



# Annual Report 2023

Helping our members from day one, to one day

From the day you start working, to the day you retire, we'll be there



**aware**  
super



Acknowledgment of Country

In the spirit of reconciliation, healing and truth-telling, Aware Super acknowledges as a whole the Traditional Custodians of the Country throughout Australia.

We pay our deepest respects to Elders past and present.

Uluru Statement from the Heart

Aware Super supports the Uluru Statement from the Heart, its spirit and aspirations. We believe in the human right of self-determination for all First Nations peoples, to have a voice on matters that affect them. It is our view that the legislative changes necessary to improve the lives of First Nations peoples and their families will require deep consultation with, and listening to, their voices.

We believe deeply that every Australian deserves to live their best possible retirement. Aware Super takes seriously our responsibility to work towards a superannuation system that allows for equitable access and participation for all First Nations peoples. As part of our ongoing reconciliation journey, we will continue to work with others in our industry, governments and the wider community to address this inequity.

For Aware Super’s full Uluru Statement from the Heart commitment, see:

[aware.com.au/corporatesustainability](https://www.aware.com.au/corporatesustainability)

Welcome to the Aware Super Annual Report 2023

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**Important information and disclaimer:** Prepared and issued by Aware Super Pty Ltd ABN 11 118 202 672, AFSL 293340, the trustee of Aware Super ABN 53 226 460 365. Unique Superannuation Identifier (USI) 53 226 460 365 001, MySuper Authorisation Number 53 226 460 365 073. When members receive advice, they receive it under our financial planning business, Aware Financial Services Australia Limited ABN 86 003 742 756 AFSL No. 238430. Aware Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430) is wholly owned by Aware Super. For more information or to request a printed copy free of charge, call 1300 650 873. Issued November 2023.

# How we report

Our purpose is to be a force for good in super and retirement, shaping the best outcomes for our members, their families and communities, and our industry.

Our 2022/23 Annual Report is only one of the many ways in which we live up to this purpose by communicating to our members and other stakeholders on our performance during the year, key outcomes achieved and our outlook for the future.

## Our annual reporting documents include:



Annual Report 2023

[aware.com.au/annualreport2023](https://aware.com.au/annualreport2023)



Investment Performance Report 2023

[aware.com.au/investmentperformancereport2023](https://aware.com.au/investmentperformancereport2023)



Governance Report 2023

[aware.com.au/governancereport2023](https://aware.com.au/governancereport2023)



Responsible Investment Report 2023

[aware.com.au/responsibleinvestmentreport2023](https://aware.com.au/responsibleinvestmentreport2023)

This year, we've continued our journey to align our report to the International Integrated Reporting <IR> Framework. With it, we can more easily present the value we create for our stakeholders in an ever-changing world.

Our report presents the resources (known as 'capitals') we use to create services and products – and value for our stakeholders.

For more on our investment options' performance as at 30 June 2023, see the Investment Performance Report:

[aware.com.au/investmentperformancereport2023](https://aware.com.au/investmentperformancereport2023)

To access our latest investment returns, see:

[aware.com.au/investmentreturns](https://aware.com.au/investmentreturns)

Formerly StatePlus:

[aware.com.au/otherfunds](https://aware.com.au/otherfunds)

## Additional report:

## Reporting scope

The scope of this report is limited to the operations of Aware Super Pty Ltd, as a trustee of Aware Super (Aware Super). Our report covers the financial year 1 July 2022 to 30 June 2023 for Aware Super Pty Ltd, unless otherwise stated.

The contents of this report have been reviewed and approved by the Member Services Committee, as delegates for the Aware Super Board.

## External assurance

As part of our continuous improvement of our reporting practices, and focus on sustainability, we engaged RSM this year to conduct, for the first time, a limited assurance on our 2022/23 financial year Scope 1, 2 and 3 emissions as well as our claim to being a carbon neutral organisation. RSM in Australia is an independent member firm of RSM Global and has grown into one of Australia's leading professional services firms over the last 100 years. The assurance letter is available on Aware Super's website, see:

[aware.com.au/corporatesustainability](https://aware.com.au/corporatesustainability)

Our financial statements are audited by an independent auditor, Deloitte Touche Tohmatsu ('Deloitte') and approved by the Aware Super Board. The audit was conducted in accordance with Australian Auditing Standards and provides reasonable assurance that the financial statements are free from material misstatement. The abridged financial statements are set out in the Financial disclosures and Additional disclosures, see [page 46](#). The full financial statements, disclosure notes and unqualified audit opinion are available on Aware Super's website, see [aware.com.au/reports](https://aware.com.au/reports). Deloitte has issued an unqualified audit opinion that the financial statements present fairly in all material aspects in accordance with Australian Accounting Standards as at 30 June 2023.

## Materiality – what matters most to our members

Each year we identify material topics that could impact the value we create for our members and stakeholders in the short, medium and long term. This process identifies and rates material topics by analysing stakeholder feedback our stakeholders' interest in them, the environment we work in, our strategy and global trends. These topics are then validated by our executive team.

Our strategic scorecard presents a map of how our material topics relate back to our strategic pillars, with metrics to track our progress against our targets over time, see [page 14](#).

## Using the United Nations Sustainable Development Goals as a framework

The United Nations established 17 Sustainable Development Goals (SDGs) in 2015. These goals are important because they aim to make the world a better place for everyone. We selected seven SDGs where our work could make an impact.



Our strategic scorecard shows how we're tracking against our targets and the SDGs they impact, see [page 14](#).

## Modern slavery statement

Our modern slavery statement is part of a yearly assessment of our operations (including investments) and supply chains to identify our exposure to modern slavery risk. For more on our latest modern slavery statement see:

[aware.com.au/modernslaverystatement](https://aware.com.au/modernslaverystatement)



## Want to go paperless?

You can opt in for a digital copy of the annual report by calling us on 1300 650 873 or emailing us:

✉ [enquiries@aware.com.au](mailto:enquiries@aware.com.au)



## We'd love your feedback on our report

Let us know your thoughts on our annual report by emailing us:

✉ [enquires@aware.com.au](mailto:enquires@aware.com.au)



# About Aware Super



A\$161.4bn

Members' savings managed



9.3%

Aware Super Future Saver High Growth 10-year performance



1.1m

Total members



37,818

Net new members

## Helping our members from day one, to one day

As one of Australia's largest profit-for-members superannuation funds, we always remember whose money it is and whose future we're looking after – our 1.1+ million members. They're the people who inspire what we do and how we do it, every day.

For us, that means being super helpful in ways our members want and sometimes in ways our members don't expect.

It starts with super returns. Backed by a team of investment specialists, we apply our expertise to help grow our members' retirement savings, so they can look forward to life after work.

A strong 9.3% p.a.<sup>1</sup> over 10 years is great news for those in our Future Saver High Growth option where most members are invested.

**But we're also working to make our members' lives a little easier right now.** With super helpful advice, whether it's a life moment that changes everything, a career move or preparing for what's next, we want to guide and empower our members from day one, to one day, so they can get more from their super.

As a fund with over A\$161 billion under management, we know the impact we can make for our members and for the communities in which they live, work and retire – that's a responsibility we don't take lightly, not ever.

**With super advice and super returns, Aware Super is super helpful.**

1. Compound average return for accumulation accounts after allowing for tax and investment management expenses but before the deduction of administration fees. Refer to the Aware Super Investment Performance Report for the performance of each investment option and Lifecycle stage. Past performance is not an indicator of future performance.

2. Zenith CW Pty Ltd ABN 20 639 121 403 AFSL 226872/AFS Rep No. 1280401 Chant West Awards issued 17 May 2023 are solely statements of opinion and not a recommendation in relation to making any investment decisions. Awards are current for 12 months and subject to change at any time. Awards for previous years are for historical purposes only. Full details on Chant West Awards at [chantwest.com.au/fund-awards/about-the-awards/](https://chantwest.com.au/fund-awards/about-the-awards/).

3. The rating(s) is issued by SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings uses objective criteria and receives a fee for publishing awards. Visit [superratings.com.au](https://superratings.com.au) for ratings information and to access the full report. © 2023 SuperRatings. All rights reserved.



91%

Member satisfaction on super advice services



Membership by gender

Female	64.6%
Male	35.0%
Other	0.5%





108,131

Number of active employers

## Delivered more features to member portal

Making it even simpler for members to manage their super.

We have cut down the paper work

Members can make fast withdrawals. They can open a retirement income account as a member, make insurance claims and update existing insurance cover in minutes.

We have made speedier contributions and tax detectable claims

Members can make and process contributions online, in minutes or complete an online Notice of Intent to claim a tax deduction for personal contributions online.

Giving members more control over investments

We've given members the ability to choose and allocate from a range of investment options. Or, they can leave it to us and we'll invest their super in our default MySuper Lifecycle, which automatically adjusts the investment mix to a member's life stage.

4. *Money* magazine's Best Super Fund 2023 recognises Aware Super as one of Australia's best performing super funds, providing strong long-term returns across various investment options leading to better retirement outcomes for members.

*Money* magazine's Best Super Lifecycle Product 2023 recognises Aware Super's MySuper Lifecycle design as a leader in improving members' retirement balances, by guiding them through an investment path over their lifetime, boosting their growth potential for as long as possible and gradually de-risking in the lead up to retirement, helping to safeguard member's savings and provide the best possible retirement outcome.

*Money* magazine's Best Value Super Fund for Young People 2023 recognises Aware Super's innovative MySuper Lifecycle design, providing younger members the opportunity to invest in the High Growth investment option for a longer period of time, taking on more investment risk with the potential for higher returns, has the ability to provide a much larger balance for members at retirement.

*Money* magazine's Best Growth Super Product 2023 recognises Aware Super's High Growth investment option. Investing in a range of Australian and overseas investments, the High Growth option is suited to members who can tolerate risk and have an investment timeframe over 10 years or more.

*Money* magazine's Best Moderate Pension Product 2023 recognises Aware Super's Conservative Balanced Socially Conscious option. Delivering strong long-term performance whilst screening out companies operating in sectors recognised for having a highly adverse environmental or social impact. Check the PDS for details of the screening criteria and any revenue thresholds, where applicable.

5. Compound average return for accumulation accounts after allowing for tax and investment management expenses but before the deduction of administration fees. Refer to the Aware Super Investment Performance Report for the performance of each investment option and Lifecycle stage. Past performance is not an indicator of future performance.

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Aware Super Annual Report 2023

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# What makes us different

Being super helpful is our mantra. This year, we’ve improved the way we service and communicate with members based on what they told us.

## Our members want...

The best financial returns and low fees

To feel confident about their retirement

Help when and how they need it

Less red tape and simpler ways to transact online

Greater choice and control managing their insurance

Socially conscious investment options

## We’ve....

**Achieved** a 10.7% return for our Future Saver High Growth (default MySuper Lifecycle option for members aged 55 years and under) in the 2022/23 financial year.<sup>6</sup>

**Reduced** our fees and saved members in retirement an average of A\$335 annually. We’ve also increased access to help and advice at no extra cost for members to help them retire with confidence. We are continuing to build retirement solutions that help our members get the best possible income throughout retirement.

**Expanded** our affordable advice offers, with new intrafund advice topics including setting up an income stream. We also launched our My Retirement Planner digital advice tool, which helps members to understand how much they need to retire and how they are tracking towards their retirement goals.

We’ve made sure our members can learn when it suits them, with a range of free, on-demand webinars covering the basics and beyond. We’ve introduced quarterly investment video updates, so our members can learn more about what’s happening with financial markets and what it means for their super.

**Delivered** a major transformation of our services that automates and digitises many of our transactions to members so they can manage their super anywhere, anytime. We are doing things differently in super – offering our members a market-leading, automated approach that reduces errors and wait times. The majority of transactions can now be completed online and through the Aware Super app.

**Upgraded** our Member Online portal to make it simple and easy for members to apply for and change their insurance cover and to make a claim online.

**Added** a new High Growth Socially Conscious investment option for our accumulation members. For pension members, we added a new Conservative Socially Conscious investment option.

These options exclude investments in industries and companies considered to have a highly adverse environmental or social impact.

6. Aware Super, 30 June 2023 returns. Past performance is not a reliable indicator of future performance.

# Our values

We always put our members first.

We are committed to helping our members before they even know they need help. We’re on a mission to become Australia’s most helpful super fund, guided by our values, which are to:



Lead bravely

Care deeply



Deliver honourably

## Message from our Chair

Progress on equality, progress on climate action, progress on a level playing field for all Australians – these are some of the major imperatives superannuation needs to deliver for members. There's been no more important time in the history of superannuation to get the settings right to deliver the best possible outcomes for members as they save for, transition to and live their best possible retirement.



It is a wonderful privilege to join the board of Aware Super as your incoming Chair. This is a profound responsibility and one that demands deep commitment. In my first months with the fund I have been honoured to meet with and listen to members and stakeholders across the country. I have also spent time sitting alongside our dedicated Member Support team as they have fielded your calls seeking help, guidance and support on your journeys to retirement.

The 2022/23 financial year presented some challenging times for all Australians. When families are facing a cost of living crisis and doing it tough, it is more important than ever for you to be able to depend upon someone taking care of your super and your retirement, and helping to set you up for your best possible future.

What we believe in, what we stand for and what we value, keep us on course. Our long-established commitment to responsible ownership demonstrates those principles in action, as we invest for strong retirement outcomes, while considering the impact of our investments on the environment and society. We are stewards of your retirement savings and we take that responsibility seriously.

For this reason, major changes to Australian public policy represent a significant opportunity for Aware Super to achieve even better retirement outcomes for

our members into the future. Improving gender equity in Australian workplaces and across the economy will lead to better economic outcomes for women across the country, including in their retirement. A retirement sector strengthened by women's superannuation balances delivers better outcomes for all members, through improved exposure to investment diversification and lower fees achieved through greater scale.

Likewise, as the impact of climate change has been directly felt by more Australians than ever before, it is our long-term outlook that will help us navigate the further challenges the world will face in the coming decades. The very real financial impact of a changing climate can be devastating for families and communities. But with concerted action we can help to avoid the even greater costs of lasting impacts on infrastructure, the insurance market and our health and aged care systems – all of which threaten the quality of retirement that every one of our members and every Australian deserves to look forward to.

It is with these significant challenges – and opportunities – in mind that I reflect on the skills, attributes and commitment of my fellow board members and the Aware Super executive team led by our Chief Executive Officer, Deanne Stewart, and feel a deep gratitude and confidence that our fund is in excellent hands.

I look forward to continuing to serve you in the 2023/24 financial year.

**Sam Mostyn AO**  
Chair

## Message from our CEO

To be your best possible partner in your own journey to retirement, there are three vital roles we need to play: consistently delivering the best possible returns, making it simple and easy to do what you want to do with your super, and providing the right help, guidance and advice that you need along the way.

On behalf of the board and executive team of Aware Super, I want to thank all of our members for entrusting us with the honour of guarding and growing your retirement savings.

The 2022/23 financial year delivered many financial challenges for our members, from global inflationary pressures to a rapid climb in domestic interest rates, and rising energy and food prices. Despite these challenges, I'm pleased to report that we delivered a 10.7% return for our High Growth option, our largest option and where most of our members under 55 years are invested. Our default pension option, Conservative Balanced, returned a healthy 7.6% for the year.

Individual years of exceptional performance stand out at a point in time, but what's really important in each of our journeys to retirement is consistently strong performance over the long term. I am especially pleased to report that our 10-year returns for these options remain strong, at 9.3% per annum for our High Growth accumulation option, and 7.1% per annum for our default pension option over that period.

Over the past year we have delivered the major stages of a transformation program that will forever change the way we support our members – making it easier and faster to do what you need to do, and growing the number of ways in which we can help you to reach your retirement goals.

Most of our processes are now digital rather than paper based. So whether you are looking to join a family member, consolidate super funds, change investment options, top up or cancel insurance, or make a pension withdrawal, each of these actions can be completed almost instantly, rather than the weeks it would take via a paper form. You can also now follow the progress of your transactions via the **My Activities** feature of our online portal or member app, just like tracking delivery of a parcel.

