

# **SUPERANNUATION CONSUMERS' CENTRE LTD**

ABN 34 163 636 566



**Super  
Consumers  
Australia**

**FINANCIAL REPORT**  
for the financial year ended 30 June 2023

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

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# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Directors' Report

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The Board presents its report, together with the financial statements, on Superannuation Consumers' Centre Ltd (referred to hereafter as the 'Centre') for the year ended 30 June 2023.

### 1. Directors

The following persons were Directors of the Centre during the financial year:

Board member	Board meetings	
	Eligible to attend	Number attended
Rodney Stowe (Chair)	5	5
Susan Thorp	5	5
Kevin Davis	5	4
Shane Tregillis	5	5
Elissa Freeman	5	5
Craig Young	5	4
Delia Rickard (from February 2023)	3	3

### 2. Secretary

The secretary of the Centre during or since the end of the financial year was:

Linda Magee

### 3. About the Association

Superannuation Consumers' Centre advances and protects the interests of low and middle income people in Australia's superannuation system. It was founded in 2013 and received funding for the first time in 2018. We will change the superannuation system through:

- Campaigning and policy: We use real people's stories to shine a light on the biggest problems in superannuation.
- Investigative journalism: We uncover the truth about issues people have with their retirement savings and provide practical advice to help cut through the spin.
- Research and analysis: Our rigorous, conflict-free research lifts the lid on fund performance, fees and insurance. We turn this analysis into action by using it to back reform and make super easier for people to understand.

We work hard to keep the super industry accountable and fair.

### 4. Performance

The surplus of the Centre for the year amounted to \$56,239 (2022: \$91,265).

Other than disclosed in this financial report, no significant changes in the Centre's state of affairs occurred during the financial year.

2021-22 was the fourth year of operations with start-up funding from the community benefit payments granted to the Centre. We have acquitted the community benefit payment agreements with effect from 1 April 2022. From 1 April 2022, our operations in the period have been funded from a Federal Government grant. The Federal Government grant funding provided \$1.6mil until 30 June 2023.

Our operational spending in 2021-22 was less than planned for a range of reasons. CHOICE remained our delivery partner as we continued our organisational transition. This partnership has delivered significant savings. In addition, spending on some expected items, such as travel, was significantly reduced due to the lock downs caused by the COVID-19 pandemic.

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Directors' Report

### 4. Performance (continued)

We have successfully sought philanthropic funding (\$500,000 per year, for three years commencing in 2022-23) which allows us to continue at or near current levels until the end of 2023/24. This funding will also support certain limited operations during 2024-25.

Over the last financial year we have achieved major improvements to the superannuation system for consumers. We have also progressed other consumer issues significantly. Below is a summary of our key achievements.

## Major wins for consumers

2022



Our advocacy helped ensure no additional super funds were carved out of the performance test. We highlighted the importance of ensuring that funds' performance serves all members, ensuring the test continues to have widespread application.



Following the launch of our retirement savings targets in July of 2022, we updated the figures to account for increases to the cost of living and age pension. We re-released the updated targets in August 2023. Our targets have received significant media attention across TV, radio, print and online, with 85 items covering the release in the fortnight following the 2022 launch alone. In the subsequent year, the targets have continued to appear in our media mentions, with journalists increasingly using them as a standard benchmark, alongside similar standards, in retirement planning pieces.

2023



Our advocacy helped ensure the performance test was expanded to include a greater number of choice sector options. We have consistently called for the test to be expanded to encompass more of the industry, for example choice products and retirement products. The announced expansion means better outcomes for members, with our research showing the performance test has driven fee reduction by as much as 20%.



Along with worker and industry groups we called for reforms to introduce payday super. This will help address wage theft and protect people from lapses in insurance cover through super. The change is expected to see some people thousands of dollars better off in retirement.



