

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)
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BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Directors' Report

For the year ended 30 June 2024

The Building Unions Superannuation Scheme (Queensland) ("the Fund") is a superannuation fund domiciled in Australia. The Trustee of the Fund is BUSS (Queensland) Pty Ltd ("the Trustee").

The directors of the Trustee present their report, together with the financial statements of the Fund for the year ended 30 June 2024.

Directors

The following persons held office as directors of the Trustee:

Name	Position	Term as Director
Christopher Taylor	Independent Chair	Employer Representative
Jacqueline Collie	Independent Director	Member Representative
Michael Ravbar	Independent Director	Member Representative
Geoffrey Baguley	Independent Director	Employer Representative
Paul Hick	Independent Director	Employer Representative
Linda Vickers	Independent Director	Member Representative
Benjamin Young	Independent Director	Employer Representative
Emma Eaves	Independent Director	Member Representative
Hemal Patel	Independent Director	Member Representative
Paul Dunbar	Independent Director	Member Representative

Principal activities

During the financial year the principal continuing activities of the Fund consisted of providing superannuation, retirement and insurance benefits to its members and other beneficiaries.

Review of operations and results

Net assets available to members as at 30 June 2024 grew from \$6.09 billion (30 June 2023) to \$6.69 billion as a result of strong member growth and recovering equity markets.

Net assets available for members' benefits as at 30 June 2024 were \$6,690,346,805 (2023: \$6,090,985,617).

The result from superannuation activities after income tax for the year ended 30 June 2024 were \$359,454 (2023: \$12,072,911).

Investment Performance

The Fund's MySuper default option investment return in FY24 was 6.71% and 7.38% for the default Income Account option. At the start of the 2024 the Trustee anticipated inflation and interest rates would remain above central bank targets, which typically have a negative impact on share markets and growth orientated stocks. The Trustee deployed a more defensive risk-adjusted investment strategy reducing exposure to shares and growth orientated stocks, which usually underperform when inflation and interest rates are high and maintained investment in high-quality blue-chip stocks recognised for consistent performance.

The Trustee takes a mid to long term view in setting its investment strategy in line with the needs of Fund members to aim for competitive long term investment performance outcomes. Additionally, BUSSQ's MySuper product has successfully met the requirements of the MySuper Performance Test conducted by the Australian Prudential Regulation Authority (APRA) for the year ended 30 June 2024.

Membership

The Fund's membership has increased over the year to 74,029 (2023: 72,390). This was achieved by increasing resourcing in Member Engagement to service more members and prospective members at their workplaces, meeting demand created to join BUSSQ through marketing and communication strategies; the implementation and execution of the BUSSQ Retirement Income strategy by building out the Fund's advice model and resourcing appropriately; and the improvement of the terms and conditions of BUSSQ's insurance product to make it market leading for building & construction workers.

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial year ended 30 June 2024.

Matters subsequent to the end of the financial year

On 12 September 2024, Michael Ravbar and Jacqueline Collie ceased to hold office as member representative directors of the Trustee; Hemal Patel and Paul Dunbar were appointed to those positions on the same date.

BUSS (Queensland) Pty Ltd (BUSSQ) has applied to the Federal Court of Australia in NSW regarding APRA's decision to impose additional licence conditions on the trustee, which APRA announced on 14 August. APRA has agreed to suspend the effect of the licence conditions until the court's determination of this matter, on the basis that BUSSQ has requested an expedited hearing. The hearing is set for 15th and 16th October 2024.

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- The operations of the Fund in future financial years, or
- The results of those operations in future financial years, or
- The state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the provisions of the Trust Deed.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Environmental regulation and performance

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Directors' Report
For the year ended 30 June 2024

Remuneration Report

The directors of the Trustee present the Remuneration Report for the Fund for the year ended 30 June 2024. The Remuneration Report forms part of the Directors' Report and has been audited in accordance with section 300C of the Corporations Act 2001. The Remuneration Report details the remuneration arrangements for the Key Management Personnel (KMP) directly or indirectly, who have authority and responsibility for planning, directing and controlling the major activities of the Fund. For the Fund this includes:

- Directors of BUSS (Queensland) Pty Ltd, the Trustee for the Fund; and
- Certain senior executives of BUSS (Queensland) Pty Ltd who meet the definition of KMP above

Unless otherwise noted, all KMP listed below held their positions for the entirety of the year ended 30 June 2024.