For those members currently saving towards their own retirement, our industry-leading **My Retirement Planner** tool can not only show you how much money you're likely to need in retirement, but also how likely you are to achieve that goal. More importantly, through our investment in digital advice, My Retirement Planner can also help you explore more of your possibilities – from changing your



planned retirement age, showing the long-term impact of considering different investment options, or even helping you understand your eligibility for the Government Aged Pension.

Getting the technology right also means that when you do need the human touch, our team is now even better equipped to give you the personalised help that's right for you, so you can have confidence that you're on track for your best possible retirement.

A big thank you to our people across the business for their ongoing commitment and significant contribution to our achievements in the 2022/23 financial year. I know they are passionate about ensuring we provide you with the best possible long-term investment returns and the easiest and most helpful super experience so that you are able to live your best possible retirement.

**Deanne Stewart**  
CEO



# How we create value

Our ability to create value for our members and the communities where they live is linked to how well we use our resources ('capitals') to achieve outcomes on what matters most ('material issues') to our stakeholders. It's about making the most of what we have to benefit our members and contribute to a better world.

The resources...

CAPITALS

Financial capital

Our members savings

Social and relationship capital

Our relationship with our stakeholders

Intellectual capital

Our data, digital and technology

Human capital

Our people and culture



...We use...

OUR BUSINESS ACTIVITIES



More on pages 16–19



...to create value for our stakeholders

OUTPUTS

Financial capital

- 10.7% Aware Super MySuper Lifecycle High Growth one-year performance
- Second-lowest quartile of administration fees for MySuper products<sup>7</sup>
- Two years of progress on our **Climate Change Portfolio Transition Plan**
- Single insurer for all members (TAL Life Limited)

Social and relationship capital

- 37,818 net new members
- 143,607<sup>11</sup> members accessing advice
- 15% increase in participation of workplace educational webinars and seminars compared to the 2021/22 financial year

Intellectual capital

- 60% of members use our app
- Our transformation program delivered its largest wave of benefits in November 2022 and May 2023 with it expected to complete in the 2023/24 financial year

Human capital

- Developed our aspirational culture
- Climate Active certified (operations)
- Employer of Choice for Gender Equality by the **Workplace Gender Equality Agency** (WGEA)
- Completed our Reflect Reconciliation Action Plan and launched our Innovate Reconciliation Action Plan
- One of Australian Financial Review AFR BOSS Best Places to Work 2023

OUTCOMES

Financial capital

- 9.3% p.a. Aware Super Future Saver High Growth 10-year performance
- We are one of Australia's largest profit-for-members super funds when it comes to retirement<sup>8</sup>
- 51% reduction<sup>9</sup> in emissions intensity in our listed equities portfolio
- A\$60 million invested in green and sustainability linked bonds
- 97.4% of insurance claims were paid<sup>10</sup>

Social and relationship capital

- 91% member satisfaction on superannuation advice services
- Education sessions led to 10% of members taking action on their finances

Intellectual capital

- 1+ million members have access to our app and online portals, allowing members to view balances, transactions, fees and statements, view and change the way money is invested, and make once-off payments to their accounts
- In May 2023, 855,000 heritage First State members experienced the benefits of faster, straight-through processing

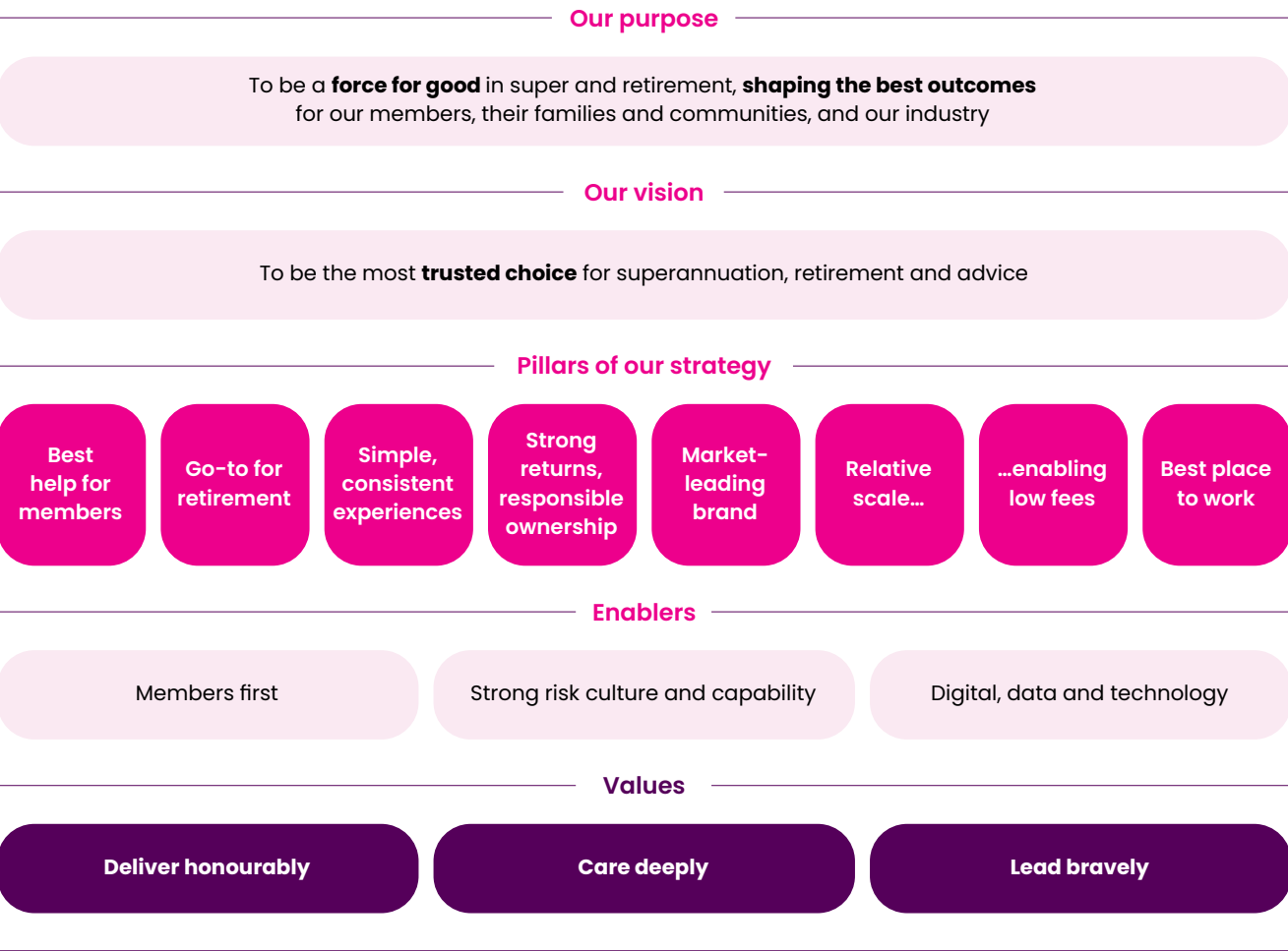
Human capital





- 79% employee engagement<sup>12</sup>
- 45.7% of employee internal mobility
- 46.4% male/53.6% female gender split (employees)

7. As published in the Chant West Super Fund Fee Survey, June 2023 (MySuper tables), assuming a \$50,000 account balance.  
8. Based on the March 2023 DEXX&R Market Share Report.  
9. From December 2019 baseline.  
10. In the year ending June 2023, TAL paid 97.4% of claims (4,152 decisions, 4,046 accepted).  
11. This number includes the number of members who attended public education seminars and webinars, number of superannuation advice appointments, number of members who attended a comprehensive and specialist advice appointment, number of times our 'Explorer' tool provided a Public Calculator Report or Statement of Advice, and number of on-demand videos that were viewed by members.  
12. Employee engagement represents the levels of enthusiasm and connection employees have with their organisation. It's a measure of how motivated employees are to put in extra effort for their organisation and a sign of how committed they are to staying there.

# Our strategy

Our strategy sets out how we'll achieve our purpose and vision. It shows our strategic pillars and enablers that will help us focus our efforts. The work we're doing to deliver on our strategy is detailed throughout this report.



Actions delivered				
2022/23 financial year priorities				
Delivering our transformation program	Deepening our in-house investments management capability	Offering the best help to members as they prepare for and enjoy their retirement	Continuing to build scale	Enabling our strategy
See  pages 16, 39	See  pages 13, 16	See  pages 28–39	See  pages 16–18	See  pages 12–15

## Our top strategic priorities for the 2023/24 financial year

### Growth

As one of Australia's largest profit-for-members super funds, our scale directly benefits our members. In the 2023/24 financial year, we're focusing on growth that cuts costs, offers more affordable fees and expands our services. To support this, we'll strengthen our super helpful brand and explore mergers that offer even more value to our members.

### Strong returns

Delivering strong returns to our members is always at the heart of our strategy. To achieve this, we're working to expand in-house investment management, deepen our presence in global markets and enhance our investment platform.

### Being super helpful

We're dedicated to being super helpful – giving our members the help they need to achieve their best possible retirement. To simplify the journey there, we're making our help offers more affordable and more accessible.

#### Super helpful moment



*'I've attended seminars, received personal financial planning and a lot of information to help me maximise my super while working so it that will supply most of my funds for retirement.'*

**Member (for 5–10 years)**

### Simple and consistent experiences

We're making it much simpler and easier for our members to manage their super and retirement with us.

This year, we completed significant work on our transformation program that brings our administration in-house and digitises our member experience. We improved functionality on our award-winning app and portal, made our website simpler to use and launched a tailored strategy for members' retirement goals. We also gave members more choice and control over their insurance.

We're all about making super simple for our members and this will continue to drive our efforts in the 2023/24 financial year.



































Alongside these priorities, we focus on the essential tools and resources that boost our ability to achieve these goals. This includes making Aware Super the best place to work.







# Our strategic scorecard


Our scorecard shows our progress. It highlights our main performance metrics and compares our performance from one year to the next.


What we want to be known for	Material topics	Key performance indicators	2021/22 performance (for the reporting period as at 30 June 2022)	2022/23 performance (for the reporting period as at 30 June 2023)	2022/23 target	Sustainable Development Goals alignment
Best help to members		# of members accessing advice <sup>13</sup>	122,559	143,607	135,400	
		% of members that have downloaded the app <sup>14</sup>	49.1%	60%	60%	
Go-to for retirement		% of FUM retained in retirement phase <sup>15</sup>	63%	61% <sup>16</sup>	68%	 
Simple, consistent experience		Member satisfaction score <sup>17</sup>	7.1	7.1 <sup>18</sup>	7.5	
Strong returns and responsible ownership		MySuper Growth ranking, rolling five-year performance <sup>19</sup>	10th	10th <sup>20</sup>	Top 5	
		A targeted emissions reduction in our listed equities portfolio <sup>21</sup>	45%	51%	30%	
Corporate sustainability		Completion of Reflect Reconciliation Action Plan	Completed	Innovate RAP commenced	Innovate RAP progressed, to be completed by 2024	
		Achieve Climate Active certification for our operations	Achieved for 2021/22	In progress	To be completed by the end of the 2023 calendar year	 
		Achieve Employer of Choice for Gender Equality and Practices citation annually	Achieved	Achieved <sup>22</sup>	Achieve it for 2022/23	 
Relative scale enabling low fees		FUM	A\$145.7bn	A\$161.4bn	A\$155.7bn	
		New members (net member growth organic and inorganic) <sup>23</sup>	35,284	37,818	26,879	
		Administration fees in lowest quartile of all MySuper products <sup>24</sup>	2nd (lowest) quartile	2nd (lowest) quartile	1st quartile	
Best place to work		Employee voluntary turnover	17.9%	16.2% <sup>25</sup>	15%	 
		Employee engagement (sustainable)	74%	79%	80%	 
		Internal mobility	Not included in 2021/22 report	45.7%	45%	 


Material topics


 Member experience, service and advice


 Digital technology and transformation


 Member privacy, data, cyber security and financial crime


 Retirement adequacy and outcomes


 Investment strategy, governance and performance


 Responsible ownership


 Aboriginal and Torres Strait Islander engagement


 ESG risks and expectations


 Climate change

 Gender equality

 Providing value for money service

 Talent acquisition, engagement and retention

 Organisational culture and employee engagement

 Leadership capability

Read more

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p23 RIR

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GR

GR = Governance Report 2023

RIR = Responsible Investment Report 2023

IPR = Investment Performance Report 2023

13. This number includes the number of members who attended public education seminars and webinars, number of superannuation advice appointments, number of members who attended a comprehensive and specialist advice appointment, number of times our ‘Explorer’ tool provided a Public Calculator Report or Statement of Advice and number of on-demand videos that were viewed by members.

14. In the 2023/24 financial year, we will begin to track and report a new metric – % of active members who have registered for online access.

15. This number represents % of FUM captured into our retirement phase based on the Aware Super and VicSuper accumulation members age 60+ who have made a decision to retire by either opening a retirement account with Aware Super, VicSuper or moved into StatePlus as a result of an advice relationship. This is calculated as a % of FUM retained, rolled out to an external fund or fully cash exited. It excludes partial cash exits and accounts that opened less than six months ago.

16. For more on the actions we are taking, see [page 28](#).

17. In the 2022/23 financial year, member satisfaction was calculated on a past three-month month average basis. This is a change from the 2021/22 financial year, when we used a whole of financial year calculation. For more on the actions we are taking, see [page 33](#).

18. The member satisfaction score as at April 2023, which was before the transformation program migration and systems upgrade. Member satisfaction decreased in May 2023 because of this disruption to member experiences, however member satisfaction is trending up.

19. The MySuper Growth product changed to the Future Saver Balanced option on 11 May 2023.

20. SuperRatings Fund Crediting Rate Survey for the period to 30 June 2023 accessed on 25 July 2023. Returns for the Aware Super Balanced investment option exceeded the top quartile return of 6.21% over five years to 30 June 2023 of the SR50 MySuper Index (approx. 40 options). Had this investment option formed part of the SR50 MySuper Index, it would be ranked 10th within the index at 30 June 2023. Members invested in the Aware Super MySuper Lifecycle option will be fully invested in the Balanced option while aged 60 and partially invested in the Balanced option between ages 56 to 64. Returns are after investment fees and costs and tax on investment income. Past performance is not a reliable indicator of future performance.

21. 30% reduction target in emissions intensity against a 2019 baseline by 2023 for our listed equities portfolio. Source: Aware Super equities portfolio data.

22. The WGEA Citation is assessed every two years. The application we are working on covers the following reporting period: 1 October 2021 to 30 September 2023.

23. Net member growth includes organic and inorganic. There were no mergers during the 2022/23 financial year.

24. Source: Chant West Super Fund Fee Survey June 2023 based on a \$50,000 balance. MySuper Default Administration fees and costs include fixed dollar member fees, percentage-based administration fees, percentage-based trustee operating costs, percentage-based expense recoveries and costs paid from reserves. Where the benefit of the tax deduction relating to a fee is not passed on to the member as either reduced contributions tax or a reduced fee deducted from their account, the fee is ‘grossed up’ (i.e. divided by 0.85). This is the case for Aware Super and several other funds. ©Zenith CW Pty Ltd (Chant West) (ABN 20 639 121 403) 2023. Fees are based on information sourced from publicly available disclosure documents or directly from product providers and are subject to change. Chant West has not considered your objectives, financial situation or needs in preparing this comparison and neither has it considered the target markets of financial products, where applicable. You should consider the appropriateness of this information having regard to your objectives, financial situation and needs, and read the relevant product disclosure statements, before making any decisions. Chant West’s Financial Services Guide is available at [chantwest.com.au](#)

25. In the 2022/23 financial year, some areas of the business experienced restructuring, directly contributing to this metric. Due to the differing operating environments of our Advice and Member Support team business units, employee turnover in these teams is measured separately and therefore is not included in this metric. Our total employee turnover for all business units for the 2022/23 financial year was 18.2%.