In March, we released our research and investigative story on MYOB's onboarding platform, noting its use of dark patterns to nudge over 100,000 people into a MYOB-owned poor-performing super fund, Slate Super. We called on the Federal Government to address this hole in the superannuation system. As a result the Minister committed to take action, which we have seen in the form of proposed reforms and system improvements to protect people from being sold into poor performing products.

## Directors' Report

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### 4. Performance (continued)

## Progress to better outcomes for consumers

2021/2022



We kept funds accountable for the claims they made in their member outcomes assessments about how they are acting in the best interests of their members. To do this, we reviewed their self-assessments. The research looked at the accuracy of claims made and uncovered misleading characterisations of how well funds are serving their members' interests. We will follow up on this research to keep track of promises funds have made to improve.



We successfully advocated for the open finance regime to be extended to superannuation. The regime has the potential to make it easier for people to shop around and better understand how their needs align with market offers.



We supported the passage of the Retirement Income Covenant into law, which will require funds to develop better strategies and products to help people maximise their incomes in retirement. We are concerned by the large discretion given to funds in delivering on this covenant and will continue to shape good outcomes by working with industry to understand how best to deliver on these new obligations

## Progress to better outcomes for consumers

2022/23



On the back of our advocacy calling out inappropriate super fund expenditure, the Federal Government has committed to developing an annual transparency report. The report will help hold super funds accountable for member's money they spend and result in pressure to reduce fees.

### 5. Auditor's Independence Declaration

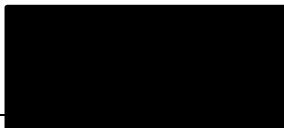
The auditor's independence declaration, for the financial year ended 30 June 2023 has been received and can be found on page 6.

### 6. Events after the reporting period

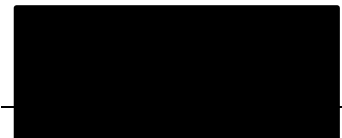
The Centre's funding is set to expire at the end of 2024-25. We are in the process of developing long-term funding solutions to allow the work of the Centre to continue beyond this date.

Signed in accordance with a resolution of the Board:

Chair:



Director:



Dated: 31 October 2023

Dated: 31 October 2023



**BYRONS**

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**AUDITOR'S INDEPENDENCE DECLARATION**

**TO THE BOARD OF SUPERANNUATION CONSUMERS' CENTRE LTD**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act, as lead auditor for the audit of Superannuation Consumers' Centre Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm:

Byrons

Name of Director:

Dudley Belling

Date:

31 October 2023

Address:

Level 14, 9 Castlereagh Street, Sydney NSW 2000

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Australian Dollars	Notes	2023	2022
<b>Income</b>			
Revenue	2	1,300,000	883,333
Other income		790	1,806
Interest income		30,666	1,776
		<u>1,331,456</u>	<u>886,915</u>
<b>Expenses</b>			
General expenses	3	<u>(1,275,217)</u>	<u>(795,650)</u>
<b>Surplus before tax</b>		<b>56,239</b>	<b>91,265</b>
Tax expense		-	-
<b>Surplus for the year</b>		<u><b>56,239</b></u>	<u><b>91,265</b></u>

The accompanying notes form part of these financial statements

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Statement of Financial Position as at 30 June 2023

Figures in Australian Dollars	Notes	2023	2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	1,395,383	1,213,517
Trade and other receivables	5	64,581	38,601
<b>Total Current Assets</b>		<b>1,459,964</b>	<b>1,252,118</b>
<b>Total Assets</b>		<b>1,459,964</b>	<b>1,252,118</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	410,608	259,001
Contract liability	7	446,369	446,369
<b>Total Current Liabilities</b>		<b>856,977</b>	<b>705,370</b>
<b>Total Liabilities</b>		<b>856,977</b>	<b>705,370</b>
<b>Net Assets</b>		<b>602,987</b>	<b>546,748</b>
<b>Equity</b>			
Accumulated surplus		602,987	546,748
<b>Total Equity</b>		<b>602,987</b>	<b>546,748</b>