(a) KMP covered in this report

(i) Executive directors of the Trustee

Mr Christopher Taylor (Chairperson of the Board)	Ms Linda Vickers
Ms Jacqueline Collie (Ceased on 12/09/2024)	Mr Benjamin Young
Mr Michael Ravbar (Ceased on 12/09/2024)	Ms Emma Eaves
Mr Geoffrey Baguley	Mr Hemal Patel (Appointed on 12/09/2024)
Mr Paul Hick	Mr Paul Dunbar (Appointed on 12/09/2024)

(ii) Other KMP

Name	Role
Damian Wills	Chief Executive Officer
Peter Laity	Chief Investment Officer
Lisa Cumberland	Executive Manager, Governance, Risk and Compliance
Angela De Vine	Executive Manager, Marketing, Brand & Communications (Resigned on 5/10/2023)
Carolyn Bartsch	Executive Manager, Marketing, Brand & Communications (Appointed on 23/10/2023)
Matthew Forrest	Executive Manager, Fund Operations
Leigh Mackay	Executive Manager, Member Engagement

(b) Remuneration expenses for KMP

The following table shows details of the remuneration expense recognised for the Fund's KMP for the current year measured in accordance with the requirements of the accounting standards.

(i) Executive directors of the Trustee

The directors of the Trustee are appointed by its shareholders - Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland in respect of its State Construction and General Division and the Queensland Master Builders Association, Industrial Organisation of Employers, subject to meeting legislative requirements. Each shareholder appoints half of all directors. Directors' fees are based on comparable positions in other superannuation fund trustees and the financial services sector more broadly. The fees payable to individual directors may be delivered as a combination of cash and superannuation at the directors' discretion (subject to minimum Superannuation Guarantee requirements).

Directors do not receive performance-related incentives, long service leave or termination benefits.

Name	Director fee \$	Superannuation \$	Total fees paid to
Christopher Taylor	90,929	10,002	Director
Geoffrey Baguley	65,405	7,195	Director
Jacqueline Collie	65,405	7,195	CFMEU
Linda Vickers	65,405	7,195	Director
Michael Ravbar	65,405	7,195	CFMEU
Benjamin Young	60,630	6,669	Director
Emma Eaves	60,630	6,669	CFMEU
Paul Hick	60,630	6,669	Director

(ii) Other KMP

Other KMP included the following senior executives and their remuneration is set out in the following table:

Name	Short-term benefits				Post-employment benefits	Termination payments	Total
	Salary & fees	Cash Bonus	Non-monetary	Other	Super		
	\$	\$	\$	\$	\$	\$	\$
Damian Wills	517,361	-	-	1,768	27,500		546,629
Peter Laity	446,925	-	-	-	27,500		474,425
Lisa Cumberland	261,262	-	-	-	27,500		288,762
Angela De Vine	77,257	-	-	-	7,298		84,555
Carolyn Bartsch	145,531	-	-	1,020	18,900		165,451
Matthew Forrest	247,000	-	-	-	27,500		274,500
Leigh Mackay	228,481	-	-	1,768	27,500		257,749

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Directors' Report

For the year ended 30 June 2024

(b) Remuneration expenses for KMP (continued)

(ii) Other KMP (continued)

Fixed remuneration

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits and is designed to reward for:

- The scope of the executive's role
- The executive's skills, experience and qualifications
- Individual performance

Remuneration agreements for executives are set out in employment contracts, and reviewed with reference to comparable roles at similar funds.

All executives are employed on open-ended contracts which define the terms of their employment.

The Board has determined that an average % increase will be applied for the year ended 30 June 2025, and superannuation will be paid at a rate of 15%. This was determined with reference to industry benchmark data and the performance of the Fund and each individual.

Audit and non-audit services

Details of the amounts paid or payable to the RSE auditor of the Fund and its controlled entities (Ernst & Young Australia) for audit and non-audit services during the year are disclosed in Note 14 Auditor's remuneration.

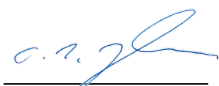
The Trustee may decide to employ the RSE auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Fund and/or the group are important.

The Board of the Trustee, in accordance with advice provided by the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the RSE auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 4. This report is made in accordance with a resolution of the directors.



Director

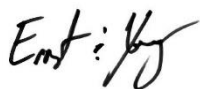
Director

Dated at Brisbane this Wednesday the 25th of September 2024.

Auditor's Independence Declaration to the Directors of Building Unions Superannuation Scheme (Queensland)

As lead auditor for the audit of the financial report of Building Unions Superannuation Scheme (Queensland) for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.