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# External environment

We monitor how events and trends could impact our ability to create value for our members, both now and in the future. This means we'll be ready to meet the challenges and opportunities ahead.

Below we discuss the factors relevant to our activities this past year.

## Challenging economic conditions

Economic conditions were challenging throughout the 2022/23 financial year. Rising inflation, interest rates and cost of living pressures put a strain on our members' household budgets and disposable incomes. While encouraging signs show inflation is coming down, there's a risk of ongoing high and unstable inflation.

We know our members, particularly those in or nearing retirement, want to be assured their super fund is looking after their money in the best way possible. We continued our focus on strong and prudent investment management, while making it easier than ever for members to access information about their savings. For more on how we're being super helpful to members, see [page 33](#).

Dealing with investment market volatility is part of what we do. Super is a long-term investment. We focus on achieving the performance objectives for each investment option over the recommended timeframe in a risk-controlled way. That means we focus on long-term returns and diversifying our portfolio so we can deliver the best



returns for our members. In the 2022/23 financial year, all diversified investment options, except the Defensive option, outperformed their CPI objectives over the long term, while the strong recovery in performance improved benchmark outperformance in the short term.

We expect economic conditions to continue being uncertain into the next year. As a result, we've kept a large allocation invested in equities and increased our allocation to infrastructure. At the same time, we're exploring opportunities in venture capital, unlisted assets and private credit. We also continue to research the factors affecting portfolio risk and return so our portfolio remains resilient under a range of economic scenarios.

## Industry consolidation

Industry consolidation continues, albeit at a slower pace than in recent years and in a slightly different way. Most funds under direct regulatory pressure have merged. Consolidation is now occurring among the mid-size funds, now that many of the smaller funds have merged. Consolidation has resulted in moderate fee reductions for some funds. For more on how we're keeping costs lower for our members, see [page 29](#).

## Digital technology and transformation

Superannuation funds have largely lagged other financial services institutions, such as banks and share trading platforms, in offering members real-time access to their accounts and the ability to transact digitally. As more Australians retire, the need for better digital services is increasing.

We're leading the way with a simple, digital-first experience. We've redesigned our service to be super helpful so we can better anticipate our members' needs and guide them in decision-making with advice at the right time. And we've brought our administration operations in-house, aligning our services to the life phases of our members so our teams can provide expert help and guidance when assisting members. This is to provide our members with the easiest member experience as well as to lower costs, and more easily scale our fund through mergers and acquisitions that are in our members' interests.

## Regulatory change

Changes were limited this year for super, unlike previous financial years which brought significant regulatory reform. Most thresholds and rates remained the same as the previous financial year, with some exceptions. 1 July 2023 brought a return to normal for account-based pension withdrawals and previously scheduled increases to the Superannuation Guarantee (SG) rate and Age Pension Age, along with indexation of the Transfer Balance Cap.

Here are several changes effective from 1 July 2023 that may affect our members:

- the Superannuation Guarantee (SG) rate increased to 11%
- the Transfer Balance Cap increased to A\$1.9 million
- the defined benefit income Transfer Balance Cap is A\$118,750 per annum for 2023/24
- Super co-contribution income thresholds for lower incomes is now indexed at A\$43,445 and for higher incomes A\$58,445
- cessation of the temporary 50% reduction of account-based Pension Minimum Drawdown rates
- the Age Pension Age increased to 67 for anyone born on or after 1 January 1957.

Aware Super is committed to protecting our members' retirement savings and personal information from cyber, fraud and financial crime, and we're continually strengthening our members' security in an increasingly complex financial landscape. To safeguard our members, we deploy a multifaceted approach that encompasses dynamic security technologies, proactive fraud monitoring methods and a market-leading internal control environment with strong detective and preventative measures.

## Addressing environmental, social and governance risks and climate change risk

### For our investments:

We believe it is important to take environmental, social and governance (ESG) considerations into account when investing, enabling us to better manage risk and generate strong long-term returns for our members.

A company's approach to managing ESG risks and opportunities can have a meaningful impact on its long-term viability and success. Over the long term, we think companies and assets with sound ESG management are more likely to increase in value.

Our ESG integration approach means we assess and monitor ESG risks and opportunities across the fund's portfolio throughout the life of an investment, from the initial investment due diligence and selection (i.e. before we make a new investment) and during our ownership.

When making investment decisions across all asset classes, we look at:

- environmental issues like climate change, waste, pollution and biodiversity
- social issues like diversity and inclusion, labour relations, including supply chain management, workplace health and safety, conduct and culture, and adherence to international conventions
- governance issues like board structure, director remuneration and transparency and reporting.

By integrating and considering ESG issues in our portfolios we are acting as a responsible owner, not just an investor.

For more about our responsible ownership approach, see:

[aware.com.au/responsibleinvestmentreport2023](https://www.aware.com.au/responsibleinvestmentreport2023)

Climate change represents a significant long-term risk to our investment portfolio.

In 2020, we released our Climate Change Portfolio Transition Plan (Transition Plan) to address the large systemic and structural shifts needed to limit climate change and its impacts. We refreshed our Transition Plan in 2023. The Transition Plan is a framework of recommendations and targets focused on short, medium and long-term initiatives to achieve net zero emissions by 2050, with the aim to reduce the risk of climate change on the investment portfolio.

At an industry level, we advocate for policies that encourage investing in the transition to a low-carbon economy.

### As a corporate:

There is increased scrutiny by regulators to ensure companies uphold their ESG claims and commitments. We manage our ESG risks in our investments and in our operations. Our Corporate Sustainability Strategy highlights our approach. Some uplift in our capability in addressing modern slavery includes training our staff to identify and report instances of modern slavery and reviewing our Modern Slavery Policy.

We achieved the Climate Active carbon neutral recertification for our business operations at the end of 2022, achieving a 6% reduction in operational carbon emissions for the 2022/23 financial year. This commitment will see us continue to reduce our operational emissions in coming years to achieve the 45% operational carbon emission reduction target by 2030.

For more on how we manage corporate ESG and climate risks, see:

[aware.com.au/governancereport2023](https://www.aware.com.au/governancereport2023)



## Talent attraction and retention

The global economy slowed during this period and at the same time, the labour market in Australia remained relatively tight, especially when compared to pre-pandemic years. The combination of these two factors resulted in a challenging market to source and attract talent. Our total employee turnover for the 2022/23 financial year was 18.2%, which is higher than we'd like, but reflects the highly competitive market for talent.

We've had to think differently about how to find talent and boost internal appointment for vacancies. Some of our actions included:

- an Internal Mobility Strategy. This includes raising internal awareness of vacancies and building an enterprise-wide mindset towards internal career, growth and development. We offer targeted development programs across all levels for emerging, thriving, female and senior talent. We set an internal mobility rate target at 45%, and we achieved 45.7% at June 2023.
- promotion of our Talent Referral Incentive Scheme, which resulted in a 6% increase in internal referrals, up from 9% in the 2021/22 financial year to 15% in 2022/23.
- direct to market approach to reduce costs and create a stronger pipeline for developing talent. The Talent Acquisition team recruited 77% of roles directly in the 2022/23 financial year, with only 23% being referred to external agencies.



## Outlook

### Industry consolidation

We've focused on preparing our business to deliver super helpful advice and services to our members by completing our transformation program. With in-house administration, we are primed to grow our business through mergers and acquisitions that deliver the benefits of scale to our members, should appropriate strategic partnerships arise.

### Government and policy landscape

A number of changes affecting the superannuation industry were announced in the 2023/24 Federal Budget. Some of the changes are still to be legislated, but the proposed changes include:

- Payday Super – where employers will need to pay super at the same time as they pay wages from 1 July 2026, so individuals can more easily make sure they're not missing out on super
- from 1 July 2025, individuals with a super balance exceeding A\$3 million will be subject to a 30% tax, an extra 15% on the portion of their super over A\$3 million.

The Quality of Advice Review was completed in late 2022, recommending substantial reforms to the financial advice regulatory framework to enable more

Australians access to high-quality advice. The Federal Government provided an initial response to the review in June 2023. Two initial streams of work were identified:

- stream one includes changes to make the provision of advice more efficient and remove costly and ineffective disclosures
- stream two proposes changes to allow super funds to provide more advice to members.

Legislation to enable these changes is expected to be introduced in 2024.

We strongly support the Quality of Advice Review's recommendations and advocate for change that will allow us to engage in more quality conversations with our members about their super and future.

The National Anti-Corruption Commission was introduced on 1 July 2023. It is responsible for detecting, investigating and reporting on serious misconduct in the public sector. We expect close examination of stakeholder interactions, including super funds, with the Government.

To ensure every engagement is above board, we established the Government Engagement Probity and Integrity Policy in the 2022/23 financial year. This policy, binding for all our staff and directors, sets expectations for proper engagement and record-keeping for all interactions with government stakeholders.

# Fund governance and strong risk culture and capability

Our strong risk culture and governance keeps us accountable to our members, other stakeholders and each other.

## Strengthening our risk culture

Our recently defined aspirational culture encourages excellence, growth and innovation, along with a deep sense of care and empathy for our members and each other.

We also uplifted our frameworks and systems to improve the way we manage risk. Capability across the fund is now stronger, with more of our people accountable for risk as we continue to build our knowledge and skills in the year ahead.

In surveys, our employees told us they feel safe to speak up, with frameworks and education embedded in our revised Code of Conduct and reinforced by our leaders.

For more on how we manage risk, engage with our stakeholders, pursue opportunities and govern ourselves, see:

[aware.com.au/governancereport2023](https://www.aware.com.au/governancereport2023)

## Board activities

The resizing of our board from 15 to 11 directors became effective on 1 July 2022.

The appointment of new Chair Sam Mostyn AO was completed following Neil Cochrane's retirement on 1 March 2023. During the 2022/23 financial year, the board and its committees oversaw our transformation program, including insourcing our member administration services and uplifting our risk and compliance frameworks. The board ensured our priority was on delivering to members the best sustainable advice, guidance and education services. The board also oversaw the expansion of our investment footprint, with the planning towards the commencement of our first international office in London.

## Updates to our governance frameworks

Our updated Fraud Risk Management Framework was approved by the Audit, Risk and Compliance Committee in May 2023.

Our Board Renewal Policy and Governance Framework were also updated to reflect the board resize.

To view the Board Renewal Policy, see:

[aware.com.au/policies](https://www.aware.com.au/policies)

## Strengthening our cyber and financial crimes capability

Cyber and financial crimes continue to be a risk to our members, as they are ever evolving and grow more sophisticated by the day. Being a victim is distressing and we take the protection and security of our members seriously. We continue to improve our ability to detect and prevent cyber and financial crimes. We've focused on developing our team of crime experts, collaborated with government and industry bodies to address the issue at a sector level and continue to refine our cyber and financial crimes governance, policies and controls, including an enhancement of our transaction monitoring program. We regularly report to the Aware Super executive team and board regarding external threats, our response to those threats and the controls we operate to minimise harm to members, which reflects how seriously we take this risk.

To find out how you can protect yourself against threats, see:

[aware.com.au/security](https://www.aware.com.au/security)

## Engaging with our stakeholders

Hearing about our stakeholders' concerns helps us deliver value over the short, medium and long term. We connect with them through various means: surveys, meetings, emails, round tables, webinars, panels, conferences and working groups. The valuable insights from these interactions guide our actions and empower us to champion what matters to those with a stake in what we do.

For more on our 2022/23 financial year governance structure and activities, see:

[aware.com.au/governancereport2023](https://www.aware.com.au/governancereport2023)

# Investments

Our long-term approach to investing delivered good returns for members, despite markets having a bit of a bumpy ride.

The 2022/23 financial year ended with markets in a favourable position, yielding better returns than most investors predicted. Australian shares surged by 15% (ASX200) and global shares by 20% (MSCI World), especially notable given the significant declines in the second half of the 2021/22 financial year. Across the asset classes we saw mixed market returns during the 2022/23 financial year. While Cash also saw positive returns for the year, reflective of the rising interest rate environment, returns dipped into negative territory for global property markets as cracks began to appear in certain sectors, including office and retail.

Despite challenges, such as rising inflation, rising interest rates, geopolitical unrest and the collapse of two regional US banks, the results were commendable. The strain of dwindling consumer confidence, combined with the burden of higher mortgage expenses and inflation also put pressure on markets.

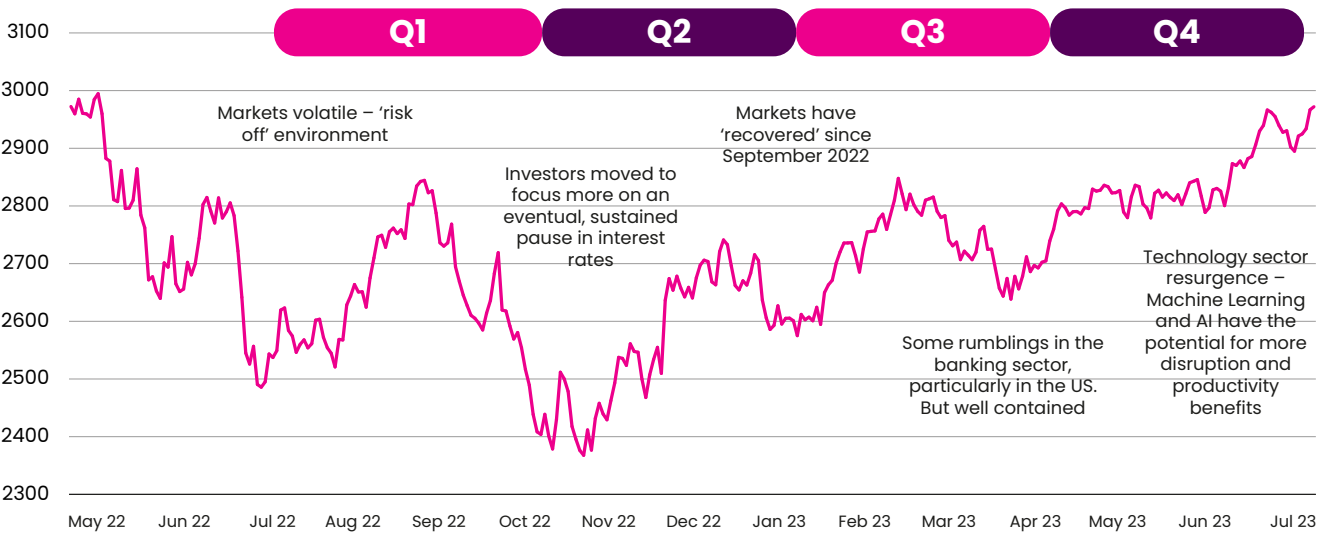
The first quarter of the 2022/23 financial year was marked by economic unpredictability as a result of the factors noted before. This led to a quarter of volatility and a swift fall in markets in September 2022. However by October 2022, investors started shifting their expectations, anticipating an eventual halt in interest rate hikes. This optimism helped markets rebound through to June 2023.

Economic growth outperformed expectations, helping company performances and earnings worldwide. The resilience of labour markets kept unemployment rates low, potentially boosting consumer confidence, as those with job security continued their spending habits.

The graph below shows the global share market movements throughout the 2022/23 financial year.

We expect to see some ups and downs in markets each year. But markets typically recover from short-term noise as it is factored into investors' expectations of the future.

Global share market movements throughout the 2022/23 financial year



Source: Bloomberg. Global Shares: MSCI World, data to 30 June 2023.



## Positive returns for members

There was good news for most of our members' super returns this year.

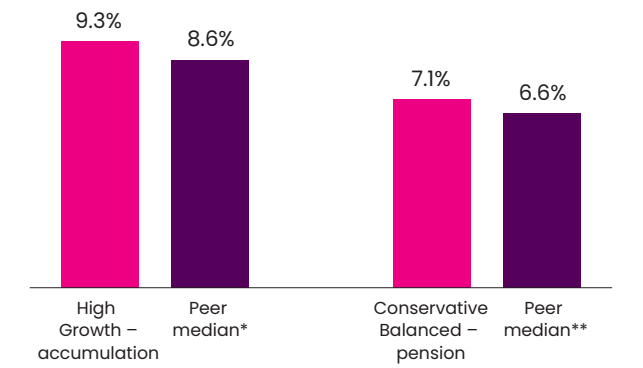
For the 2022/23 financial year, our High Growth option yielded a 10.7% return. This option is the default MySuper Lifecycle option for members aged 55 and under. Such a robust return boosts the long-term growth of their retirement savings.

