



Statement of Corporate Intent 2021/22

Government Employees Superannuation Board
April 2021

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Executive summary

This is the Government Employees Superannuation Board's (GESB's) Statement of Corporate Intent (SCI) for the 2021/22 financial year. It includes an overview of GESB and its operating environment, key priorities, performance targets and financial forecasts for 2021/22.

In 2021/22, we remain committed to continuing to provide high quality, value for money superannuation and retirement products and services that meet our members', employers' and the State's needs.

As at 30 June 2020, GESB had funds under management (FUM) of \$29.4 billion (bn) with more than 270,000 member accounts for over 240,000 current and former public sector workers¹.

Our purpose is to *'look after our members' superannuation with excellence'* and our corporate goal is *'improved long-term superannuation benefits for our members'*.

Our purpose, goal, strategic objectives and priorities are determined within the context of our enabling legislation and the Heads of Government Agreement (HoGA) between the State of Western Australia (WA) and the Commonwealth. They are also aligned to the WA Government's Outcomes Based Management (OBM) framework and incorporate Australian Prudential Regulation Authority (APRA's) requirements for strategic planning and member outcomes².

In 2021/22 we will be focusing resources on addressing the following key strategic priorities:

- Ensuring member outcomes and service standards remain well positioned with respect to the leading Australian superannuation funds
- Continuing to focus on digital strategies across a range of channels, as a cost-effective way to service and engage members and improve the member experience
- Implementing relevant State and Commonwealth Government legislative changes (consistent with the HoGA)
- Ensuring that our investment performance and strategy remain appropriate and that they incorporate Environmental, Social and Governance (ESG) considerations
- Ensuring that our pricing and reserving strategies are appropriate
- Continuing to provide insurance members can rely on, with premiums that don't inappropriately erode member account balances
- Increasing engagement with employers to assist them in effectively and efficiently fulfilling their superannuation obligations
- Ensuring our key service providers are strategically aligned to GESB's objectives and are delivering value for money services to our members
- Ensuring we maintain a strong, risk-aware and high-performing culture and retain high-quality people

Our financial forecasts for 2021/22 show projected fund flows, FUM, budgeted expenses and capital investment required to support the delivery of our strategic priorities. The financial outcomes for future years, including the potential impacts that will flow from the implementation of Commonwealth and State reforms, are in the Strategic Development Plan (SDP).

¹ GESB membership statistics, June 2020

² SPS515 – Strategic Planning and Member Outcomes, APRA, August 2019

1. GESB overview

GESB is a statutory authority, responsible for administering the superannuation schemes established under the *State Superannuation Act 2000*, in addition to a number of other defined benefit schemes on behalf of the State. GESB is accountable to the Treasurer of WA.

The superannuation schemes administered by GESB have been afforded Exempt Public Sector Superannuation Schemes (EPSSSs) status by the Commonwealth, in recognition of circumstances surrounding many public sector schemes and the State's undertaking to ensure that members' accrued benefits in exempted schemes are fully protected. As an EPSSS, each GESB scheme is exempted from the *Superannuation Industry (Supervision) Act 1993* and the *Superannuation (Resolution of Complaints) Act 1993* and afforded the status of a complying superannuation fund for the purposes of Commonwealth income tax assessment legislation. We are not subject to APRA regulation.

GESB's statutory and regulatory framework is principally derived from:

- GESB's enabling legislation, the *State Superannuation Act 2000* (SSA) and the *State Superannuation Regulations 2001* (SSR)
- Treasurer's Guidelines issued pursuant to the SSA; and
- The HoGA between the State of WA and the Commonwealth

1.1. Our corporate responsibilities, purpose and corporate goal

Operating under the SSA regulatory framework, we manage the GES Fund and deliver cost-effective and trusted products³ (including insurance) and services to members, employers and the State.

We manage superannuation accounts and investments for nearly 240,000 current and former WA public sector employees. We manage an investment portfolio of \$29.4bn of which 90% (\$26.4bn) is managed for members in market-linked schemes, where members bear the investment risk, and \$2.9bn is managed for the State to support its defined benefit liabilities (data as at 30 June 2020).