Ernst & Young



John MacDonald
Partner
Melbourne
25 September 2024

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Statement of Financial Position

As at 30 June 2024

		Consolidated entity		Parent entity	
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
Assets					
Cash and cash equivalents	15	4,938,717	13,287,566	4,938,717	13,287,566
Receivables	5	5,365,744	4,058,808	12,538,911	81,552,806
Investments					
Cash and Short-term Deposits	4	104,020,550	81,178,859	70,153,453	45,404,332
Fixed Interest	4	436,197,592	334,074,409	-	-
Australian Equities	4	1,712,215,935	1,542,873,397	-	-
International Equities	4	1,818,556,979	1,653,068,979	-	-
Term Deposits	4	677,934,325	570,790,798	-	-
Derivative Assets	4	12,595,519	12,723,456	-	-
Infrastructure	4	872,050,623	835,172,305	-	-
Opportunistic Debt	4	390,838,513	368,040,073	-	-
Agriculture	4	295,961,749	283,511,007	-	-
Properties	4	428,116,042	492,781,347	-	-
International Private Equities	4	72,765,401	26,797,632	-	-
Pooled Superannuation Trust	4	-	-	6,666,111,408	6,003,223,344
Property, plant and equipment	6	658,738	725,823	658,738	725,823
Right of Use Asset	6	672,032	899,686	672,032	899,686
Deferred tax assets	11	4,974,597	5,446,104	480,330	987,567
Total assets		6,837,863,056	6,225,430,249	6,755,553,589	6,146,081,124
Liabilities					
Payables	7	(4,586,970)	(4,728,283)	(4,018,670)	(4,344,705)
Income tax payable		(18,217,810)	(9,936,966)	(60,513,013)	(49,841,308)
Deferred tax liabilities	11	(106,512,061)	(85,210,617)	-	-
Derivative Liabilities	4	(17,524,309)	(33,659,272)	-	-
Lease Liabilities	12	(675,101)	(909,494)	(675,101)	(909,494)
Total liabilities excluding member benefits		(147,516,251)	(134,444,632)	(65,206,784)	(55,095,507)
Net assets available for member benefits		6,690,346,805	6,090,985,617	6,690,346,805	6,090,985,617
Member benefits					
Allocated to members		(6,663,694,251)	(6,065,235,720)	(6,663,694,251)	(6,065,235,720)
Unallocated to members		(593,296)	(50,093)	(593,296)	(50,093)
Total member liabilities	3	(6,664,287,547)	(6,065,285,813)	(6,664,287,547)	(6,065,285,813)
Net assets		26,059,258	25,699,804	26,059,258	25,699,804
Equity					
Administration reserve	10	(9,143,802)	(12,113,553)	(9,143,802)	(12,113,553)
Operational risk reserve	10	(16,915,456)	(13,586,251)	(16,915,456)	(13,586,251)
Total equity		(26,059,258)	(25,699,804)	(26,059,258)	(25,699,804)

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

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Income Statement

For the year ended 30 June 2024

	Note	Consolidated entity		Parent entity	
		2024	2023	2024	2023
		\$	\$	\$	\$
Superannuation activities					
Interest		36,909,940	21,477,288	3,079,785	1,821,682
Distributions from unit trusts		163,462,315	164,310,008	-	-
Dividend revenue		2,157	1,494	2,157	1,494
Changes in assets measured at fair value	8	276,194,714	373,253,782	427,033,269	501,113,951
Other investment income		2,643,364	2,089,119	43	835
Other income		636,082	130,957	636,082	130,957
Total superannuation activities income		479,848,572	561,262,648	430,751,336	503,068,919
Investment expenses		(23,620,713)	(20,720,224)	(15,952)	(43,217)
Administration expenses		(5,738,668)	(5,409,144)	(5,738,668)	(5,409,144)
Operating expenses	13	(16,437,560)	(15,232,886)	(15,318,386)	(14,136,983)
Other expenses		(4,419,830)	(3,141,964)	(4,419,830)	(3,141,964)
Total expenses		(50,216,771)	(44,504,218)	(25,492,836)	(22,731,308)
Net result from superannuation activities		429,631,801	516,758,430	405,258,500	480,337,611
Operating Result		429,631,801	516,758,430	405,258,500	480,337,611
Less: Net (benefits) / losses allocated to members' accounts		(412,157,706)	(474,669,490)	(412,157,706)	(474,669,490)
Operating result before income tax		17,474,095	42,088,940	(6,899,206)	5,668,121
Income tax expense / (benefit)	11	17,114,641	30,016,029	(7,258,660)	(6,404,790)
Operating result after income tax		359,454	12,072,911	359,454	12,072,911

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

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Statement of Changes in Member Benefits