Our default pension option, Conservative Balanced, returned 7.6% for the 2022/23 financial year, which is a good result for our retiree members, who typically look for greater stability in returns.

While year-on-year results are important, superannuation is a long-term investment, so we always monitor our performance over longer periods. Again, the news is good for members. We delivered great returns: 9.3% p.a. for our High Growth (accumulation) investment option and 7.1% p.a. for our Conservative Balanced (pension) option over 10-year periods to 30 June 2023.

## We're a top 10 performer over the long term

10-year returns to 30 June 2023 (% p.a.)



\* SuperRatings Fund Crediting Rate Survey, SR50 Growth (77-90) Index, June 2023.  
\*\* SuperRatings Pension Fund Crediting Rate Survey, SRP25 Conservative Balanced (41-59) Index, June 2023.

## Looking ahead

We're closely monitoring key indicators and expecting some market volatility in the short to medium term.

There are signs of inflation easing and over time the interest rate rises should control this further. But goods and services, such as housing, education and healthcare, which often have slower price adjustments, could continue to fuel inflation. So we might see further interest rate hikes over the next year.

A slowdown in the economy is coming and that's the intended goal of central banks as they try to curb inflation. The question now is whether the slowdown will cause a mild or severe recession. Our portfolio is strategically positioned for the long term. With our thoughtful and patient approach, we're prepared to take advantage of emerging opportunities.

## Our investment approach

Our investment approach is crafted with our members' investment needs as a priority, understanding that these will vary throughout their life. In response, we offer a range of investment options. For each, we focus on appropriate diversification, a reasonable return for the risk involved when choosing investments and the likelihood that the investment objective will be met over the relevant period. Responsible ownership, that is integrating ESG factors, forms part of our investment process.





## Investing for the long term

The bigger we get, the more we can take advantage of different opportunities to deliver better returns for our members. We've now grown to a scale where to further diversify, we're looking to invest more internationally.

Our five-year strategy highlights that growing our offshore investments is key to building on our strong foundations. We are opening an office in London in 2023. This offshore capability increases our ability to manage a global portfolio of infrastructure, property and private equity investments.

Throughout the 2022/23 financial year, we continued to invest in quality assets responding to global market trends influencing our outlook, such as the growth of a digital economy, an ageing population and energy transition. We made several investments we anticipate will yield strong long-term returns for our members.

- Aware Super bought a 22% stake in Get Living, the UK's second-largest build-to-rent platform. Get Living currently owns around 4,000 homes across six neighbourhoods in London and Manchester. It's multi-award winning, with a 5-star GRESB rating and has been judged Landlord of the Year five times, including in 2021, and build-to-rent Innovator of the Year in 2020.
- We invested in the Intermodal Terminal Company (ITC) platform, which runs a portfolio of independently owned and operated intermodal terminals along Australia's rail freight network. ITC has secured Somerton Intermodal Terminal as its first site.
- We launched Aware Real Estate, a platform for our real estate investment business that focuses on Australian residential property, including essential worker affordable housing and industrial land development for long-term ownership. The platform is an opportunity to build scale and create an enduring property business as we grow.
- Together with DigitalBridge Group Inc., we invested in Switch, a US-based data centre. Powered by renewable energy, the investment forms part of our infrastructure portfolio and is our first data centre investment.

For more on our investments in renewable and climate solutions, see [page 23](#).

## Portfolio management

While we partner with expert investment managers to oversee our members' super, we're also bringing more asset management in-house over time. Direct market access and stronger ties with the investment management, broking and banking sectors provide deeper market insights and open doors to unique opportunities. This strategy will also help to lower fees, meaning higher net-of-fee returns for our members.

Our investment team:

- strategically sets the right asset allocation and actively manages the investment mix
- produces quality research to make informed decisions
- integrates ESG factors into the investment approach
- engages with companies we invest in to drive positive change.

For a list of investment managers as at 30 June 2023 by asset class, see [page 52](#).

For more on our investment options' performance as at 30 June 2023, see:

[aware.com.au/investmentperformancereport2023](https://www.aware.com.au/investmentperformancereport2023)

To access our latest investment returns, see:

[aware.com.au/investmentreturns](https://www.aware.com.au/investmentreturns)

# Responsible ownership

We are a responsible owner, we aren't just 'acting' like one.

Responsible ownership means we embed environmental, social and governance (ESG) considerations into our investment approach. As a responsible owner we are investing for retirement outcomes for our members.

We aim to achieve strong long-term returns, with our ultimate goal to secure the best retirement outcomes for our members. Managing risks for our investments is critical to this. We believe companies that manage ESG risks well do better over the long term and increase their value. On the other hand, companies with inadequate ESG practices can erode value and potentially damage the wider community and environment.

We embed ESG considerations throughout our investment process – from how we select investments and evaluate investment managers to active ownership activities like voting, engagement and advocacy. We also exclude certain sectors.

Since our endorsement of the Principles for Responsible Investment (PRI) in 2008, we've been recognised as a global leader in responsible investing. This leadership position is validated through accolades, memberships and invitations to join worldwide initiatives. In the 2022/23 financial year, this included:

- the Chant West award for Best Fund: Responsible Investment<sup>26</sup>
- the SuperRatings Generations Award<sup>27</sup>
- Rainmaker ESG Leader Rating

## Investing in climate solutions

### Green and sustainability linked bonds

In the 2022/23 financial year, we allocated approximately A\$60 million in green and sustainability-linked bonds, following our A\$260 million investment in the 2021/22 financial year.

Our expanded portfolio now includes bonds from various issuers, such as Australian state governments and Supranational, Sovereign and Agency organisations (SSAs). These SSAs are often international institutions backed by sovereign or state governments, which are tasked with advancing social and economic public policy initiatives. For example:

- We invested A\$14.7 million in a bond issued by the Western Australian Treasury Corporation. This will aid the Western Australian Government's Sustainability Strategy, which includes environmental projects, such as energy transition, and social initiatives, notably improving outcomes for Indigenous Australians.
- We allocated A\$14.6 million to a bond from the Asian Development Bank, designed to further their Theme Bonds program. The initiative aims to finance programs related to education, water, healthcare and gender equality.

26. Zenith CW Pty Ltd ABN 20 639 121 403 AFSL 226872/AFS Rep No. 1280401 Chant West Awards issued 17 May 2023 are solely statements of opinion and not a recommendation in relation to making any investment decisions. Awards are current for 12 months and subject to change at any time. Awards for previous years are for historical purposes only. Full details on Chant West Awards at [chantwest.com.au/fund-awards/about-the-awards/](https://chantwest.com.au/fund-awards/about-the-awards/).

27. The rating(s) is issued by SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings uses objective criteria and receives a fee for publishing awards. Visit [superratings.com.au](https://superratings.com.au) for ratings information and to access the full report. © 2023 SuperRatings. All rights reserved.

# Responsible ownership (continued)



## Renewable energy

We now have over A\$2 billion committed to renewables and climate solutions. Key activity in the 2022/2023 financial year included:

- **Stockyard Hill Wind Farm** – We acquired a 24.5% interest in Australia's largest operational windfarm, alongside Palisade Investment Partners. Stockyard Hill has 149 turbines producing enough renewable energy to power 365,000 homes each year.
- **Intera Renewables platform** – This extends our existing portfolio of wind and solar assets. The platform is managed by Palisade Investment Partners and includes four wind farms and one solar farm across Queensland, South Australia, Victoria and Tasmania, with a combined generation capacity of over 830 MW. The platform is expected to grow as it invests in more projects across Australia.
- **Rumin8** – This Australian start-up climate agritech company has developed a dietary supplement that can reduce methane in livestock. Rumin8 has plans for a pilot plant targeted to initially produce 25,000 feed supplements a day, with the potential to produce millions of supplements over a short timeframe.

## Stewardship: Engagement and voting

Stewardship is integral to our responsible ownership approach. It involves oversight of the companies in our portfolio and active dialogue with our fund manager partners. Through these interactions, we aim to drive positive change in areas such as climate action, workplace safety, diversity, organisational culture and preserving cultural heritage. We also use our voting rights to promote good governance, helping to ensure companies deliver strong long-term performance and remain accountable for their actions.

## Responsible ownership outcomes

Some of the important outcomes we helped achieve are summarised below.

For more on our responsible investments, see the Responsible Investment Report:

[aware.com.au/responsibleinvestmentreport2023](https://www.aware.com.au/responsibleinvestmentreport2023)

## Environmental: Climate change

We progressed the climate-related actions identified under our Climate Change Portfolio Transition Plan (**Transition Plan**). Key activities included:

- a full review and refresh of the Transition Plan, which the board approved in July 2023
- calling on some of the highest emitters in the Australian-listed market to disclose their decarbonisation plans (including timelines, costings and forecast emissions reductions) and set Scope 3 targets
- as a lead investor in Climate Action 100+ (CA100+), engaging some of the world's largest corporate greenhouse gas (GHG) emitters on investor expectations around climate transition and decarbonisation plans. Phase 1 concluded in June 2023, with key results including: 92% now have some level of executive oversight on climate, 75% have now committed to net zero by 2050 and 91% are now aligned with disclosure recommendations. As we enter phase 2, we'll focus on getting companies to make absolute emission reductions in the real economy by encouraging them to develop and implement credible transition plans
- achieving a 51% emissions intensity reduction in our listed equities portfolio against a December 2019 baseline, significantly exceeding our target of 30% reduction by 2023.



## Social: First Nations consultation

In our talks with companies about cultural heritage and First Nations rights, the theme of adequate consultation comes up regularly. The debate centres around who should be consulted, compared to what the law dictates, the timing and frequency of consultations and the right methods for such engagement. Research by the Australian Council for Superannuation Investors (ACSI) reveals that companies often engage with the official representative of First Nations groups, such as land councils or prescribed body corporates. This approach presumes these bodies are fully equipped and effective in sharing the consultations' essence with all those represented. If companies can't ensure this level of engagement, their efforts could fall short, leaving stakeholders uninformed or misinformed until it's too late in the project. We and ACSI advocate for companies to engage more holistically, building relationships with all affected First Nations groups, no matter their legal designation.

Our engagement also highlights scenarios where consultation without consent is legally adequate, yet where the social licence to operate would be negatively affected. Reliance on a legal approach to First Nations engagement can be treacherous, especially when domestic laws are not exhaustive. Internationally, the principle of 'free prior and informed consent' is well-recognised. Even though this standard hasn't been woven into Australian legislation, we urge companies to align with global best practice.

### Free, prior and informed consent

Free, prior and informed consent<sup>28</sup> (FPIC) is anchored in international standards, empowering Indigenous peoples to grant, deny or revoke consent for projects that might impact them, their territories or their resources. FPIC ensures that affected communities can negotiate the conditions under which a project is designed, implemented, monitored and evaluated. Such principles of FPIC have been translated into corporate guidelines, as seen in the United Nations Guiding Principles on Business and Human Rights and the International Finance Corporation's Environmental and Social Performance Standards.

While we recognise that getting 100% of affected people to consent might not be possible, we advocate for companies to prioritise and aid a collective decision by the rights holders, reached through their customary decision-making processes.

28. For more on free, prior and informed consent, see [un.org/development/desa/indigenouspeoples/publications/2016/10/free-prior-and-informed-consent-an-indigenous-peoples-right-and-a-good-practice-for-local-communities-fao/](https://un.org/development/desa/indigenouspeoples/publications/2016/10/free-prior-and-informed-consent-an-indigenous-peoples-right-and-a-good-practice-for-local-communities-fao/)

## Direct engagement

We met with two ASX-listed companies to discuss First Nations rights, cultural heritage and consultation, where we:

- asked one company to maintain a higher standard of resourcing and disclosure to ensure investors remain fully aware of company practices and Indigenous voices and representation of affected communities
- discussed with the other company regulation requirements around consultation, underwater and offshore cultural heritage management, how the regulation has since changed and how the company has responded. We encouraged this company to aspire to a standard of FPIC.

## Voting

Origin, an ASX-listed company, faced three shareholder-requisitioned votes concerning First Nations issues: water connections in project areas, cultural heritage and consent. We supported the resolutions on water connections and consent, advocating for them to surpass legal mandates and build deeper stakeholder engagement. We abstained from the cultural heritage vote to signal our desire for Origin to intensify dialogue with First Nations peoples affected by their Western Australian and Queensland projects. In addition, we supported a vote for the international Citi Group to report on Indigenous peoples' human rights standards.

## Collaborative initiatives

We largely engage on First Nations issues through the Australian Council of Superannuation Investors (ACSI) Working Group on Rights and Cultural Heritage Risk Management. Collaborating through ACSI amplifies our influence, often leading to stronger company responses. The group champions best practice engagement, informed by international standards and diverse stakeholder perspectives, including First Nations communities. In the 2022/23 financial year, the group engaged with nine ASX-listed companies on their practices around First Nations rights, compensation, free and informed consent, extensive consultation and cultural heritage management.

## Governance: Corporate culture

Corporate governance significantly impacts investment risk. Investors expect boards to possess the right skills, oversee aligned remuneration structures, ensure management accountability and build a positive culture. A company's culture reflects its governance quality. Emphasis on culture now includes boards addressing issues like bullying, racism and sexual harassment.



# Responsible ownership

## (continued)

This year, attention intensified on sexual harassment in the mining sector. The 2021 Western Australian Government inquiry into sexual harassment against women in the fly-in, fly-out (FIFO) mining industry and the Everyday Respect Report by Rio Tinto (‘the Broderick review’) highlighted disturbing behaviour, especially in FIFO workforces. In our engagement with mining companies, we discuss their strategies for addressing these risks. Notably, BHP has begun reporting on conduct, revealing cases of sexual harassment leading to terminations. Rio Tinto is addressing recommendations from the report, prioritising leadership, facility upgrades, safety and compassionate responses.

### Measuring our impact

In 2018, we designed a framework to measure the positive impact of our investments and assess their contribution to the UN SDGs. Our Positive Impact Measurement Framework measures the positive impact of our investments across:

- environmental areas, like climate solutions and renewable energy
- social arenas, emphasising job creation and affordable housing access
- sustainability, such as waste reduction and the circular economy.

In the 2022/23 financial year, we assessed selected investments to measure their positive impact using our framework. Building upon prior reports, we’re now analysing the impact of 25 assets. We intentionally limit the number of assessed investments in our framework to allow in-depth and genuine analysis.

29. Some of the data provided has been estimated.

30. This calculation is for illustrative purposes and has been undertaken with the best data available on the average NSW household’s electricity usage. For comparison purposes, the overseas renewable generation has been converted to the equivalent number of Australian houses.

31. This calculation has been undertaken with the best available data on the grid emissions intensities of the various electricity grids our assets are in. We recognise these are not definitive calculations and are therefore for illustrative purposes only. Additionally, it is anticipated that as the grids of various nations decarbonise, the emissions intensity will naturally come down too, therefore this emissions avoided calculation and should therefore also decline over time per GWh of electricity generated.

32. Part of the data presented is as at 30 June 2022 as the financial year 2022/23 data will not be available until March 2024.

33. Source: Aware Super, 2023. Note, these figures show Aware Super’s proportional share of the positive outcomes based on our percentage share of equity within each asset.



### Positive social Impact

452

Key workers have access to affordable housing

1,476

People benefited from health and wellbeing initiatives<sup>29</sup>

49,484

Hours of Employee Assistance Program counselling was provided

20.6 million

New public transport passenger journeys (62.8 million km travelled)

22

Additional jobs created in rural Australia



### Climate change solutions

2,138 GWh

Renewable energy generated (enough to power approximately 388,000 homes in Australia for a year)<sup>30</sup>

781,000 tonnes

CO<sub>2</sub> emissions avoided through renewable energy generation<sup>31</sup>

Deep dive into our investments in renewable energy

We now have over A\$2 billion committed to renewables and climate solutions. Key investment activity for the year included:

**Stockyard Hill Wind Farm** – We acquired a 24.5% interest in Australia’s largest operational windfarm, alongside Palisade Investment Partners. Stockyard Hill has 149 turbines producing enough renewable energy to power about 365,000 homes each year.