We administer the schemes established under the SSA (SSA schemes) and other defined benefit schemes for the State and provide information and assistance to the Treasurer on superannuation matters. In accordance with the SSA, GESB's Board also formulates and gives effect to an investment strategy for the fund to achieve prudent diversification and deliver returns that meet or exceed investment objectives.

Our investment framework operates in accordance with Prudential Guidelines for Investments issued by the Treasurer.

We are primarily a self-funded agency, though we recover the operational costs of administering the State's defined benefit schemes and other Government related activity, including the cost of Government services, from the Consolidated Account.

Our purpose, goal, strategic objectives and priorities are determined within the context of our enabling legislation and the HoGA between the State of WA and the Commonwealth. They reflect State and Commonwealth policy objectives and also GESB's statutory obligation to act, as far as practicable, in the best interests of members in performing its functions. They are aligned to the WA Government's OBM framework, with GESB's outcomes contributing to the government goal of sustainable finances (responsible financial management and better service delivery)⁴ and will align with State Government policy and reforms where relevant.

Our purpose	To look after our members' superannuation with excellence
Our corporate goal	Improved long-term superannuation benefits for our members
Our focus	Operational excellence and delivery of well-regarded services and products to members and employers

³ Member satisfaction survey, Research Solutions, 2019/20 financial year

⁴ Department of Treasury, Government of WA; Outcomes Based Management; Guidelines for use in the WA Public Sector (2017)

1.2. Objectives and member outcomes

Our strategy is also aligned with the Commonwealth requirements regarding member outcomes⁵.

The Board determines the desired member outcomes and approves strategic objectives that support achieving these outcomes as well as the sound and prudent management of business operations.

Strategic objectives	Description	GESB member outcomes
1. Financial outcomes for our members	Net benefit to members through low fees and delivery of returns that meet or exceed investment objectives	Net benefit to members is above median of all funds
		Investment returns that meet or exceed return and risk investment objectives
		Fees are in the lowest fee quartile and are charged on a scheme level cost recovery basis
2. Member experience	A positive experience for our members when they engage with GESB	Members are satisfied when contacting GESB
	Give primacy to our members' perspective and be their advocate for appropriate outcomes	Members/member representatives are treated fairly and with respect (in a timely manner) and with due regard for their circumstances and the complexity of issues
3. Efficient and effective operations	Value for money products and services that meet members' needs	Value for money products and services that meet members' needs
	Insurance members can rely on	Appropriate insurance cover that does not inappropriately erode members' superannuation balances
		Flexible, easy to use, value for money insurance products that members can rely on
	Sufficient scale to support continued achievement of member outcomes	Value for money products and services
Supporting employers in meeting their superannuation obligations efficiently and effectively		
4. Positive culture and stakeholders	A positive and supportive organisational culture underpinned by strong values	GESB exercises due care to safeguard and protect members' assets responsibly and uphold the key values of the fund
	Highly regarded by stakeholders	

⁵Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 1) Bill 2019, April 2019

1.3. Key strategic themes (2021)

Our strategic themes are set annually by the Board following review of industry trends, legislative/regulatory changes and GESB's forecasts.

Key strategic themes	
Improved member outcomes	We will continue to identify and deliver on member outcomes
Investment performance	Delivery of investment performance that meets objectives and is above median relative to peers
ESG	We will continue to develop our ESG policy, maintaining focus on members' best financial interests
Regulation/legislation	We will review our long-term strategy and future operating model in consultation with key stakeholders in light of the proposed Your Future, Your Super superannuation reforms
Third-party providers	Strong contract management and cultural alignment with our third-party providers is critical to ensure high-quality services are maintained and we continue to deliver value for money to members
Member experience	Delivery of services that meet members' continuously evolving expectations, with a focus on treating members fairly and with respect, regardless of the channel or reason for engagement, and utilising technology to better engage with them
Data and technology	We will maintain our current focus on monitoring and mitigating risks around data security and cyber fraud
People and culture	Maintaining a positive high-performing culture is critical to delivering on our business objectives and member outcomes

1.4. Risk management

We have developed our Risk Management Strategy (RMS) to facilitate management of all risks that may adversely impact members, staff, assets, operations, and outsourced service providers. The RMS meets the requirements of subsection 52 (8) of the *Superannuation Industry (Supervision) Act 1993* and the *Australian Risk Management Standard AS/NZS ISO 31000:2009*.