For the year ended 30 June 2024

	Consolidated entity		Parent entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Opening balance of member benefits	6,065,285,813	5,518,595,577	6,065,285,813	5,518,595,577
Contributions:				
Employer	435,209,672	357,624,721	435,209,672	357,624,721
Member	55,883,510	48,482,144	55,883,510	48,482,144
Transfer from other superannuation plans	181,077,991	117,382,701	181,077,991	117,382,701
Government co-contributions	241,465	273,269	241,465	273,269
Income tax on contributions	(68,320,239)	(56,425,078)	(68,320,239)	(56,425,078)
Net after tax contributions	604,092,399	467,337,757	604,092,399	467,337,757
Benefits to members/beneficiaries	(411,145,540)	(387,604,779)	(411,145,540)	(387,604,779)
Insurance premiums charged to members' accounts	(25,271,126)	(24,050,504)	(25,271,126)	(24,050,504)
Death and disability insurance benefits credited to members' accounts	19,168,295	16,338,272	19,168,295	16,338,272
Benefits allocated to members' accounts, comprising:				
Net investment income	418,846,655	481,012,309	418,846,655	481,012,309
Administration fees	(6,688,949)	(6,342,819)	(6,688,949)	(6,342,819)
Closing balance of member benefits	6,664,287,547	6,065,285,813	6,664,287,547	6,065,285,813

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

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)**Statement of Changes in Reserves****For the year ended 30 June 2024****Consolidated entity**

	Administration reserve \$	Operational risk reserve \$	Total equity \$
Opening balance as at 1 July 2023	12,113,553	13,586,251	25,699,804
Other net transfers (to)/from reserves	(2,675,000)	2,675,000	-
Operating result	(294,751)	654,205	359,454
Closing balance as at 30 June 2024	9,143,802	16,915,456	26,059,258

	Administration reserve \$	Operational risk reserve \$	Total equity \$
Opening balance as at 1 July 2022	413,514	13,213,379	13,626,893
Operating result	11,700,039	372,872	12,072,911
Closing balance as at 30 June 2023	12,113,553	13,586,251	25,699,804

Parent entity

	Administration reserve \$	Operational risk reserve \$	Total equity \$
Opening balance as at 1 July 2023	12,113,553	13,586,251	25,699,804
Other transfers (to)/from reserves	(2,675,000)	2,675,000	-
Operating result	(294,751)	654,205	359,454
Closing balance as at 30 June 2024	9,143,802	16,915,456	26,059,258

	Administration reserve \$	Operational risk reserve \$	Total equity \$
Opening balance as at 1 July 2022	413,514	13,213,379	13,626,893
Operating result	11,700,039	372,872	12,072,911
Closing balance as at 30 June 2023	12,113,553	13,586,251	25,699,804

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

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Statement of Cash Flows

For the year ended 30 June 2024

		Consolidated entity		Parent entity	
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
Cash flows from operating activities					
Interest received		36,909,940	21,477,288	3,079,785	1,821,682
Distributions from unit trusts		163,462,315	164,310,008	-	-
Dividends		2,157	1,494	2,157	1,494
Insurance proceeds		14,748,465	13,196,308	14,748,465	13,196,308
Other general administration expenses		(21,721,757)	(19,273,550)	(21,656,122)	(19,635,397)
Other income		2,840,665	2,212,036	197,344	123,751
Investment expenses		(23,479,713)	(26,251,291)	(15,952)	(43,217)
Insurance premiums		(25,661,815)	(23,484,443)	(25,661,815)	(23,484,443)
Income tax received / (paid)		12,174,616	6,466,011	18,437,602	14,020,047
Net cash inflows / (outflows) from operating activities	15	<u>159,274,873</u>	<u>138,653,861</u>	<u>(10,868,536)</u>	<u>(13,999,775)</u>
Cash flows from investing activities					
Purchase of investments		(1,178,658,850)	(2,068,061,437)	(190,037,808)	(88,957,855)
Proceeds from sale of investments		818,477,633	1,847,239,451	-	20,789,505
Purchase of fixed assets		(114,682)	(288,098)	(114,682)	(288,098)
Sale of fixed assets		14,035	139,961	14,035	139,961
Net cash (outflows) / inflows from investing activities		<u>(360,281,864)</u>	<u>(220,970,123)</u>	<u>(190,138,455)</u>	<u>(68,316,487)</u>
Cash flows from financing activities					
Employer contributions		435,209,672	357,624,721	435,209,672	357,624,721
Member contributions		55,883,510	48,482,144	55,883,510	48,482,144
Transfers from other superannuation plans received		181,077,991	117,382,701	181,077,991	117,382,701
Government co-contributions received		241,465	273,269	241,465	273,269
Benefits paid to members		(411,145,540)	(387,604,779)	(411,145,540)	(387,604,779)
Lease interest payment		(7,663)	(18,584)	(7,663)	(18,584)
Payment of principal portion of lease liabilities		(281,054)	(575,535)	(281,054)	(575,535)
Income tax paid on contributions received		(68,320,239)	(56,425,078)	(68,320,239)	(56,425,078)
Net cash inflows from financing activities		<u>192,658,142</u>	<u>79,138,859</u>	<u>192,658,142</u>	<u>79,138,859</u>
Net decrease in cash		<u>(8,348,849)</u>	<u>(3,177,403)</u>	<u>(8,348,849)</u>	<u>(3,177,403)</u>
Cash at the beginning of the financial period		<u>13,287,566</u>	<u>16,464,969</u>	<u>13,287,566</u>	<u>16,464,969</u>
Cash at the end of the financial period	15	<u><u>4,938,717</u></u>	<u><u>13,287,566</u></u>	<u><u>4,938,717</u></u>	<u><u>13,287,566</u></u>