**Intera Renewables platform** – We invested in a platform of wind and solar assets managed by Palisade Investment Partners. The platform includes four wind farms and one solar farm across Queensland, South Australia, Victoria and Tasmania, with a combined generation capacity of over 830 MW. The platform is expected to grow as it invests in more projects across Australia.



### Sustainability and waste avoided

63 hectares

Land where food is grown sustainably

488 hectares

Protected streams<sup>32</sup>

821 hectares

Protected habitat<sup>33</sup>

20,895 tonnes

Scrap metal processed and sold for re-use

551 tonnes

End-of-life tyres processed, resulting in:

- 110 tonnes of steel reclaimed
- 20 tonnes of char reclaimed
- 62,118 tonnes of fuel reclaimed



# Go-to for retirement

We're a profit-for-members organisation unlike some retail funds. This means our profits go back into member benefits and other services to help our members get the most out of their super.

We are one of Australia's largest profit-for-members super funds when it comes to retirement.<sup>34</sup> We manage savings of A\$34.1 billion for over 100,000 of our members in retirement.<sup>35</sup>

We aim to be the fund everyone wants to put their retirement savings into. Not only because we deliver strong returns, but because we're genuine about helping our members have better retirements. When day one turns into that one day, we're here to make it simple, stress-free and exciting.

We want our members to feel confident about making the transition to retirement and we've done a lot to make it simpler and easier to understand, with more advice and tools to help along the way.



### Retirement confidence score 80%

Over the last three years, we have been reporting a retirement readiness metric as our main member outcome measure. It shows the proportion of Aware Super members on track to achieve Association of Superannuation Funds of Australia (ASFA) Comfortable Retirement benchmark. In the 2022/23 financial year, we upgraded this measure to a new metric called the retirement confidence score. It measures how close our members are to achieving their personalised retirement income goals. It covers all members that are accumulating their super savings and calculates a score for them, between 0% to 100%, based on what we know about them today.

A median score of 80% implies that typically Aware Super members could sustainably meet 80% of their income goals through retirement.

We will use this metric to track how members' scores change over time and understand where we can be super helpful to our members and help them improve their outcomes.

The retirement confidence score moves away from the one-size-fits-all ASFA Comfortable Retirement benchmark to a more personalised income benchmark that reflects the level of retirement income members need to maintain the same living standard they enjoyed before retirement.

To better help our members plan for their retirement, Aware Super launched our My Retirement Planner in July 2023 where the retirement confidence score plays a key role in providing members with confidence. It helps them know how they are tracking towards their retirement goals, taking in account additional information they share with us through the tool and then guides them to take appropriate actions to improve their position.

34. Based on the March 2023 DEXX&R Market Share Report.  
35. Aware Super internal data as of 30 June 2023.



## 8.0 points

Pension members satisfaction levels (as at April 2023)



Key activities throughout the 2022/23 financial year included:

- adjusting fees, which reduced some investment fees from 30 September 2022 for all of our retirement products. Retirement members saved an average of A\$335 or 0.11% annually, totalling A\$38 million fund-wide
- enhancing our Government age pension education materials and support after a successful pilot with Retirement Essentials. This helps members complete their Government age pension application and calculate their entitlements
- expanding income stream advice via our Superannuation Advice team to include a projection of estimated Government age pension eligibility. This can help members maximise their retirement income without paying extra for advice
- launching a retirement service to help members set up and implement their retirement with Aware Super so they can feel confident that everything has been done properly
- making it easier for members to open a retirement account online, eliminating paperwork
- setting up the Enjoy team, a special unit that focuses on enhancing the quality and efficiency of services and transaction processes for retired members.

### Retired member satisfaction

Our pension members consistently demonstrate high satisfaction levels, the highest across all member age groups. As at April 2023, their satisfaction sat at 8.0 points compared to 7.1 for all Aware Super members, similar to last year's rating of 8.2 points for the same period.

### Regulatory changes

In 2022, the Retirement Income Covenant mandated that trustees devise a retirement income strategy. This strategy must balance maximising income, managing risks to that income and provide flexible access to capital. Our board-approved strategy is online, requiring triennial reviews and annual outcome assessments, with the Australian Prudential Regulation Authority (APRA) expecting evidence of ongoing strategy implementation. The next review is in 2025.

Our Retirement Income Strategy, confirmed in June 2022, was included in this year's Member Outcomes Assessment. It found that we offer positive financial results for members and highlighted our increased support for members approaching retirement. We've prioritised and funded essential projects for the 2023/24 financial year to meet our obligations and improve retirement outcomes for our members.

To support the implementation of our Retirement Income Strategy, we created a dedicated Retirement Segment team to help members aged over 55 achieve their best possible retirement. This team of retirement experts considers the end-to-end member experience and works with subject matter experts across the fund to inform propositions, product design, service offerings, experiences and communications relevant to this segment.

To view our Retirement Income Strategy, see:  
[aware.com.au/retirementincomestrategy](https://aware.com.au/retirementincomestrategy)

### Super helpful moment

*'[the agent] was very patient with me and took the time to explain everything so I understood it all. It's very confusing approaching retirement and working out what to do, but she gave me a number of options I didn't know were available.'*

Member (for 15-20 years)





## Go-to for retirement (continued)

### Year in review

Understandably, our retired members are more concerned with short-term market volatility and cost of living pressures than members who are still years from retirement.

During the 2022/23 financial year, we saw a surge in full cash exits and partial withdrawals due to market volatility, inflation and higher interest rates. Research shows members withdrew funds for daily expenses and debt repayments, with around 25% citing living cost spikes. About 30% were concerned about the impact of the volatile market on their savings. We recognise the need to increase awareness of our pension products and the benefits of retaining superannuation.

Despite initial market turbulence in 2022, the 2022/23 financial year ended positively. Market recovery began in October 2022, extending to June 2023. Our default Conservative Balanced option yielded 7.6% annually, delivering strong returns with less risk<sup>36</sup> than most comparable investment options.

Our default Conservative Balanced option has a greater focus on risk management, which reflects the attitude of many of our retired members towards risk. The risk-managed strategies help shield our members' retirement savings from large market falls through different cycles. For example, in the year to 30 June 2022, when markets performed poorly and returns were negative, our more conservative options fell less than the market as a whole. By aiming for strong returns while helping to safeguard members' balances and giving members greater certainty about their income in retirement, they can feel confident their retirement savings will go the distance.

We know that for many members, retirement can be complex and daunting. That's why we're investing in simplifying the process. We'll continue to improve our support, ensuring members have easy and affordable access to expertise and guidance at the point of retirement with digital tools, advice at no extra cost and helpful solutions.



36.Source: SuperRatings Pension Fund Crediting Rate Survey 30 June 2023 (SRP25 Conservative Balanced (41-59) Index - approximately 24 options). Aware Super Conservative Balanced Standard Deviation ranked within the top five for one-, three-, five-, seven- and 10-year periods. Past performance is not a reliable indicator of future performance.

## Delivering simple, consistent experiences

The words 'simple' and 'super' don't usually go together, but we're on a mission to change that. We want to make super easy to understand and manage for our members.

# 60%

of members downloaded the app with more than **6 million** log ins



### Super helpful moment



*'I found the online app easy to use and I enjoy the freedom it gives me to be more in control of my super.'*

**Member (for 15-20 years)**

In November 2022, we introduced an exciting new insurance offer for VicSuper members by moving to a single insurance provider (TAL). With this collaboration, we were able to introduce a new insurance offer that provides members with more choice and control to tailor their cover to meet their needs, increased value through new services for members to manage their health and other improvements to give members greater confidence in their cover at time of claim.

We also expanded our investment options, offering members more ways to align their investments with their retirement objectives.

By May 2023, the benefits initially provided to heritage VicSuper members were extended to an additional 855,000 heritage First State Super members. Now, more than one million Aware Super members can expect faster processing and a more tailored experience centred on life stages.

In the 2023/24 financial year, our heritage StatePlus members, approximately 60,000, will also benefit from these enhancements, ensuring all Aware Super members across the fund enjoy these improvements.

Our members now benefit from more digital capabilities, including consolidating, contributing, viewing balances, tracking investments, applying for insurance, making a claim, updating employment details and accessing transaction history.

### Better online experiences

Over one million members now enjoy improved self-service via our member portal, reducing the need for follow-up calls. The portal features simplified language, better transaction visibility and fast processing of crucial matters,

including quicker processing time for financial hardship claims, which reduced from weeks to days.

With the introduction of our My Activities tracker, our members can now follow their transactions directly from their mobile app or via our member portal, so they always know the status of their transactions and when they can expect them to be complete.

### Better ways to serve our members

Through the digital uplift we have delivered, we have made it much easier for members to self-serve for simple requests, freeing up our team to address more complex enquiries. With self-service options at their fingertips, member calls relating to password resets have decreased by 85%, as members can now do this themselves.

Online forms allow us to process a member's request right away. In the last six weeks of the 2022/23 financial year, more than 2,000 members started an online withdrawal. These are typically cleared in a member's nominated bank account within a few days, whereas the paper form can take weeks.

### Super helpful moment



*'I had great service when I called. I'm not rushed off and the person at Aware Super always makes sure I have a solution.'*

**Member (for 15-20 years)**



### A great foundation for our future

We created an innovative technology environment in the 2022/23 financial year that not only facilitates outstanding member experiences and streamlined internal processes, but also lays the foundation for integrating new technologies to perpetually advance our capabilities.

By consolidating our members into one system, we're able to roll out upgrades and regulatory adjustments more easily.

The seamless and consistent experience we've created is optimal for scaling operations and lowering member costs over time.

### Improving security

We've boosted online security with one-time personal identification numbers (PINs) and digital identification (ID) checks replacing posted ID copies.

SMS and email confirmation of withdrawal requests have been rolled out to heritage VicSuper and First State Super members for added security and fraud prevention.

### Managing risks and challenges

We manage the transformation program risks via a Program Steering Committee and Risk Sub-Committee. Our phased, risk-focused approach addresses scope, schedule and budget deviations. This strategy helps to ensure safe and successful changes, with consistent regulator engagement and external checks for high-risk activities. For more on how we mitigate risks and manage opportunities, see:

[aware.com.au/governancereport2023](https://www.aware.com.au/governancereport2023)

A major challenge in May 2023 was the extended outage most members experienced due to a migration and systems upgrade.

The migration involved transitioning more than 855,000 members, around 1.5 billion transactions, more than A\$106 billion in funds under management, 50 million documents and updating more than 40 systems. Six trial migrations, seven months of testing and a rehearsal helped to minimise issues.

The insourcing of our administration required recruiting and training 100 administrators. With a phased onboarding approach, we were able to help our new recruits adapt to their roles ahead of starting.

In the 2023/24 financial year, we'll conduct our final migration of heritage StatePlus members. Despite being smaller, the complexity of this migration demands careful management to ensure a smooth transition. We'll use the established methods of proactive communication, testing and rehearsals to support the process.

### Improving access to advice

In April 2023, we launched an online advice booking form that allows members to schedule call-back times. This helped us assist members more quickly and minimise missed calls, boosting our first call success rate by around 50% to 84.73%.

We also enhanced our website's overall accessibility, prioritising plain English content and optimising features, such as contrast, font size and keyboard navigation for improved user experience.

In December 2022, Vision Australia's audit scored us 37 out of 50 towards Level AA accessibility, indicating a 20–30% increase from previous tests. Accessibility is an ongoing commitment for us and we aim to consistently meet Level AA standards.

This year, by consolidating our members into one system with streamlined communication, members now have clearer access to our correspondence.

# Providing the best help for our members

Being super helpful is how we want our members to feel about us. From super returns for retirement, to super advice, we aim to be super helpful in the ways our members want and sometimes in ways they don't expect.



Inform me

- Website with layered content
- Fact sheets
- Regular communication

Engagement+



Help me

- General advice specific to superannuation and insurance
- Local inbound/outbound contact centre (phone, email and social platforms)

Engagement+



Educate me

- Public and workplace seminars, webinars and general advice conversations
- On-demand videos
- Online tools and calculators

Engagement+



Advise me

Superannuation advice on investment choice, contributions, insurance, pensions and income streams

Comprehensive financial advice, including retirement planning and reviews

Specialist advice for insurance, estate planning and age care

### Streamlining member support

We want to provide our members with help when and how they need it. We are in the final phase of merging to a single contact centre and website. Our team is ready to help with any and all member queries.

Super helpful moment

'The employee I spoke with went beyond helpful. She sorted my issues out without hesitation and was so polite. It was a pretty tricky problem, but she never made me feel like I was the problem. The conversation was at least 20 minutes and I did not feel rushed at all. Excellent customer service.'

Member (for 20+ years)

Our Member Support team received

624,839 calls

10.8% increase year-on-year

146,872 emails

9.8% decrease year-on-year

21%

Increase year-on-year member contacts



# Providing the best help for our members (continued)

## Super know how

Educating our members helps them understand their retirement savings and make more informed decisions about their future. With an understanding of key topics, such as investment options and retirement planning, members can more smoothly navigate their superannuation journeys. We're also able to highlight the value of regular contributions and clarify fund features. By boosting financial literacy, we can give our members the confidence they need to plan for the years ahead.

More members are choosing virtual sessions over in-person meetings. In a recent review, 24,501 members attended virtual sessions, while 10,508 preferred face-to-face. This shift towards online platforms offers members convenience and accessibility, and allows us to reach more members addressing a diversity of needs.

In the 2022/23 financial year, we resumed face-to-face seminars in metropolitan areas across Victoria, New South Wales and Western Australia. Our Education team conducted 3,440 individual general advice sessions. Common topics included updating beneficiaries, contributions, online access and consolidation, with 357 of these leading to further advice from our specialised teams.

To improve our education offerings, we introduced Super Snaps Insights webinars, attended by 1,882 people in the 2022/23 financial year. These 15-minute sessions covered super basics, investment fundamentals, selecting beneficiaries and strategies for retirement.

Due to the high demand for one-to-one general advice, we've streamlined appointment scheduling. Members can now easily book face-to-face, virtual or phone sessions at convenient times.

For flexible learning, we offered on-demand webinars and short videos. These amassed over 30,000 views collectively, with the How much is enough? webinar capturing 64% of total views, indicating a keen interest in setting retirement goals.

We also produced five instructional videos to guide members through our updated online features. This highlights our commitment to help members navigate our platform effectively.

In the 2023/24 financial year, we'll focus on developing scalable, self-directed education and guidance that's available to our members when they need it. We'll aim to personalise our education based on members' financial knowledge and preferences, using our segmentation model. Our inclusive approach will prioritise AA compliance and plain English communication. We'll also be adding multiple languages and new content to our website.

### Super helpful moment

*'There are lots of options for me to attend webinars to understand how I can better manage my super.'*

Member (for 10-15 years)

## Award winning

Aware Super has won the Financial Education Campaign of the Year at the Financial Standard Marketing and Sales Excellence Awards for two consecutive years. Our 2022/23 financial year win highlighted our workplace wellbeing series, providing employers and staff with financial and professional development programs. This initiative significantly supported our members' professional and financial wellbeing, adding great value to our employer network.

*'Your presentation was outstanding and we have had a steady stream of positive feedback all afternoon! Notably, everyone found the tools and information useful and are excited to implement them and engage with their super. These sessions are proving valuable for our people! Amazing partnership – thank you team for bringing these sessions to life.'*

Employer

## More affordable advice solutions

Members are able to access a broad range of affordable help and advice solutions to help them achieve a better retirement outcome. We have continued to invest in these solutions to make it easier for members to access affordable advice. During the 2022/23 financial year, over 143,000 members used our help, education and advice solutions.