Key material risks	
1.	Loss of leadership and key staff adversely impacting capacity and capability
2.	Failure to achieve long-term investment returns that meet or exceed investment objectives
3.	Failure to achieve satisfactory outcomes in relations to material outsource providers
4.	Failure to maintain constructive stakeholder relations
5.	Material operational risk event
6.	Failure to maintain alignment between government policy and GESB's strategic direction
7.	Financial crimes against the State or GESB members
8.	Impact of the COVID-19 pandemic on GESB's operations and strategic objectives

2. Our strategy - 2021/22

In 2021/22 we remain committed to providing high quality, value for money superannuation and retirement products and services that meet the needs of our members, employers and the State in a responsible manner.

Our strategy focuses on initiatives that enhance our members' experience and achieve appropriate outcomes for members. We will continue to build our digital capability to improve efficiency and meet the evolving needs and expectations of members and employers.

We will also ensure that we are continuously positioned to be a trusted provider of superannuation products and services to WA public sector employees and a high-quality advisor to the State in relation to superannuation policy.

A summary of initiatives for each strategic objective is provided below.

2.1. Summary of strategic initiatives

Objective 1: Financial outcomes for members

1.1. Net benefit to members through low fees and delivery of returns that meet or exceed investment and risk objectives

1.1.1. Investment returns that meet or exceed return and risk objectives

- **Strategic asset allocation (SAA)**

The main determinant of investment performance is the SAA – the long-term allocation of assets between broad asset classes (equities, cash, property, etc.) – for each investment option. This allocation has a major impact on the risk and return profile of each investment option within the Fund. SAAs are reviewed on an annual basis.

- **Asset class review**

Regular reviews of each asset class are undertaken, taking into account the appropriateness of the asset class composition, the spread of the risk in the portfolio and the distribution of risk across investment managers and strategies. These reviews will occur during this reporting period.

- **ESG policy**

ESG factors can impact long-term risk-adjusted returns, so it is important to understand material ESG risks and opportunities and integrate them into the investment process. As such we have integrated ESG considerations throughout our investment process, improved disclosure of portfolio holdings and considered climate-related risks in formulating our investment strategy. A range of additional ESG initiatives will also be considered during this reporting period and over the coming years.

1.1.2. Investment risk management framework

We have implemented and are bedding down an investment risk management system to assist with the identification, measurement, monitoring and management of investment risks.

The key objectives of the system include to better understand the level and composition of key risks within each investment option and the Fund's portfolio as a whole.

1.1.3. Fees below median and charged on a cost recovery basis

- **Pricing reviews**

Pricing for our market-linked superannuation and retirement schemes is determined by the Board based on regular reviews of each scheme's financial position. The aim is to ensure that the level of fees and charges meets our pricing principles which include providing value for members through fair and equitable pricing, taking into account relevant legislative and regulatory obligations and aiming to minimise cross subsidisation between schemes.

GESB's fees are currently below industry medians. From January 2021 they were as follows:

Plan	GESB fee	Industry median
WSS default plan (\$50,000 balance)	\$321	\$537 ⁶
GESB Super default plan (\$50,000 balance)	\$456	\$537 ⁷
Retirement Income Allocated Pension (\$250,000 balance)	\$1,475	\$2,700 ⁷
Retirement Income Term Allocated Pension (\$200,000 balance)	\$1,500	N/A

- **Retirement Options Service (ROS) fees**

ROS is a 60-minute, one-on-one meeting with an experienced consultant. GESB applies 'user pays' fees for ROS appointments based on cost recovery only. The ROS fee for 2020/21 is \$490. During the reporting period we are working to enhance ROS to increase the value for money proposition for members.