The accompanying notes form part of these financial statements



# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Statement of Changes in Equity as at 30 June 2023

Figures in Australian Dollars	Accumulated surplus	Total equity
<b>Balance at 1 July 2021</b>	<b>901,852</b>	<b>901,852</b>
Surplus for the year	91,265	91,265
Recognition of contract liability	(446,369)	(446,369)
<b>Balance at 30 June 2022</b>	<b>546,748</b>	<b>546,748</b>
<b>Balance at 1 July 2022</b>	<b>546,748</b>	<b>546,748</b>
Surplus for the year	56,239	56,239
<b>Balance at 30 June 2023</b>	<b>602,987</b>	<b>602,987</b>

The accompanying notes form part of these financial statements

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Statement of Cash Flows

Figures in Australian Dollars	Notes	2023	2022
<b>Cash flows from operating activities</b>			
Receipts from funders and other income		1,300,790	803,582
Payments to suppliers and employees		(1,149,591)	(776,519)
Interest received		30,666	1,776
<b>Net cash flows from operating activities</b>	8	<b>181,865</b>	<b>28,839</b>
<b>Net change in cash and cash equivalents</b>		<b>181,865</b>	<b>28,839</b>
Cash and cash equivalents at the beginning of the year		1,213,517	1,184,678
<b>Cash and cash equivalents at the end of the year</b>	4	<b>1,395,383</b>	<b>1,213,517</b>

The accompanying notes form part of these financial statements

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Notes to the Financial Statements

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### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Superannuation Consumers' Centre Ltd (the Centre) as an individual not-for-profit entity. The Centre is incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Board on 30 October 2023.

#### (a) Basis of Preparation

The Centre, a not-for-profit entity, has prepared special purpose financial statements as, in the opinion of the Directors, it is unlikely there are users of these financial statements who are not in a position to require the preparation of reports tailored to their information needs. Accordingly, these financial statements have been prepared to satisfy the Directors' reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies and AASB 1054 Australian Additional Disclosures. The recognition and measurement requirements that have not been complied with are those specified in AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities as, in accounting for income, the Centre has recognised revenue in accordance with the policy described in Note 1(c).

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest Australian dollar.

#### (b) Income tax

As the Centre is a charitable institution in terms of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

#### (c) Revenue and other income

Funding and donation income are recognised when the Centre obtains control over the funds, which is generally at the time of receipt.

Interest income is recognised using the effective interest rate method.

If a contract liability is recognised in relation to the funding received above, the Centre recognises income in profit or loss when or as it satisfies its obligations.

If conditions are attached to the funding received that must be satisfied before the Centre is eligible to receive the contribution, recognition of the funding as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Notes to the Financial Statements

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### (d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

### (e) Accounts receivable

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from third parties. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

### (f) Accounts payable

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Centre during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### (g) Cash and cash equivalents

Cash and cash equivalents include deposits held at-call with banks, and other short-term highly liquid investments with maturities of twelve months or less.

### (h) Impairment of assets

At the end of each reporting period, the Centre reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in surplus or deficit.

### (i) Changes in accounting standards issued but not yet effective

Several new standards, amendments to standards and interpretations are effective for annual reporting periods beginning after 30 June 2023, with early adoption permitted, but have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Centre.

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Notes to the Financial Statements