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

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

1. Operation of the Scheme

The Building Unions Superannuation Scheme (Queensland) ("the Fund") was established on 30 November 1984.

Place of establishment: Australia
Domicile: Australia
Type of fund: Defined contribution
Nature of industry: Building and construction in Australia
Basis of employer contributions: At rates specified under the relevant legislation and agreements
Basis of member contributions: Voluntary
Insurance coverage: Available for all members
Administrator: Australian Administration Services Pty Ltd

The Trustee of the Fund is BUSS (Queensland) Pty Ltd. In accordance with the amendments to the Superannuation Industry Act 1993 the Trust was registered with the Australian Prudential Regulation Authority on the 2nd of June 2006 (registration no R1055870). The registered office and the principal place of business of the Fund is located at:

Ground Floor
299 Coronation Drive, Milton QLD 4064

Employees

The number of employees of BUSS (Queensland) Pty Ltd was 46 in 2024 and 41 in 2023. Compensation paid to employees of BUSS (Queensland) Pty Ltd is paid from the Fund in respect of the performance of their duties for the consolidated entity.

2. Summary of material accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with AASB 1056 Superannuation Entities, all other applicable Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board, the Superannuation Industry (Supervision) Act 1993 and regulations and the provisions of the Trust Deed.

The financial statements were authorised for issue by the directors of the trustee company on 25th of September 2024.

(b) New accounting standards and interpretations

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not been adopted by the Fund for the annual reporting period ended 30 June 2024. The impact of these standards and interpretations has been assessed and to the extent applicable to the Fund are outlined in the table below. Standards and Interpretations that are not expected to have any impact on the Fund have not been included.

Accounting standard	Nature	Application date of standard	Application date for the Fund
AASB 2020-6 Amendments to AASs – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	This Standard amends AASB 101 to clarify the requirements for classifying liabilities as current or non-current. Specifically: 1) the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists; and 2) management's intention or expectation does not affect classification of liabilities. The impact of the adoption of AASB 2020-6 is not expected to result in any significant changes to the presentation of the Fund's financial statements.	1 January 2024	1 July 2024

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

2. Summary of material accounting policies (continued)

(c) Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Fund and the BUSS(Q) Pooled Superannuation Trust ("the PST") which is entirely owned by the Building Unions Superannuation Scheme (Queensland). Controlled entities are those entities (including special purpose entities) over which the parent entity has the power to govern the financial and operating policies, generally having a common Trustee.

Controlled entities are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases. There are no non-controlling interests in the consolidated entity. Inter-entity transactions, balances and unrealised gains on transactions between the entities are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of the impairment of the asset transferred.

(d) Financial assets and liabilities

(i) Classification

For the purposes of satisfying the requirements of AASB 9 Financial Instruments, the Fund classifies its financial assets and financial liabilities into the categories below:

Financial assets and liabilities held for trading:

These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. All changes in the fair value of instruments held for trading are recognised through profit or loss in the Income Statement.

All derivatives are classified as held for trading. Derivative financial instruments entered into by the Fund do not meet the hedge accounting criteria as defined by AASB 9 or AASB 139. Consequently, hedge accounting is not applied by the Fund and all changes in the fair value of derivatives are recognised through profit or loss in the Income Statement.

Financial instruments designated at fair value through profit or loss upon initial recognition:

These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis in accordance with risk management and investment strategies of the Fund.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises the changes in the fair value of the financial assets or liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all the risks and rewards of ownership.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes short-term receivables in this category.