Through our digital advice tools members can estimate their retirement income and explore different ways to boost their retirement savings. Over 21,000 members received advice through our Explorer digital advice tool during the 2022/23 financial year.

In July 2023, we launched a new digital advice tool, My Retirement Planner.

## Member satisfaction with our advice

91%

for members who attended a superannuation advice appointment

99%

for clients who attended a comprehensive advice appointment

95%

for prospective clients who attended a comprehensive advice appointment

Through our Superannuation Advice team (SAT) members can access personal advice at no additional cost and we have been expanding the advice and services provided through this team. In April 2023, we introduced new advice topics, including retirement income streams and contributions, incorporating spouse details and offering pension income stream projections. We also introduced a new service to help members set up an income stream in retirement and partnered with Retirement Essentials, to help members with age pension applications and entitlement calculations. As part of the launch of the new My Retirement Planner tool, SAT advisers are providing a new Super Helpful Check-in service, which guides members through the tool and identifies ways to improve retirement outcomes.

Our comprehensive advice, including relationship services, is available face-to-face, over the phone or via video and helps members with more complex or specialist advice needs. During the 2022/23 financial year, we transitioned members to flexible fee-for-service arrangements.

We also launched our quarterly Advice Insights newsletter, covering legislative updates, investment market and economic insights and relevant lifestyle articles to over 19,000 clients.

## Providing quality advice

We continue to strengthen our governance surrounding advice to ensure we're always acting with the utmost integrity. Our planners must meet professional advice and compliance standards and are reviewed at least annually against these rigorous requirements. In the 2023/24 financial year, more than 90% of our planners passed this review, with remedial plans and training put in place for the remainder. As part of this process, we also complete an independent audit of our advice and advice assurance processes.

We invest in the ongoing professional development of our planners to ensure they are equipped to provide quality advice to our members and to meet industry educational requirements ahead of regulatory deadlines.

We're continuing to operationalise our risk and compliance systems, processes and accountabilities to ensure appropriate risk and compliance management within our advice business. We now catalogue and monitor our primary business risks and compliance duties within a new governance, risk and compliance system. At our monthly Advice Risk Forum, we verify that controls are effective and key risk indicators are within their limits. Additionally, we've discontinued our Advice Service Agreements to streamline our operations, offer clients more choice and flexibility services in when they access advice services and prevent past fee-for-service issues from reoccurring.

In the 2022/23 financial year, we improved the way we support members with advice in several ways, which are outlined below.

More than 47,000 members used our Explorer digital advice tool

We held more than 7,580 superannuation appointments with our members

We held more than 25,750 comprehensive advice appointments with over 35,100 members and clients

We held more than 800 specialist appointments with our members

We provided more than 21,440 digital statements of advice

We provided more than 2,870 superannuation statements of advice across 3,780 topics

We provided more than 16,000 statements and records of advice documents

We provided 290 specialist advice and legal documents

Available to members at no additional cost

Fees are charged based on what you need

# Adding value to our members through insurance

Insurance through super can give members some financial peace of mind, knowing they'd be covered if they became seriously ill, acquired a disability or passed away.

**586,814**

Members insured



**A\$520m**

Benefits paid – death, total and permanent disability

**A\$148.8m**

Benefits paid – income protection

We want to be super helpful when it comes to making sure our members understand their insurance options. Tools like our online insurance calculator make it easier for members to calculate their necessary cover and its cost.

Eligible members automatically receive death and total and permanent disablement (TPD) cover if they have a minimum of A\$6,000 in their account, are between 25 and 69 years and receive contributions from an affiliated employer. Importantly, for members who are employed with certain emergency services employers (and as defined for the purposes of the *Work Health and Safety Act 2011*), we grant an exception and provide automatic coverage regardless of age or account balance.

Our flexible insurance options allow members to customise their cover to suit individual circumstances, income and lifestyle. For instance, members can choose age-based death and TPD cover that adjusts automatically: increasing yearly until age 35, remaining constant until 40, then reducing progressively from age 41 until it ends at 70. Additionally, income protection insurance is accessible without exhaustive questioning, medicals or occupational exclusions. All our offerings prioritise user-friendly, digital experiences.

To ensure our members get the best value, we examine our insurance annually. Most automatic cover costs remain under 1% of the estimated median salary for members.

Since January 2014, our insurance premiums for most members have been relatively stable. Following a comprehensive review of our insurance arrangements, we transitioned all our members' insurance to a single insurer (TAL Life Limited) from 3 November 2022 and applied new terms and conditions across our membership. This caused some changes to member premiums. To ensure premiums reflected the expected future claims to be paid for each cohort, around 30% of members had a reduction or no change in premiums, 58% had a modest increase and 12% had a more significant increase.

The recent changes have helped members by introducing:

- new insurance options – for example, unit-based death including terminal illness and TPD cover was replaced with age-based cover
- improved access to insurance – for example, making it easy for members to apply for cover without obtaining medicals or excluding certain occupations
- improved policy definitions to increase the value of cover and give members greater confidence at time of claim
- access to health improvement services without the need to claim on their insurance
- simpler processes for changing insurance and making claims.

In response to member feedback, we introduced an insurance offer with more control over cover, intuitive digital experiences and health improvement resources, particularly for mental health.

Due to increasing post-traumatic stress disorder (PTSD) and mental health claims among our Police category members, the rising cost of Police category TPD cover had become untenable. In response, we cancelled TPD cover for our Police category members in December 2022. Affected members and stakeholders were informed and these members remain insured for TPD cover through their separate Police Blue Ribbon Insurance.

**97.4%**

In the year ending June 2023, TAL paid 97.4% of claims (4,152 decisions, 4,046 accepted)



## Helping members improve mental health

Mental health claims are the most common claims among our members, so we've introduced some expert support services to help members manage and improve their health in this area.

These services include:

- Mental Health Assist – professional consultations for diagnosis and treatment plans
- Nutrition Consult – tailored plans from dietitians
- Fitness Consult – personalised exercise strategies from experts.

Members also have access to:

- Grief Support – for professional counselling
- Support Directory – a guide to free and affordable services
- Mental Wellbeing Tool – an online resource for members to understand their mental health and be directed to helpful tools.

These services are confidential, virtual, easily accessible, at no extra cost and don't require a claim.

For more on these services, see:

[aware.com.au/mentalhealthsupport](https://www.aware.com.au/mentalhealthsupport)

## Super helpful moment



*'I appreciated the personalised help in moving my insurance and being reassured that my cover would be equal to my existing cover.'*

**Member (for less than 1 year)**

## Getting insurance cover has never been easier

We offer members quick, simple and effortless digital options to help them access the insurance they need without complex paperwork. There are no medical exams or occupational exclusions either.

### 1. Basic Cover

Provides death and total and permanent disablement cover. If eligible, members can apply for this cover at any time by answering some simple questions or they may receive it automatically.

### 2. Basic Plus Cover

Provides double the **Basic Cover** amount and members can add income protection cover.

### 3. IP Express

Is an easy way to get income protection cover. This option provides a monthly payment to help members continue living their lives while recovering from injury or illness.

### 4. Transfer insurance

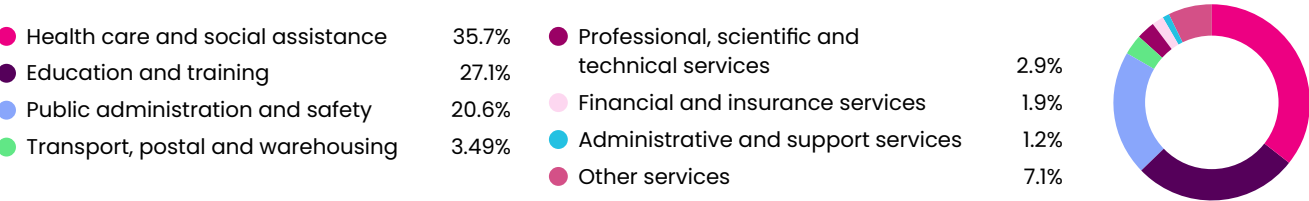
If members have insurance elsewhere, they can apply to transfer it to Aware Super and may choose to consolidate their super with us as part of the process.



# Partnering with our employers and stakeholders

By working together with employers and other stakeholders, we aim to support our members from day one, to one day. Our partners help us encourage members to think about their super early and equip them to make informed decisions, so they can step into retirement feeling confident.

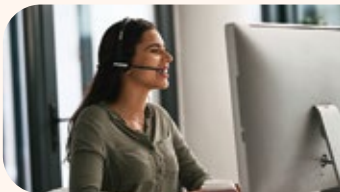

Breakdown of employer by sector<sup>37</sup>



## Bringing super to work

Workplace education sessions are a great way for employers to help their people understand super, but also boost interest and confidence in managing this life-long investment.

In the 2022/23 financial year, we noted a surge in the number of people attending our workplace education sessions, with 21,963 attendees, up 15% from the previous financial year.

2022/23 financial year	Number of sessions delivered	Number of attendees
 <div>Workplace webinars</div>	226	12,519
<div>Workplace seminars</div> 	214	9,444

37. This represents percentage of funds under management (FUM). FUM is a more appropriate measure than the number of employers for the sector breakdown, as we have a handful of large employers that contribute a lot of FUM, yet they are only represented as one employer when counting employer numbers. Since it is not a requirement that employers provide the sector they are in when making a contribution, these are indicative, rather than 100% accurate statistics of our employers by sector.



## Public sector redundancies and changes

The Victorian Government recently announced that up to 5,000 public sector workers will be made redundant. We will work with employers to ensure these individuals receive help and guidance as they exit the public sector, including offering member education and advice, targeted seminars and webinars, and general advice that focuses on redundancy-related topics.

## Supporting unions to educate their members

We're proud to collaborate with unions representing health workers, first responders and educators. We value the historic role unions have played in super.

We've launched initiatives, such as bi-annual union roundtables in New South Wales and Victoria, drawing over 80 senior union figures. These sessions focused on issues like affordable housing and responsible investing, underlining regional housing needs and related workforce challenges. Session insights have guided our discussions with the government and partners about Australia's housing crisis.

Aware Super and unions prioritise equal pay for women, highlighted by our Pay Gap O'clock campaign for International Women's Day. We spotlighted the 13.3% gender pay gap, showing women effectively work for free after a certain time in a 9am–5pm workday. This was echoed by the NSW Teachers Federation's symbolic work stoppage at 3.56pm.

Our continuous engagement with union partners addresses shared goals, from financial literacy to broader societal issues, like gender equity and responsible investing.

Throughout the 2022/23 financial year, we attended 52 union events and provided financial education and guidance to more than 5,600 union members. This was a 46% increase in member participation from the previous financial year.

Our union partners continue to play an incredibly important role in supporting the health and wellbeing of their members. To support our unions, we are providing them with information on our health and support programs provided through Teladoc Health. For more on our mental health programs and diet and nutrition services for members, see:

[aware.com.au/healthandwellbeing](https://www.aware.com.au/healthandwellbeing)

## Empowering women

Given 64.6% of our members are female, we strive to equip women with the education, tools and advice they need to get their best retirement outcome. This includes running 23 Super Women sessions, which were attended by 1,671 people during the 2022/23 financial year. This is an increase compared to previous years and 41% more than the 2021/22 financial year. We made a few changes, breaking the series up into smaller sessions, which undoubtedly attracted more attendees. After the sessions, 279 women took action to request general advice from us, while others sought more specific advice around retirement planning.

## Supporting our employers during the transformation program transition

During the 2022/23 financial year, we did a lot of work to help employers prepare for the transition to our new platform, which will provide improved reporting functionality and data for employers, as well as offering a range of benefits for members.

We know there have been some challenges for employers after the implementation of our transformation program's second phase. The Relationship Management team and Employer Enablement team have worked with employers to resolve these issues where possible and set plans for resolution where not.

SuperChoice delivered an automated bulk update solution in the Clearing House, which made the Unique Superannuation Identifier (USI) change task manageable for employers. The gap in service due to switching off the Acurity Online (AOL) employer portal has been temporarily bridged with the development and implementation of periodic customised reporting. There were some delays during the limited service period from March to May 2023 in refund processing and responses to queries, but these returned to normal processing standards as the Employer Operations team cleared the backlog. We thank our employers for their patience and understanding during that time as we implemented a significant change.

# Corporate sustainability

Doing the right thing in our operations and our corporate behaviour is what we call corporate sustainability. It’s not only good for our members, but also for our community and business.

Members first. Deliver honourably. Care deeply. Lead bravely. These are the values that guide our behaviour. They call on us to respect the trust our members place in us while being super helpful.

Our Corporate Sustainability Strategy translates our values and environmental, social and governance (ESG) principles into action. It dictates how we address risks and opportunities, and how we make decisions with the environment, community and organisational management in mind. The ESG landscape is evolving rapidly, with heightened regulatory oversight on the authenticity of ESG claims coming from organisations. As reporting standards evolve towards uniform disclosure practices, we’ll continue to report on our progress.

Building on the foundations laid in previous years, in the 2022/23 financial year we refreshed our Corporate Sustainability Strategy. This strategy set out four key focus areas:

- Action on climate change and energy transition
- Aboriginal and Torres Strait Islander retirement equity
- Gender equity
- Super helpful financial education

We describe our progress against these key areas below. To learn how we’re making financial education super helpful, see [page 34](#).

## Action on climate change and the energy transition

We’re acting to address climate change and support the renewable energy transition by redoubling our efforts to reduce our operational emissions.

In the 2022/23 financial year, we completed the process of procuring renewable electricity for most of our offices. As a result, we achieved a 6% total emission reduction below the 2021 baseline level. This aligns to our 2030 commitment of a 45% operational emission reduction.

Our operational emissions, as well as our claim to carbon neutrality, received limited assurance from RSM. The

assurance letter is available on Aware Super’s website, see:

[aware.com.au/corporatesustainability](https://www.aware.com.au/corporatesustainability)

This is the first time we’ve included an external auditor review in our reporting.

During the 2022/23 financial year, we realised our Scope 3 emissions (generated by certain technologies, including IT services and cloud storage) were higher than what we’d previously calculated. This prompted us to revise the baseline for our 2020/21 financial year carbon footprint, given the change exceeded the 10% threshold for ‘rebaselining’ recommended by Climate Active. Our revised third-party assured operational baseline for 2021 is 10,067 tCO<sub>2</sub>-e.

As part of our carbon neutral efforts, we offset our remaining emissions through a geothermal renewable energy generation project in the Philippines. These offsets are governed by the Clean Development Mechanism, managed by the UN Climate Change Secretariat, and undergo a rigorous verification process. The Secretariat attested that our offsets were removed from the market.

Carbon markets continue to be in flux, with the integrity of certain carbon offsets undergoing review. We’re monitoring for any changes that may impact our carbon-offset approach. We completed our Climate Active re-certification. While we only buy reliable offsets managed by the UN Climate Change Secretariat, we aim to minimise our need to use carbon offsets by prioritising the reduction of our operational emissions.

## Reducing inequalities

### Our reconciliation journey

During the 2022/23 financial year, we delivered our Reflect Reconciliation Action Plan (RAP) and introduced our next level RAP: our Innovate RAP. This new RAP builds on 20 months of achievements from our Reflect RAP. A strong partnership with CareerTrackers facilitates internships for Aboriginal and Torres Strait Islander university students. We also refined our hiring processes to make them more inclusive to attract talent and achieved a 95% completion rate in cultural safety training by December 2022.

Our Innovate RAP deepens our understanding of Aboriginal and Torres Strait Islander cultural heritage, values and beliefs, fostering relationships with their communities and advisors.



Key actions from our Innovate RAP include:

- launching a podcast during National Reconciliation Week, where Professor Robynne Quiggin discussed perspectives on the Voice to Parliament. This was part of an effort to better inform our people
- adding an Acknowledgement of Country in staff email signatures to emphasise our dedication to reconciliation
- collaborating with Aboriginal and Torres Strait Islander stakeholders to tailor financial education for our members.

We acknowledge the unique challenges faced by Aboriginal and Torres Strait Islander peoples concerning superannuation. We’re dedicated to addressing these issues within our fund and the wider superannuation system. Our aim is equitable access, participation and retirement outcomes for our members.