1.1.4. Implementation of improve accountability and member outcomes framework

To meet legislative requirements for improved accountability and member outcomes, we have developed a more comprehensive business case process for justifying significant expenditure on strategic initiatives and conducted our first annual business performance review and member outcomes assessment.

- **Published member outcomes assessment**

These legislative changes require funds to publish a summary of their annual member outcomes assessment on their websites within three months of finalising the assessment. Our first annual member outcomes assessment summary was published in March 2021. Our second member outcomes assessment summary will be published in March 2022.

- **Annual member meeting (AMM)**

An additional requirement of the member outcomes legislation is for funds to hold an AMM. We are intending to hold our first AMM in November 2021.

Objective 2: Positive member experience

2.1. A positive experience for members when they engage with GESB

2.1.1. Services to members

We continue to target improvements in service levels to members to ensure they can interact easily with GESB via a range of channels, whilst continuing to ensure value for money.

We provide a range of member information and support services, for example the GESB website and the Member Online (MOL) secure portal, Insurance Claims Consultants (ICC), Member Services Centre (MSC), Live chat, ROS, seminars and webinars. The majority of these are provided by the Link Group (Link), GESB's outsourced provider.

- **ROS enhancements**

To broaden accessibility of ROS to GESB members living in regional WA, we are intending to implement a virtual service (in addition to the face to face service) where the ROS specialists conduct virtual one-on-one meetings utilising Microsoft (MS) Teams technology.

2.2. Member communication and information

We will continue to encourage members to engage with their superannuation and make informed choices through timely, relevant information and tools. This includes increased use of digital channels.

⁶ SuperRatings SMART database, January 2021

⁷ SuperRatings Annual Benchmarking Survey, February 2019

2.2.1. Digital member engagement

The Board has identified increased use of technology as a key strategic area of focus for 2021/22 and ongoing. To better engage with and service members' needs, our aim is for digital to be the default channel for members. Therefore, our focus is on implementing digital strategies, including eCommunication and online tools, to cost-effectively engage and service members, meet their information needs and assist in improving retirement outcomes.

To date, we have implemented electronic member statements and digital statement summaries, as well as online tools such as a retirement income calculator.

- **Secure MOL rebuild**

Our secure online member portal is key to achieving our objective of delivering a positive and efficient member experience through digital channels. The aim is for MOL to be the central access point used by members for information, transactions and communication.

Our current MOL has reached end of life and requires a full upgrade, therefore we intend to implement a new MOL solution. This will include system enhancements such as implementing an **online document centre, development of an online form capability and delivery of more personalised information.**

- **Default eCommunication**

We have implemented electronic communication by default for compliance-related documents and are increasingly employing electronic delivery of other member correspondence, such as confirmation of investment switches and contributions received. This includes the use of SMS messaging for member-initiated actions. The implementation of a new MOL, including an online document centre, will help facilitate this initiative.

2.2.2. 'Voice of the customer' program

We continue to analyse the experience different cohorts of members have had with us to identify service provision enhancements. We are implementing a 'Voice of the customer' program, bringing together and analysing member feedback from a variety of sources to identify gaps in service provision and service improvement opportunities.

2.3. Give primacy to our members' perspective and be their advocate for appropriate outcomes

Our focus is on improving support and services to members when they are in vulnerable positions, for example those experiencing financial hardship.

2.3.1. Aboriginal and Torres Strait Islander members

Our vision for reconciliation is to engage with Aboriginal and Torres Strait Islander peoples in ways that will meet their needs and help to improve superannuation outcomes.

Our first Reconciliation Action Plan (RAP) helped us clarify our vision for reconciliation, and scope and develop initiatives for improved outcomes and more engagement with Aboriginal and Torres Strait Islander peoples. In September 2020 we launched our 'Innovate' RAP, moving us into the second phase of reconciliation. Our aim is to continue to develop our RAP and improve our services to Aboriginal and Torres Strait Islander members.

2.3.2. Complaints

Although we receive low numbers of complaints, complaints are a key source of information regarding members' experience with GESB. To more fully understand emerging trends and drivers of complaints, we will be implementing a comprehensive complaints management system during the 2021/22 financial year.