(iii) Measurement

At initial recognition, the Fund measures its financial assets and financial liabilities at fair value. Subsequent to initial recognition, all gains and losses on financial assets and liabilities at fair value profit or loss are recognised in the Income Statement in the period they arise. Transaction costs for financial assets and financial liabilities carried at fair value through profit or loss are expensed in the Income Statement.

(e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. Please refer to Note 4.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements

For the year ended 30 June 2024

2. Summary of material accounting policies (continued)

(f) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

(g) Receivables and payables

Receivables are carried at nominal amounts due which approximate fair value. Receivables are normally settled within 30 days.

(h) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

(i) Leases

Leases are recognised, measured and presented in line with AASB 16 Leases.

Valuation of right-of-use assets and lease liabilities

The application of AASB 16 requires the Fund to make judgements that affect the valuation of right-of-use assets (refer to Note 6) and the valuation of lease liabilities (refer to Note 12). These include determining contracts within the scope of AASB 16, determining the contract terms and determining the interest rate used for discounting of future cash flows.

The lease terms determined by the Fund comprise non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Fund is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Fund is reasonably certain not to exercise that option. The lease terms are applied to determine the depreciation rate of right-of-use assets.

For leases with terms not exceeding twelve months and for leases of low-value assets, the Fund has exercised the optional exemptions. The lease payments under these contracts are recognised on a straight-line basis over the lease term as other operating expenses.

In all other leases in which the Fund acts as the lessee, the present value of future lease payments is recognised as a lease liability.

Correspondingly, the right-of-use asset is recognised within property, plant and equipment at the present value of the lease liability.

The present value of the lease liability is determined using the discount rate representing the weighted average incremental borrowing rate. The weighted average incremental borrowing rate for the leased liabilities initially recognised as of 1 November 2022 was 3.27% p.a, and for the remeasurement of lease liabilities recognised as of 1 November 2023 was 5.22%.

Where there has been a re-assessment of the lease term during the year, the Fund has re-measured the lease liabilities using a revised incremental borrowing rate as at the date of the lease modification.

The right-of-use asset is depreciated on a straight-line basis over the lease term or, if shorter, the useful life of the leased asset.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

2. Summary of material accounting policies (continued)

(j) Revenue recognition

Interest revenue

Interest revenue on cash and other financial assets carried at fair value is recorded according to the terms of the contract and is recognised in the income statement.

Distribution and dividend revenue

Dividend and distribution revenue is recognised when the Fund's right to receive payment is established. Revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately as tax expense in the income statement.

(k) Income tax

The Fund is a complying superannuation fund for the purposes of the provisions of the Income Tax Assessment Act 1997. Accordingly, the concessional tax rate of 15% has been applied to the Fund's taxable income.

Income tax in the income statement for the year comprises current and deferred tax.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements

For the year ended 30 June 2024

2. Summary of material accounting policies (continued)

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable; or
- When receivables and payables are stated with the amount of GST included.

The net amounts of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the taxation authority are classified as operating cash flows.

(m) Foreign currency

The functional and presentation currency of the Fund is Australian Dollars, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions in foreign currencies are initially recorded at the functional currency spot rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in a previous financial report, are recognised in the income statement in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(n) Member liabilities

Member liabilities are measured at the amount of accrued benefits. Member liabilities are measured as the amount of member account balances as at the reporting date.

(o) Reserves

The Fund maintains an Operational risk reserve, in accordance with the requirements established by the Australian Prudential Regulatory Authority under Prudential Standard SPS 114 Operational Risk Financial Requirement, and also holds an Administration reserve. The purpose of these additional reserves is set out in Note 10.

The purpose of the Operational risk reserve (ORFR) in the parent entity is to provide protection to the Fund in the event that a loss is incurred from an operational risk event occurring. The use of the Operational risk reserve is governed by the requirements of SPS 114, which is applicable to all APRA-regulated funds. The current Operational risk reserve of the parent entity represents 0.25% (2023: 0.22%) of the net assets available for members benefits. The Trustee intends to maintain a target ORFR percentage of 0.25%, and replenish when it falls 10% or more below the target amount.