We support the Uluru Statement from the Heart, which recognises the human right to self-determination and active participation on matters impacting Aboriginal and Torres Strait Islander peoples.

### Helping members in vulnerable circumstances

Our members can sometimes find themselves in challenging circumstances. This is an opportunity for us to act on our super helpful promise, showing up for these members by providing care, respect and dignity as they navigate their options around super. Since launching in December 2020, our Priority Assist service has helped more than 3,000 members.

Referrals for this service increased 7%<sup>38</sup> in the 2022/23 financial year. The team also managed financial hardship and other urgent offline payment requests during the transformation program changeover outage period.

38. This is based on a year-on-year comparison of year-to-date data from July to March for the financial years 2021/22 and 2022/23. During the April to June 2023 quarter, referrals surged due to the need for the service to process payments during the transformation program transition. The full-year figure is therefore not representative due to this quarter’s outlying result.

During the 2022/23 financial year, we made further enhancements to the case management solution for our Priority Assist service. This facilitates an easier and more streamlined referral process, improved tracking and measuring, as well as insights into the type of assistance required by members experiencing vulnerability. We increased the size of this team from two to three employees, allowing us to do more for members who need specialised support.

### Working and advocating for gender equity

The gender retirement gap continues to be a central concern. As a large portion of our members are female, the gender pay gap and its impact on retirement outcomes for women is an important issue for us. Our female members aged 50–54 have a median balance of around A\$116,000, compared to A\$163,000 for males in the same age group, which is why we continue to advocate for change through key campaigns, such as Pay Gap O’clock (March 2023), working with stakeholders such as employers and unions.

We also continue to advocate to federal and state governments for reforms that will actively reduce the gender retirement gap, including payment of superannuation on the Commonwealth Paid Parental Leave Scheme and adjustment of the Low Income Superannuation Tax Offset rate.

In February 2023, we held a consultation forum with key union and employer representatives to discuss how we could further improve superannuation outcomes for women.

As part of the 40:40 Vision to have women make up 40% of executive roles in ASX-listed companies, our CEO Dianne Stewart is a Workplace Gender Equality Agency (WGEA) Pay Equity Ambassador and advocates for progress in this space.

For more on our work in this area, see [page 43](#).



## Corporate sustainability (continued)

### Showing up for our communities

As part of our continuing commitment to supporting our members and the broader community, we recognise and reward those who are doing good in our communities.

#### NSW Women of the Year Awards

We proudly support the NSW Women of the Year Awards,<sup>39</sup> which recognise and celebrate outstanding contributions made by women across the state. The awards aim to promote better outcomes for women in areas including education and learning, safety and justice, work, leadership and financial security, and health and wellbeing.

Mary Hollingworth was named the 2023 Aware Super NSW Community Hero for her contribution to her community over many years.

#### Aware Super Emerging Leaders scholarship



The Emerging Leaders scholarship, honouring former CEO Michael Dwyer's legacy at Aware Super, champions leadership and putting members first. It supports members in vocational roles dedicated to service, recognising the life-changing power of education. Recipients can allocate the grant to university programs, study tours or tailored learning pursuits.

The 2022/23 Aware Super Emerging Leaders scholarship recipient is firefighter Heather Sutton from Fire and Rescue New South Wales. With nearly two decades of service, Officer Sutton trains recruits at the Fire and Rescue New South Wales Emergency Services Academy, instilling core values of integrity, service and courage. Officer Sutton aims to enrich her role by enhancing her leadership and mentoring skills.

39. For more on the NSW Women of the Year Awards, see: [nsw.gov.au/women-nsw/awards-and-events/nsw-women-of-year-awards/nsw-community-hero](https://nsw.gov.au/women-nsw/awards-and-events/nsw-women-of-year-awards/nsw-community-hero)

*'As a station officer, I am expected to not just manage incidents, but we are expected to help develop our firefighters to be the best that they can be on the frontline. I'm confident in my incident management skills but want to bolster my leadership skills so I can not only teach and help the recruit program, but also mentor some of the new trainers as well.'*

*I had been looking at completing a Diploma in Leadership and Management at my dream university, Swinburne, but was prohibited by the cost. When I found out I had won this scholarship I did a happy dance in the shopping centre.'*

### Donations and volunteering

Our people love making a difference, whether it's helping members manage their super or rolling up their sleeves to support the community at large. We provide volunteering leave to our people just for this reason and, during the 2022/23 financial year, 22 of our people volunteered for a total of 165.5 hours and donated A\$6,054. Some of the activities included:

- donating blood
- packing parcels with OzHarvest to help raise awareness and minimise food waste
- participating in STEPtember, which raised A\$53,911 for cerebral palsy
- fundraising for Black Dog Institute in December 2022, amassing A\$1,358 for mental health research for first responders
- participating in the Mothers' Day Classic run
- donating VicSuper branded merchandise to the Mongolian community in Victoria (pens, notepads and small piggy banks for children) as part of their first community event to mark the Mongolian Nomadic New Year in February 2023
- volunteering for CareerSeekers to help people from refugee backgrounds prepare for their first job, raise awareness of plastic-free alternatives for a healthier planet and deliver employee wellbeing initiatives through onsite mental health and fitness programs.

### Want to do your bit for the environment?

You can opt out of paper disclosure at no cost by calling us on 1300 650 873 or writing to us at:

✉ [enquiries@aware.com.au](mailto:enquiries@aware.com.au)

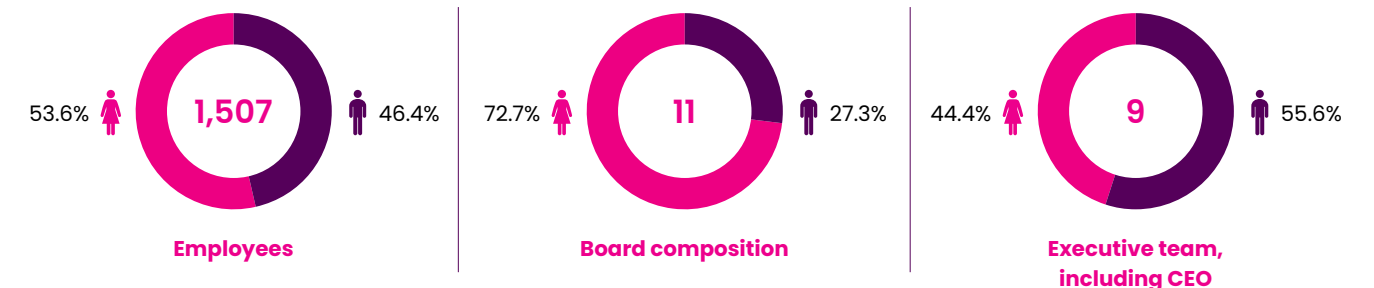
## Creating the best place to work

We want to be the best place to work. We're proud of the way our people stepped up in the 2022/23 financial year to embrace our brand commitment, of being super helpful to our members, partners and communities along the way.



The June 2023 Sustainable Engagement score was 79% based on 1,219 responses, 70% participation. This is 5% higher than the previous year and 11% higher than 2021, which reflects the strength of our internal culture and our continued commitment to making Aware Super a great place to work.

And we're being recognised for it. Not only have we maintained our Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality for the seventh consecutive year, in the 2022/23 financial year we received our first citation in the *Australian Financial Review* AFR BOSS Best Place to Work list, coming in at sixth place for financial services.



● Female ● Male ● Other<sup>40</sup>

40. Gender reporting is based on employees who self-identify in our HR system as Female, Male or Other.

# Creating the best place to work (continued)

## New leave entitlements and improving mental wellbeing

In the 2022/23 financial year, we expanded some of our employee benefits, including our entitlement to wellbeing leave and up to four weeks paid gender transition leave. Employees can also swap a state-based public holiday for time off on a day of cultural significance.

Supporting our people's mental health continues to be a priority for us. We introduced a new service as part of our Employee Assistance Program, which provides access to health services, such as mental health professionals and nutritionists, with minimal wait times.

## Hybrid working

We revised our approach to hybrid working in January 2023, to ensure a continued balance of flexibility and in-person connection and collaboration. Our people are expected to work at least two days per week from the office, including Thursdays known as Aware Day, when we all get together in person.

The June 2023 engagement survey showed that 92% of our people have the flexibility they need to manage work and other commitments.

## Helping people from diverse backgrounds get a start in super

In the 2022/23 financial year, we continued our partnership with CareerSeekers to support refugees and asylum seekers. We welcomed four people into permanent roles after completing this program. Since we joined the program in 2016, we've provided employment opportunities to 15 individuals on either a permanent or contract basis.

We also supported two students through CareerTrackers, which provides meaningful work opportunities for Aboriginal and/or Torres Strait Islander students as they complete their university degrees.

## Diversity and inclusion and gender equity

Our average gender pay gap in like-for-like roles for fixed remuneration (base salary plus superannuation) is 0.3% in favour of females. We are committed to ensuring we maintain an average pay gap within 5% tolerance for like-for-like roles.

We continue to evolve our diversity, equity and inclusion (DEI) practices. In 2022, we received the WGEA Employer of Choice for Gender Equality citation, which is current until February 2024. Other initiatives during the 2022/23 financial year included:

- launching Inclusive Leadership training to our people leaders
- improving data collection on broader demographics to inform future DEI strategies
- arranging memberships for our people to join the Diversity Council of Australia, Australian Network on Disability and Pride in Diversity
- over 96% of our employees completed Aboriginal and Torres Strait Islander cultural awareness training.

For more on our reconciliation journey, see [page 40](#).

Our DEI representative group is made up of employees who are actively driving inclusion by initiating awareness and organising events that celebrate the diversity of our people, our members and the wider community. Our DEI sub-collectives are LGBTQIA+, Disability, Cultural Diversity and First Nations. This year's activities included an International Day of People with Disability event, Pride activities and Harmony Day events.



## Financial Accountability Regime and CPS511

We continue to prepare for the Financial Accountability Regime (FAR) legislation, which was passed in September 2023, by ensuring clear accountabilities through our day-to-day business and our various projects. Notably, we've also strengthened the connection between risk and remuneration outcomes per APRA Prudential Standard CPS 511. This allows for adjusted remuneration based on significant incidents or breaches, ensuring individual accountability through their compensation.

## Modern slavery

On 15 May 2023, modern slavery training was launched to all employees, with a 73.6% completion rate as at 30 June 2023. The remaining employees were required to complete the training by 10 July 2023. This training is now a mandatory annual course for all employees.

For more about how we address modern slavery and other environmental, social and governance factors, see [page 16](#).

## New regulations about psychosocial safety

The Psychosocial Risk Management amendments to work health and safety regulations, the most significant since 2012, were introduced in Australia during the 2022/23 financial year, emphasising the proactive management of psychological workplace risks. Before these changes, we initiated 'sensitive' incident reporting for safer disclosures and integrated a work health and safety (WHS) risk approach for reporting harmful workplace behaviours.

Post amendments, we profiled business unit risks, prioritised management activities and held educational sessions with leadership. We partnered with EY's WHS consultants to evaluate our health and safety systems and commenced a whole-of-organisation initiative, focusing on employee health and safety throughout the employee lifecycle. These efforts will continue in the 2023/24 financial year.

## Prioritising fair work

We've implemented some changes to align with the updated *Fair Work Legislation (Secure Jobs, Better Pay) Act 2022*. The major updates and our responses are:

- banning pay secrecy – this led to amendments in our employment contracts
- strengthening our no tolerance approach to workplace sexual harassment – we've updated our existing policy
- preparing for upcoming restrictions on fixed-term contracts.



# Financial disclosures

Our financial statements are audited by an independent auditor, Deloitte Touche Tohmatsu, and approved by our board. The abridged financial statements for the year ended 30 June 2023 are presented below.

## Statement of financial position as at 30 June 2023

	2023 \$m	2022 \$m
<b>Assets</b>		
Cash and cash equivalents	591	689
Receivables	1,064	1,262
Financial assets	161,604	147,050
Investment in Service Entities	25	23
Plant and equipment	109	129
Intangible assets	158	79
Current tax receivable	297	102
<b>Total assets</b>	<b>163,848</b>	<b>149,334</b>
<b>Liabilities</b>		
Payables	634	1,375
Financial liabilities	197	1,484
Deferred tax liabilities	1,645	661
<b>Total liabilities excluding member benefits</b>	<b>2,476</b>	<b>3,520</b>
<b>Net assets available for members benefits</b>	<b>161,372</b>	<b>145,814</b>
Defined contribution member liabilities	158,930	144,111
Defined benefit member liabilities	1,004	981
<b>Total member liabilities</b>	<b>159,934</b>	<b>145,092</b>
<b>Net assets</b>	<b>1,438</b>	<b>722</b>
<b>Equity</b>		
Reserves	1,421	614
Defined benefit surplus	17	108
<b>Total equity</b>	<b>1,438</b>	<b>722</b>

## Income statement for the year ended 30 June 2023

	2023 \$m	2022 \$m
<b>Investment revenue</b>		
Interest	1,039	548
Dividends	3,053	3,198
Distributions from unit trusts	2,060	1,937
Changes in fair value of investments	9,013	(11,703)
Other income	109	78
<b>Total revenue</b>	<b>15,274</b>	<b>(5,942)</b>
Investment expenses	(483)	(470)
Administration expenses	(326)	(338)
<b>Total expenses</b>	<b>(809)</b>	<b>(808)</b>
<b>Operating result before income tax expense</b>	<b>14,465</b>	<b>(6,750)</b>
Income tax benefit/(expense)	(769)	1,159
<b>Operating result after income tax expense</b>	<b>13,696</b>	<b>(5,591)</b>
Net loss/(benefits) allocated to defined contribution member accounts	(12,868)	4,928
Net change in defined benefit member accounts	(21)	36
<b>Operating result</b>	<b>807</b>	<b>(627)</b>

# Financial disclosures

## (continued)

### Statement of changes in member benefits

	Defined contribution member benefits \$m	Defined benefit member benefits \$m	Total \$m
<b>Opening balances as at 1 July 2021</b>	<b>145,663</b>	<b>1,043</b>	<b>146,706</b>
Employer contributions	6,847	6	6,853
Member contributions	2,688	4	2,692
Movement in unallocated contributions	31	-	31
Transfer from VISSF (Note 1.1)	820	26	846
Transfers from other superannuation funds	3,173	-	3,173
Superannuation co-contributions	29	-	29
Income tax on contributions	(1,019)	(1)	(1,020)
Net after tax contributions	12,569	35	12,604
Benefit payments to members or beneficiaries	(8,480)	(62)	(8,542)
Insurance premiums charged to members' accounts	(669)	-	(669)
Financial advice fees deducted from members' accounts	(44)	-	(44)
Reserves transferred to members	-	1	1
Net loss allocated to members	(4,928)	-	(4,928)
Net change in defined benefit member benefits	-	(36)	(36)
<b>Closing balances as at 30 June 2022</b>	<b>144,111</b>	<b>981</b>	<b>145,092</b>
<b>Opening balances as at 1 July 2022</b>	<b>144,111</b>	<b>981</b>	<b>145,092</b>
Employer contributions	7,558	(3)	7,555
Member contributions	3,140	4	3,144
Movement in unallocated contributions	69	-	69
Transfers from other superannuation funds	2,784	1	2,785
Superannuation co-contributions	31	-	31
Income tax on contributions	(1,114)	(1)	(1,115)
Net after tax contributions	12,468	1	12,469
Benefit payments to members or beneficiaries	(9,761)	(90)	(9,851)
Insurance premiums charged to members' accounts	(722)	-	(722)
Financial advice fees deducted from members' accounts	(34)	-	(34)
Reserves transferred to members	-	91	91
Net benefit allocated to members	12,868	-	12,868
Net change in defined benefit member benefits	-	21	21
<b>Closing balances as at 30 June 2023</b>	<b>158,930</b>	<b>1,004</b>	<b>159,934</b>

### Statement of changes in equity/reserves

	Investment reserve <sup>41</sup> \$m	Operational risk financial requirement reserve <sup>42</sup> \$m	Insurance reserve <sup>43</sup> \$m	Administration reserve <sup>44</sup> \$m	Total reserves \$m
<b>Opening balances as at 1 July 2021</b>	<b>451</b>	<b>367</b>	<b>12</b>	<b>405</b>	<b>1,235</b>
<b>Operating result</b>					
• Operating surplus/(deficit)	-	-	-	50	50
• Investment returns	-	(6)	-	(58)	(64)
• Allocation of tax timing differences	(317)	-	-	-	(317)
• Movement in timing differences	(296)	-	-	-	(296)
<b>Transfer from VISSF</b>		<b>2</b>		<b>4</b>	<b>6</b>
<b>Closing balances as at 30 June 2022</b>	<b>(162)</b>	<b>363</b>	<b>12</b>	<b>401</b>	<b>614</b>
<b>Opening balances as at 1 July 2022</b>	<b>(162)</b>	<b>363</b>	<b>12</b>	<b>401</b>	<b>614</b>
<b>Operating result</b>					
• Operating surplus/(deficit)	-	2	-	20	22
• Investment returns	-	34	-	21	55
• Allocation of tax timing differences	458	-	-	-	458
• Movement in timing differences	272	-	-	-	272
<b>Closing balances as at 30 June 2023</b>	<b>568</b>	<b>399</b>	<b>12</b>	<b>442</b>	<b>1,421</b>

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

The allocation of tax timing differences represents the elimination of recognised timing differences between the Fund's aggregate tax position and the tax accrued through unit pricing. The movement in timing differences represents the current year movement of investment reserve timing differences yet to be processed through unit pricing.