2.3.3. Financial hardship, compassionate payment and deceased estate processes

We are undertaking a comprehensive review of our processes for recognising financial hardship and compassionate grounds for the early release of funds. We are also enhancing deceased estate processes and communication materials in collaboration with the Link administration team, to make accessing funds an easier and more streamlined process for members/member representatives who are already under considerable distress.

2.3.4. Accessibility

Although we have been successful in making our website, MOL portal and calculators accessible, we will continue to focus on making all information and content accessible to all members.

2.3.5. Diversity and Inclusion

We are committed to providing services to the diverse Western Australian community, including people with disabilities, Aboriginal and Torres Strait Islander peoples, and culturally and linguistically diverse (CALD) people in a fair and non-discriminatory manner. Our Workforce and Diversity Plan 2020/21 has been developed to align with and support the achievement of our strategic objectives. Initiatives identified in this plan will be implemented throughout the reporting period.

2.3.6. Multicultural Access Plan

Our Multicultural Access Plan (MAP) 2020/21 was developed to provide a framework to support our commitment to multicultural access and inclusion in the way we work and in the outcomes we deliver in line with our purpose and values. An important part of this is ensuring we can engage and communicate effectively with CALD people, both internally and externally. Initiatives identified in this plan will be implemented throughout the reporting period.

Objective 3: Efficient and effective operations

3.1. Value for money products and services that meet members' needs

Provision of cost-effective products and services requires constant improvement in operating efficiency, combined with maintenance of economies of scale. A key focus for GESB is to continue to provide 'value for money' to members and the State Government through containment of operating costs.

3.1.1. Effective management of key services provider contracts

Effective management of the major administration contract with Link is important to ensure GESB's objectives of ensuring 'value to members' and 'maintenance of service levels to members and employers' continue to be realised. Work on reviewing this contract has commenced as it is due to expire on 30 June 2024.

We have other material supplier contracts for insurance services, asset consulting and custodial services. The asset consultant contract renewal process has also commenced.

3.1.2. Implementation of relevant State and Commonwealth reforms

The following reforms will be reviewed with respect to relevant impacts on GESB:

- Your Future, Your Super reforms (2020/21 Budget)
- Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No.1) (2019)
- Treasury Laws Amendment (Putting Member's Interests First) (PMIF) (2019)
- Treasury Laws Amendment (Protect Your Superannuation Package) (PYS) (2019)
- Financial Sector Reform (Hayne Royal Commission Response - Protecting Consumers (2020 Measures))
- Retirement Income Review (2020)

Relevant State reforms include:

- Integrity Strategy for WA Public Authorities (2020 – 2023)
- Disability Access and Inclusion Plan (DAIP)
- Digital WA State ICT Strategy (2016 – 2020) (not updated since 2016)
- Public Sector reform program (currently deferred due to COVID-19)

During 2021/22, Link are implementing Superstream rollover MIG 3 and Self-Managed Superannuation Fund (SMSF) rollovers.

3.1.3. Administration efficiency

We continue to efficiently manage costs and provide cost-effective products and services to our members. This requires continuous improvement in operating efficiency combined with maintenance of economies of scale.

Our budgeted cost per member to administer the accumulation schemes for 2021/22 is \$171. This is below the median for all superannuation funds and reflects our focus on cost efficiency⁸.

3.1.4. Reserves

Net excess of income over costs for the market-linked schemes is transferred to an Operational Risk Reserve (ORR) established to be used in the event of an adverse operational event.

An Accumulation General Reserve (AGR) was established in September 2013 to support the costs of strategic development, Commonwealth superannuation reforms and other structural adjustments that are relevant for the accumulation and retirement income schemes.

An annual review of reserves is incorporated into the pricing review to ensure they align with target levels. We are currently reviewing options for reducing the WSS AGR as it is above target levels.

3.1.5. Products

Under our corporate strategy to be an excellent provider of default superannuation, we focus on providing high quality, value for money default products and services. Implementation of new products is typically only in response to legislative or regulatory change.