Figures in Australian Dollars	2023	2022
<b>2 Revenue</b>		
Grant income	1,300,000	800,000
Retirement Standards Project Funding	-	83,333
	<b>1,300,000</b>	<b>883,333</b>
<b>3 Results for the year</b>		
Results for the year were derived after accounting for the following specific items:		
CHOICE service fee *	1,241,563	769,183
Accounting and audit fees	11,566	11,624
Secretarial fees	12,000	12,000
Legal fees	5,775	-
Insurance	2,376	2,208
Sundry expenses	1,937	635
	<b>1,275,217</b>	<b>795,650</b>
* Comprises of fees for the provision of management services, including payroll (for FTEs employed by CHOICE to deliver the Centre's work), HR, IT, design and senior staff support.		
<b>4 Cash and cash equivalents</b>		
Term deposits	850,000	800,000
Bank balances	545,383	413,517
	<b>1,395,383</b>	<b>1,213,517</b>
<b>5 Trade and other receivables</b>		
GST receivable	64,581	38,601
	<b>64,581</b>	<b>38,601</b>
<b>6 Trade and other payables</b>		
Trade payables	402,913	251,501
Accrued expenses	7,695	7,500
	<b>410,608</b>	<b>259,001</b>
<b>7 Contract liability</b>		
Contract liability - Community Benefit Payments	446,369	446,369
	<b>446,369</b>	<b>446,369</b>

This balance represents the Centre's obligation to transfer goods or services in future, for which the funds have already been received.

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Notes to the Financial Statements

Figures in Australian Dollars

	2023	2022
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### 8 Notes to the statement of cash flows

Reconciliation of result for the period to cash flows from operating activities

Surplus for the year	56,239	91,265
- (increase)/decrease in trade and other receivables	(25,980)	8,345
- increase in trade and other payables	151,606	2,717
- decrease in amounts received in advance	-	(20,834)
	<u>181,865</u>	<u>81,493</u>

### 9 Events after the reporting period

The financial report was authorised for issue on 30 October 2023 by the Board.

The Centre's funding is set to expire at the end of 2024-25. It is in the process of developing long-term funding solutions to allow the work of the Centre to continue beyond this date.

### 10 Contingencies

There are no contingent liabilities or contingent assets as at the end of the reporting period (2022: \$nil).

### 11 Related parties

There were no transactions with related parties during the reporting period (2022: \$nil).

### 12 Commitments

There are no capital or operating lease commitments as at the end of the reporting period (2022: \$nil).

### 13 Auditor's remuneration

Byrons (formerly known as Moore Australia Audit NSW):

- Audit of the financial report	7,500	7,500
	<u>7,500</u>	<u>7,500</u>

# Superannuation Consumers' Centre Ltd

Financial report for the year ended 30 June 2023

## Directors' Declaration

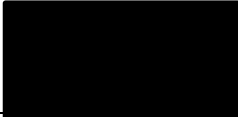
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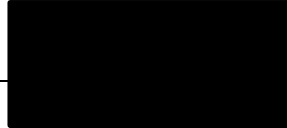
The Board has determined that the Centre is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the Board, the Directors of the Centre declare that:

- (a) there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they become due and payable; and
- (b) the financial report and notes satisfy the requirements of the Australian Accounting Standards, to the extent described in Note 1 to the financial report, and the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2022.

Chair:  \_\_\_\_\_

Director:  \_\_\_\_\_

Dated: 31 October 2023

Dated: 31 October 2023

**INDEPENDENT AUDITOR'S REPORT****To the members of Superannuation Consumers' Centre Ltd****Opinion**

We have audited the financial report of Superannuation Consumers' Centre Ltd (the Centre), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Directors.

In our opinion, the financial report of the Centre has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

- (a) giving a true and fair view of the Centre's financial position as at 30 June 2023, and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2022.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Society in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The special purpose financial report has been prepared to assist the Centre to meet the requirements of the Australian Charities and Not-for-Profits Commission Act and its members. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.





### Responsibilities of the Directors

The Directors of the Centre are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, to the extent described in Note 1 to the financial report, and the Australian Charities and Not-for-profits Commission Act, and for such internal control as they determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Centre's financial reporting process.

### Auditor's Responsibility

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

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

This description forms part of our auditor's report.

Name of Firm:

Byrons

Name of Director:

Dudley Belling

Date:

31 October 2023

Address:

Level 14, 9 Castlereagh Street, Sydney NSW 2000