recommended Employer contribution rate using an actuarial funding method called the Attained Age Normal method (AAN).

In this method an initial contribution rate is determined for each category which will be sufficient to meet the benefits which will accrue to current members at the valuation date in respect of their future service only.

The contribution rate is constructed so that it is expected to remain constant until the last current member leaves the Plan (assuming the assumptions made are borne out and remain unchanged).

Secondly, the value of current members' Actuarial Value of Accrued Benefits is compared to the value of assets. The future service contribution rates are adjusted in the light of any surplus or deficiency.

This is the same method as was used at the last regular triennial actuarial investigation.

The reason this method is chosen is so that the Employer can be provided with the long-term future cost of providing the benefits based on the current membership which should not vary substantially as it is a smoothed rate. The usage of surplus or funding of a deficit can then be over a time horizon that is considered suitable from both the Trustee and Employer's point of view.

Summary of Method of Attributing Benefits to Past Membership

In order to determine if the Plan is in surplus or deficit it is necessary to determine what proportion of benefits payable in the future from the Plan are due to past service. The past membership components in respect of the current members are projected forward allowing for future assumed salary increases and then discounted back to 1 July 2022 at the valuation rate of interest assumption.

The past membership component for each type of benefit is:

Retirement Benefits

Based on a member's actual accrued retirement benefit multiple as at the date of valuation.

In the case of benefits based on the accumulated value of contributions made to the Plan (i.e. where the Minimum Requisite Benefit 'wins'), the past component is based on the accumulated contributions with investment earnings to the valuation date, allowing for future expected investment earnings, vesting and discounted from the projected date of resignation to the valuation date.

Death and Disablement Benefits

Based on a member's accrued retirement benefit multiple as at the date of valuation. If the member had restricted insurance cover, the past membership component is based on a member's accrued multiple as at the valuation date.

Adjustments

Defined Benefit members' Additional Accounts (including surcharge accounts, which are negative accounts) have been added to the past membership liability at their face value.

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