(p) Comparative figures

During the year, the Trustee made a number of reclassifications. The changes do not have an impact on the total comprehensive income or total equity of the Trust, but have resulted in changes to the note disclosures in Note 4 relating to the Fair Value Hierarchy. These presentational changes have been applied retrospectively for consistency in application. The changes are summarised below:

- Reclassification of unlisted fixed income securities, term deposits, short-term deposits and portfolio liquidity assets from Level 1 to Level 2 totalling \$842m.
- Reclassification of \$2.4m net futures liabilities from Level 2 to Level 1 given the availability of exchange quotations for these instruments.
- Note 17 Shareholder Expenses has been restated for 2023 by \$7,431 to include union fee subscriptions not previously included in the note. These subscriptions were recorded and disclosed as expenses correctly for the year ended 30 June 2023.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)
Notes to the Financial Statements
For the year ended 30 June 2024

2. Summary of material accounting policies (continued)

(q) Significant accounting judgements and estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

Fair Value of Investments

When the fair values of the investments recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model (DCF model). The inputs in these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required to establish fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of these investments.

3. Member liabilities

Member account balances are determined by unit prices that are determined based on the underlying investment movements.

Members bear the investment risk relating to the underlying assets and unit prices used to measure the member liabilities. Unit prices are updated daily.

At 30 June 2024 \$593,296 (2023: \$50,093) has not been allocated to members at balance date. The amount not yet allocated to members' accounts consists of contributions received by the Fund that have not been able to be allocated to members as at balance date.

Refer to Note 18 for the Fund's management of the investment risks.

Member liabilities vest 100% to members.

Members liability at end of the financial year

As compared to net assets available to pay benefits

2024	2023
\$	\$
<u>6,664,287,547</u>	<u>6,065,285,813</u>
<u>6,690,346,805</u>	<u>6,090,985,617</u>

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements

For the year ended 30 June 2024

4. Fair value of financial instruments

(a) Classification of financial instruments under the fair value hierarchy

AASB 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

Balances reported in the below 2023 comparative have been restated to align with the interpretation of the requirements of AASB 13 adopted for FY24 onwards, which applied a stronger emphasis on the requirement for a quoted price in an active market. Unlisted fixed income, short-term liquidity assets, and term deposits totalling \$842m have been reclassified from Level 1 to Level 2. \$2.4m net futures liabilities traded on exchange have been reclassified from Level 2 to Level 1. No restatements have been made to the 30 June 2023 balances with respect to Level 3 assets, or from Level 2 to Level 3.

Consolidated Entity

	30 June 2024			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Cash and Short-term Deposits	-	104,020,550	-	104,020,550
Fixed Interest	-	436,197,592	-	436,197,592
Australian Equities	1,662,248,403	49,967,532	-	1,712,215,935
International Equities	1,315,739,363	500,848,298	1,969,318	1,818,556,979
Term Deposits	-	677,934,325	-	677,934,325
Derivative Assets	203,661	12,391,858	-	12,595,519
Derivative Liabilities	(1,698,303)	(15,826,006)	-	(17,524,309)
Infrastructure*	-	52,026,475	820,024,148	872,050,623
Opportunistic Debt	-	300,699,372	90,139,141	390,838,513
Agriculture*	-	2,501,905	293,459,844	295,961,749
Properties	-	3,136,391	424,979,651	428,116,042
International Private Equities	-	36,290,098	36,475,303	72,765,401
Total investments	2,976,493,124	2,160,188,390	1,667,047,405	6,803,728,919

Parent Entity

	30 June 2024			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Cash and Short-term Deposits	-	70,153,453	-	70,153,453
Pooled Superannuation Trust-BUSS(Q)	-	6,666,111,408	-	6,666,111,408
Total investments	-	6,736,264,861	-	6,736,264,861

Consolidated Entity (Restated)

	30 June 2023 (Restated)			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Cash and Short-term Deposits	-	81,178,859	-	81,178,859
Fixed Interest	-	334,074,409	-	334,074,409
Australian Equities	1,492,051,198	50,822,199	-	1,542,873,397
International Equities	1,162,068,624	491,000,355	-	1,653,068,979
Term Deposits	-	570,790,798	-	570,790,798
Derivative Assets	426,570	12,296,886	-	12,723,456
Derivative Liabilities	(2,827,648)	(30,831,624)	-	(33,659,272)
Infrastructure*	-	77,070,561	758,101,744	835,172,305
Opportunistic Debt	-	262,208,492	105,831,581	368,040,073
Agriculture*	-	22,397,589	261,113,418	283,511,007
Properties	-	7,247,294	485,534,053	492,781,347
International Private Equities	-	8,956,634	17,840,998	26,797,632
Total investments	2,651,718,744	1,887,212,452	1,628,421,794	6,167,352,990

Parent Entity (Restated)

	30 June 2023 (Restated)			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Cash and Short-term Deposits	-	45,404,332	-	45,404,332
Pooled Superannuation Trust-BUSS(Q)	-	6,003,223,344	-	6,003,223,344
Total investments	-	6,048,627,676	-	6,048,627,676

*Exposure to this category is via investments in unlisted unit trusts and equities.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements

For the year ended 30 June 2024

4. Fair value of financial instruments (continued)

(a) Classification of financial instruments under the fair value hierarchy (continued)

Valuation technique

Listed equities

When fair values of publicly traded equity securities are based on quoted market prices, or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 and Level 2 of the hierarchy. The Fund values these investments at bid price for long positions and ask price for short positions.