Annual scale assessments are conducted to demonstrate that GESB's MySuper members are not disadvantaged by being in these MySuper equivalent products. These assessments will be replaced by the annual member outcomes assessment from 2022/23.

- **Binding death nominations (BDNs)**

BDNs allow members to nominate one or more dependents or legal representatives as the beneficiary of their death benefit, without the need for the benefit to transition through their estate. Approval has been received from the Treasurer for regulations to be drafted to enable members to nominate beneficiaries through a BDN.

3.2. Insurance members can rely on

We provide Total and Permanent Disablement (TPD) and Salary Continuance Insurance (SCI) for GESB Super and WSS members as part of their superannuation benefit, through group insurance policies with AIA Australia (AIA).

Our focus is on providing appropriate insurance cover that provides flexible, easy to use, value for money insurance products that members can rely on while not inappropriately eroding members' superannuation balances.

3.2.1. Legislated changes

A focus for the coming year will be continuing to implement elements of the Insurance in Superannuation Voluntary Code of Practice that benefit GESB's members. We'll also be responding to the changes to insurance in superannuation from the Commonwealth's PYS and PMIF legislative packages within the context of GESB's statutory framework.

3.2.2. Insurance awareness and variations

We are also taking advantage of upgrades to our administration systems to allow us to proactively contact members when we've identified situations where members may be eligible to claim against their insurance.

As our insurance provider, AIA Australia, continues to invest in its systems, we will work to make available modernised insurance underwriting and claims systems to our members, in order to make it easier for members to amend their insurance to better suit their needs, and to make the claims process easier for members.

3.3. Supporting employers in meeting their superannuation obligations efficiently and effectively

Employers across the WA public sector are key stakeholders in GESB.

GESB's Key Account Management (KAM) team actively engages with key stakeholders, across all State government agencies, to ensure that they remain highly satisfied with GESB's services (including seminars and webinars), as well as those provided by Link.

⁸ SuperRatings Annual Benchmarking Survey, February 2019

In 2020 the KAM team successfully implemented an upgrade to Employer Online (ePass), GESB's secure online employer contributions portal.

3.3.1. Employer data integrity

We are planning to conduct an Employer Data Integrity Project over the coming year to enhance the quality of member data submitted by employers via ePass. This will reduce the amount of administration re-work correcting member information and will positively impact timeframes for paying member benefits.

3.3.2. Your Future, Your Super

The KAM team will be working closely with WA public sector employers to implement any relevant Your Future, Your Super reforms. As mentioned previously, EPSSSs (including GESB) are not within the scope of the legislation, however, the Board will consider how GESB and the State should respond to these Commonwealth reforms.

Objective 4: Positive culture and stakeholders

4.1. A positive and supportive organisational culture underpinned by strong values

4.1.1. Highly regarded by stakeholders

We exercise due care to safeguard and protect members' assets responsibly and uphold the key values of our fund.

We had a very positive experience with staff working from home during COVID-19 restrictions and since then we have seen increased participation in our long-standing Home-based work policy. Around 36 of 60 staff now work from home one or two days per week. We employed a market research consultant to conduct qualitative research with staff on the effectiveness and success of our response to COVID-19, to further inform our risk management and business continuity strategies into the future.

4.1.2. Corporate governance

During 2020 we enhanced a corporate governance framework document by incorporating nine governance principles in addition to internal controls, ethics, risk functions, policies and procedures, and internal and external audit. A summary of the framework has been developed and distributed across GESB and an online training module has been developed to ensure it gets embedded across the organisation during the reporting period.

4.1.3. PeopleStreme performance management

In 2020 we implemented an online performance management and succession planning tool, PeopleStreme, to assist staff in achieving their business objectives. Using this tool, staff work closely with their managers to build their competencies and receive feedback on how they meet GESB's values and align with its 'moral compass'. We will continue to develop and embed this tool within the organisation.

We are also planning to utilise an online E-recruitment and Onboarding module via PeopleStreme to assist with the internal identification of suitable candidates for new roles and use the latest online tools to assist with induction and ongoing learning.