41. The Investment reserve is an unallocated reserve being the difference between the statutory financial result and the cumulative amount of investment income (net of investment expenses and investment tax timing differences) allocated to members' accounts, after any transfers to Operational Risk Financial Requirement reserve, Insurance reserve, and Administration reserve.
42. The Operational Risk Financial Requirement reserve is an unallocated reserve, held separately to the unitised assets of the Fund to maintain adequate financial resources to address potential losses arising from operational risks. The reserve may be used by the Trustee in accordance with the requirements of Superannuation Prudential Standard 114 Operational Risk Financial Requirement and the Fund's Operational Risk Financial Requirement Reserving Policy. The Trustee has assessed a reserve of approximately 0.25% of funds under management as being appropriate for the Fund.
43. The Insurance reserve is an unallocated reserve which comprises the receipt of profit share and/or premium adjustment amounts from the Fund's group life insurers less the use of these amounts to reduce premiums for relevant members.
44. The Administration reserve is an unallocated reserve held separately to the unitised assets of the Fund for use by the Trustee in accordance with the Trust Deed. It is funded by administration fees charged to members and funds the operations of the Trustee office, which may include investment in enhancing member services, expanding the product range or expenditure to achieve operational efficiencies. The reserve may also be used to reinstate the Operational Risk Financial Requirement reserve following a loss or meet any trustee fees charged by Aware Super Pty Limited in its capacity as the trustee of the Fund.



# Financial disclosures

## (continued)

### Statement of cash flows for the year ended 30 June 2023

	2023 \$m	2022 \$m
<b>Cash flows from operating activities</b>		
Investment income	6,232	5,772
Investment expenses	(485)	(480)
Administration expenses	(370)	(400)
Insurance premiums paid	(740)	(649)
Financial planning fees	(34)	(44)
Income tax paid	(245)	(1,183)
<b>Net inflows from operating activities</b>	<b>4,358</b>	<b>3,016</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(43,282)	(76,053)
Proceeds from sale of investments	35,926	68,591
<b>Net outflows from investing activities</b>	<b>(7,356)</b>	<b>(7,462)</b>
<b>Cash flows from financing activities</b>		
Contributions received	13,591	13,116
Tax paid on contributions received	(849)	(720)
Benefits paid	(9,842)	(8,865)
Transfer from VISSF (Note 1.1)	-	866
<b>Net inflows from financing activities</b>	<b>2,900</b>	<b>4,397</b>
<b>Net (decrease) in cash held</b>	<b>(98)</b>	<b>(49)</b>
<b>Cash at the beginning of the financial year</b>	<b>689</b>	<b>738</b>
<b>Cash at the end of the financial year</b>	<b>591</b>	<b>689</b>

The tables contain information extracted from the fund’s audited financial statements. A hard copy audited financial statements and auditor’s report is available free of charge by calling us on 1300 650 873. To view a copy of the audited financial statements, see:

[aware.com.au/reports](https://www.aware.com.au/reports)

# Additional disclosures

### Unclaimed super is paid to the ATO

Under the superannuation rules, we must report and pay unclaimed super money and inactive low balance accounts to the Australian Taxation Office (ATO). Unclaimed super money includes the following:

- an account balance under A\$6,000 held by a member who is uncontactable. The member is considered uncontactable if we can’t contact them by mail or email via the address(es) we hold for them and they haven’t been in contact with us or contributed in the last 12 months
- an inactive low-balance account
- an inactive account held by a member who is 65 years of age or more. This applies if we haven’t received any contributions or rollovers for the member in the last two years and it’s been five years or more since they last contacted us and we’re unable to make contact with them. Once they reach 65, they can start an income stream or access their benefit in cash at any time.

The above excludes defined benefit accounts.

An inactive low-balance account is defined as a super accumulation account where no contribution or rollovers have been received for 16 months, a condition of release hasn’t been met, the account balance is less than A\$6,000 and none of the following have occurred in relation to the member in the last 16 months:

- the member has changed investment options
- the member has made changes to their insurance cover
- the member has made or amended a binding beneficiary nomination
- the member has elected to maintain insurance
- the member, by written notice given to the fund, has declared they aren’t a member of an inactive low-balance account.

Benefits for the following people may also be transferred to the ATO:

- lost or uncontactable members
- former temporary resident members who have departed Australia
- deceased members whose benefits can’t be paid following death
- a spouse who is entitled to a benefit split under the *Family Law Act* and can’t be paid.

In most circumstances, simply contacting us will avoid the possibility of the member’s account being transferred to the ATO. If their account is transferred to the ATO, any insurance cover the member may have will cease. The money can be claimed from the ATO at any time. Generally, they’ll need to meet a condition of release to have this money paid in cash. Otherwise, it will need to be transferred to an eligible superannuation fund, such as Aware Super. Interest may also be payable by the ATO at the time the money is claimed. To find out how members can keep their account active, see:

[aware.com.au/portfolioholdingsdisclosure](https://www.aware.com.au/portfolioholdingsdisclosure)

### Temporary residents

If a member is a temporary resident, they can usually receive their super when they leave Australia and their visa expires or is cancelled. Six months after their temporary residence visa has expired or is cancelled, the ATO may require us to transfer their super to them. Non-residents can make an application to the Commissioner of Taxation to claim unclaimed super.

We aren’t obliged to notify or provide an exit statement to a member who was a temporary resident if we transfer their superannuation to the ATO, following their departure from Australia. For more on how members can claim their super in these circumstances, see:

[aware.com.au/leavingaustralia](https://www.aware.com.au/leavingaustralia)

### Compliance

Aware Super (ABN 53 226 460 365) is a resident regulated superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993* (SIS Act), and a complying superannuation fund for the purposes of the *Income Tax Assessment Act*.

We can accept transfers and rollovers under Aware Super’s trust deed and rules, and the fund is authorised under MySuper legislation. Upon receipt of transfers and rollovers, we’ll maintain and preserve the benefits in Aware Super to the extent required by the SIS Act and its regulations.

### Administrator

Mercer administration services ceased at close of business on 30 April 2023.

# Additional disclosures (continued)

## List of investment managers as at 30 June 2023 by asset class

### Australian equities

Aware Super Pty Ltd  
Hyperion Asset Management Limited  
Northcape Capital Pty Ltd  
Plato Investment Management Limited  
Schroder Investment Management Australia Limited  
Selector Funds Management Limited  
State Street Global Advisors, Australia, Ltd  
Tyndall Asset Management  
Vinva Investment Management Ltd  
Yarra Funds Management Limited

### International equities

Acadian Asset Management (Australia) Limited  
Ardevora Asset Management LLP  
Artisan Partners Limited Partnership  
Aware Super Pty Ltd  
Baillie Gifford Overseas Ltd  
EAM Global Investors LLC  
FIL Investment Management (Australia) Limited  
First Sentier Investors (Australia) IM Ltd  
Hermes Investment Management Ltd  
Macquarie Investment Management Australia Limited  
RBC Global Asset Management (UK) Limited  
Sanders Capital LLC  
State Street Global Advisors, Australia, Ltd  
Sustainable Growth Advisers LP  
Veritas Asset Management LLP  
Wellington Management Australia Pty Ltd

### Fixed income

Aware Super Pty Ltd  
BlackRock Investment Management (Australia) Limited  
Challenger Life Company Limited  
State Street Global Advisors, Australia, Ltd

### Property

Altis Asset Management Pty Ltd  
Aware Super Pty Ltd  
Blackoak Capital Pty Ltd  
Dexus Wholesale Property Limited

EG Funds Management Pty Ltd  
Goodman Consultoria, Participações e Administração de Valores Mobiliários Ltda  
Goodman Funds Management Australia Limited  
GPT Funds Management Limited  
Hillwood Investment Properties Lendlease (US) Investment Management LLC  
Lendlease Real Estate Investments Limited  
State Street Global Advisors, Australia, Ltd  
Stride Property Limited  
Vicinity Funds Management Pty Ltd

### Private equity

Adamantem Capital Pty Ltd  
AE Industrial Partners, LLC  
Allegro Funds Pty Ltd  
Aware Super Pty Ltd  
Blackbird Ventures Pty Ltd  
Castik Capital, S.à.r.l.  
Cinven Limited  
Continuity Capital Partners Pty Limited  
Crescent Capital Partners Management Pty Limited  
FitzWalter Capital Partners Pty Ltd  
Five V Capital Pty Ltd  
Foundry Group Next, L.P.  
FTV Management Company, L.P.  
Generation Investment Management LLP  
GHO Capital Management Limited  
Headline  
IFM Investors Pty Ltd  
Integrum Holdings LP  
KKR Australia Investment Management Pty Ltd  
LYFE Capital Management Limited  
Motive Capital Management, LLC  
New 2ND Capital Advisors, L.P.  
Nexus Point Management Limited  
Northlane Capital Partners, LLC  
Odyssey Private Equity Pty Limited  
Openspace Ventures Pte Ltd  
Potentia Capital Management Pty Ltd  
Potentum Partners, L.P.  
ROC Capital Pty Ltd  
Searchlight Capital Partners, L.P.  
SER Capital Partners, LLC  
Solace Capital Partners, LLC  
StepStone Group, LP  
STG Partners, LLC  
TSPI, LP  
Updata Management, LLC  
Warburg Pincus LLC  
Webster Equity Partners, LLC

Wilshire Australia Pty Ltd  
WM Partners, L.P.

### Infrastructure and real assets

Argyle Capital Partners Pty Ltd  
Aware Super Pty Ltd  
Campbell Global, LLC  
Darby Servtec Energia GP, LLC  
Igneo Infrastructure Partners  
Foresight Australia Funds Management Limited  
HRL Morrison & Co (Australia) Pty Limited  
IFM Investors Pty Ltd  
J.P. Morgan Investment Management, Inc.  
Lendlease Infrastructure Investment Management Pty Ltd  
Morgan Stanley Investment Management (Australia) Pty Limited OIC, L.P.  
Palisade Investment Partners Limited  
QIC Limited  
ROC Capital Pty Ltd  
Stafford Capital Partners Limited  
StepStone Group Real Assets LP

### Credit income

Ares Management UK Limited  
Aware Super Pty Ltd  
Bain Capital Credit, LP  
Flag Asset Management Pty Ltd  
Intermediate Capital Group  
Oaktree Capital Management, L.P.  
Payden & Rygel Global Limited  
Westbourne Credit Management Ltd

### Liquid alternatives (Growth)

GMO Australia Limited  
Insight Investment Management (Global) Limited  
Nephila Capital Ltd  
Pacific Investment Management Company LLC (PIMCO)

### Liquid alternatives (Defensive)

36 South Capital Advisors LLP  
AlphaSimplex Group, LLC  
AQR Capital Management, LLC

### Cash

Aware Super Pty Ltd  
Flag Asset Management Pty Ltd

### Currency management

Aware Super Pty Ltd  
State Street Global Advisors, Australia, Ltd

Note that investment managers with small residual holdings where the investment is in the process of being wound up, sold, or terminated, have not been included in the above list.

# Recognition and awards

## Chant West<sup>45</sup>



## Workplace Gender Equality Agency<sup>46</sup>



## Financial Review BOSS<sup>47</sup>



## Canstar<sup>48</sup>



## Money magazine<sup>49,50,51,52,53</sup>



## Rainmaker



## SuperRatings<sup>54</sup>



## Chant West<sup>55</sup>



45.Zenith CW Pty Ltd ABN 20 639 121 403 AFSL 226872/AFS Rep No. 1280401 Chant West Awards issued 17 May 2023 are solely statements of opinion and not a recommendation in relation to making any investment decisions. Awards are current for 12 months and subject to change at any time. Awards for previous years are for historical purposes only. Full details on Chant West Awards at [chantwest.com.au/fund-awards/about-the-awards/](http://chantwest.com.au/fund-awards/about-the-awards/).

46.WGEA's EOCGE citation verifies to employees – and potential employees – that an organisation is taking meaningful action to improve the working lives of women and men throughout the business.

47.For more information go to [lists.afr.com/bestplacetowork/](http://lists.afr.com/bestplacetowork/).

48.Canstar Outstanding Value Award – Superannuation – awarded in two consecutive years to Aware Superannuation Fund in March 2023 and March 2022.

49.Money magazine's Best Super Fund 2023 recognises Aware Super as one of Australia's best performing super funds, providing strong long-term returns across various investment options leading to better retirement outcomes for members.

50.Money magazine's Best Super Lifecycle Product 2023 recognises Aware Super's MySuper Lifecycle design as a leader in improving members' retirement balances, by guiding them through an investment path over their lifetime, boosting their growth potential for as long as possible and gradually de-risking in the lead up to retirement, helping to safeguard members' savings and provide the best possible retirement outcome.

51.Money magazine's Best Value Super Fund for Young People 2023 recognises Aware Super's innovative MySuper Lifecycle design, providing younger members the opportunity to invest in the High Growth investment option for a longer period of time, taking on more investment risk with the potential for higher returns, has the ability to provide a much larger balance for members at retirement.

52.Money magazine's Best Growth Super Product 2023 recognises Aware Super's High Growth investment option. Investing in a range of Australian and overseas investments, the High Growth option is suited to members who can tolerate risk and have an investment timeframe over 10 years or more.

53.Money magazine's Best Moderate Pension Product 2023 recognises Aware Super's Conservative Balanced Socially Conscious option. Delivering strong long-term performance whilst screening out companies operating in sectors recognised for having a highly adverse environmental or social impact. Check the PDS for details of the screening criteria and any revenue thresholds, where applicable.

54.The rating(s) is issued by SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings uses objective criteria and receives a fee for publishing awards. Visit [superratings.com.au](http://superratings.com.au) for ratings information and to access the full report. © 2023 SuperRatings. All rights reserved.

55.The Zenith CW Pty Ltd ABN 20 639 121 403 AFSL 226872/AFS Rep No. 1280401 Chant West rating (assigned January 2023) is limited to General Advice only and has been prepared without considering your objectives or financial situation, including target markets where applicable. The rating is not a recommendation to purchase, sell or hold any product and is subject to change at any time without notice. You should seek independent advice and consider the PDS or offer document before making any investment decisions. Ratings have been assigned based on third-party data. Liability is not accepted, whether direct or indirect, from use of the rating. Past performance is not an indication of future performance. Refer to [chantwest.com.au](http://chantwest.com.au) for full ratings information and Chant West's Financial Services Guide: [www.chantwest.com.au/financial-services-guide](http://www.chantwest.com.au/financial-services-guide).





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