4.1.4. Positive culture/attitudes survey

Utilising results of staff qualitative research, we are designing a new staff attitudes survey that measures culture, the work environment, perceptions of working for GESB, and how well we are achieving our corporate cultural goals.

We are also introducing annual staff sessions on ethical decision making, incorporating GESB's 'moral compass', which describes GESB's expectations and aspirations for our ethical, interpersonal and cultural environment and behaviours.

3. Performance targets

Our strategic objectives reflect our focus on providing net benefits to members, investment returns that meet or exceed investment objectives, low fees and improved member engagement with their superannuation. We are also focussed on providing ongoing assistance to employers to effectively and efficiently fulfil their superannuation obligations.

We use a balanced scorecard approach for performance measurement. The key indicators in this report measure value delivered to members and the quality of the services delivered. These include key effectiveness and efficiency performance indicators, as required by the *Financial Management Act 2006*.

The following measures and targets have been set for GESB's strategic objectives for 2021/22:

Key performance measures
Financial outcomes for our members
GSS, GESB Super, WSS and RI returns v primary objectives
GSS, GESB Super, WSS and RI returns v benchmark
WSS and GESB Super default plans fee quartile (against industry)
Member experience
Member satisfaction with service
Efficient and effective operations
Administration cost per accumulation and defined benefit account
Employer satisfaction
Funds under management
Net funds flow
Administration expenses
Cost to asset ratio
Positive culture and stakeholders
Staff satisfaction
Unplanned turnover

4. Financial forecasts

Total FUM is expected to increase to \$34.7bn by 30 June 2022. FUM is reported in the financial statements as investments plus cash and cash equivalents.

GESB prepares its financial statements in accordance with Australian Accounting Standards, including AASB 1056 Superannuation Entities and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions (TI) and the SSA.

Projected financial statements

For the Financial Year Ending 30th June	Reforecast 2020/21 \$'000	Projected 2021/22 \$'000
Statement of Change in Net Assets		
Opening Net Assets	29,334,216	32,699,435
Income from Investments	2,873,587	1,895,143
Superannuation Revenue	4,155,421	4,077,377
Other Income	7,650	7,594
Total Revenue	7,036,657	5,980,114
Superannuation Benefit Payments	3,222,411	3,446,628
Administration Expenses	41,124	46,818
Investment Expenses	83,095	90,820
Loan Interest	2,599	-
Other Expenses (incl Tax)	322,209	331,089
Total Expenses	3,671,438	3,915,356
Closing Net Assets	32,699,435	34,764,193
Net Assets by Scheme		
Defined Benefit Schemes (Gold State Super and Pension Scheme)	2,775,748	2,952,188
West State Scheme	17,774,434	18,904,265
GESB Super	5,990,732	6,371,532
Retirement Income - Allocated Pension	5,892,613	6,267,177
Retirement Income - Term Allocated Pension	15,353	16,329
Reserves	250,555	252,702
Total Assets	32,699,435	34,764,193
Accumulation Scheme Surplus Deficit		
West State Super	(122)	(2,956)
GESB Super	4,901	3,402
Retirement Allocated Pension	596	509
Retirement Term Allocated Pension	(54)	(62)
Total Accumulation Scheme Surplus/(Deficit)	5,321	893
Administration Expenses		
In house Administration Expenses	6,968	12,076
Employment Expenses	8,641	9,176
Outsourced Administration Expenses	25,311	25,566
Total Administration Expenses	40,920	46,818
Cost per Account		
Average cost per Accumulation Account	142	171
Average cost per Defined Benefit Account	181	206
Government Services Recoup		
Benefit Payments		
Gold State Super	306,799	282,768
Pension Scheme	159,918	151,437
Parliamentary Pension Scheme	9,077	11,140
Judges Pension Scheme	16,645	18,674
Total Recoup of Benefit Payments	492,438	464,019
Administration Expenses		
Gold State Super	4,438	4,638
Pension Scheme	1,471	1,458
Parliamentary Pension Scheme	289	274
Judges Pension Scheme	246	233
Government Services	356	362
Total Recoup of Administration Expenses	6,799	6,965
Total Consolidated Account Recoup	499,237	470,984