Unlisted unit trusts

The Fund invests in these trusts which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets. The Fund considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Fund classifies these funds as Level 2 or Level 3.

Derivative assets and liabilities

Fixed interest futures quoted on active public exchanges have been disclosed within level 1 in the fair value hierarchy. For the Fund's other derivative assets and liabilities, the Fund uses widely recognised valuation models for determining fair values of over-the-counter interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own credit risk, foreign exchange spot and forward rates and interest rate curves. For these financial instruments, significant inputs into models are market observable and are included within Level 2.

Property

The Fund does not directly manage investment property, investing instead in listed and unlisted property trusts during the financial year.

Valuation process for Level 3 valuations

Valuations are the responsibility of the Trustee.

For financial instruments classified in Level 3 in the fair value hierarchy some of the inputs to the valuation models are unobservable and therefore subjective in nature. The use of reasonably possible alternative assumptions could produce a different net market value measurement. The Fund's Internal Valuation Assurance Committee has assessed and considered the Level 3 valuations for consistency and outliers for the financial year ended 30 June 2024.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements

For the year ended 30 June 2024

4. Fair value of financial instruments (continued)
(a) Classification of financial instruments under the fair value hierarchy (continued)

Valuation process for Level 3 valuations (continued)

Quantitative information of significant unobservable inputs - Level 3:

Description	Level 3 \$	Valuation Technique	Significant Unobservable Inputs	Range (Weighted Average)
Agriculture	2024: 277,731,290	Discounted Cash Flow method	Discount rate	8.5% - 14.5% (WA: 13.0%)
	2024: 15,728,554	Net Asset Value	Redemption value	N/A
	2023: 212,531,179	Discounted Cash Flow method	Discount rate	13.25%
	2023: 48,582,239	Direct Comparison Approach	Observed sales	N/A
Infrastructure	2024: 820,024,148	Discounted Cash Flow method	Discount rate	7.65 - 13.0% (WA: 9.6%)
	2023: 758,101,744	Discounted Cash Flow method	Discount rate	7 - 15% (WA: 10.8%)
International Equities	2024: 1,969,318	Discounted Cash Flow method	Discount rate	N/A
	2023: -	N/A	N/A	N/A
International Private Equities	2024: 36,475,303	Net Asset Value	Redemption value	N/A
	2023: 17,840,998	Net Asset Value	Redemption value	N/A
Properties	2024: 424,979,651	Discounted Cash Flow method	Discount rate	5.0% - 8.0% (WA: 5.9%)
	2023: 485,534,053	Discounted Cash Flow method	Discount rate	6.0 - 7.75% (WA: 6.34%)
Opportunistic Debt	2024: 90,139,141	Net Asset Value	Redemption value	N/A
	2023: 105,831,581	Direct Comparison Approach	Average EBITDA	1.27 - 1.31x (WA: 1.27x)

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy:

Description	Significant Unobservable Inputs	Sensitivity used	Effect on fair value \$
Agriculture	Discount rate	2024: + / - 5%	13,886,565 / (13,886,565)
	Discount rate	2023: + / - 5%	10,626,559 / (10,626,559)
Infrastructure	Discount rate	2024: + / - 5%	41,001,207 / (41,001,207)
	Discount rate	2023: + / - 5%	37,905,087 / (37,905,087)
Properties	Discount rate	2024: + / - 5%	98,466 / (98,466)
	Discount rate	2023: + / - 5%	21,248,983 / (21,248,983)
Opportunistic Debt	Discount rate	2024: .25x	24,276,703 / (24,276,703)
	Average EBITDA	2023: .25x	20,832,988 / (20,832,988)

(b) Level 3 reconciliation
Consolidated Entity

30 June 2024

	Opportunistic Debt \$	Agriculture \$	Equities \$	Property \$	Infrastructure \$	TOTAL \$
Opening Balance	105,831,581	261,113,418	17,840,998	485,534,053	758,101,744	1,628,421,794
Realised/Unrealised gains	1,280,381	8,929,747	(1,992,064)	(60,554,402)	15,402,650	(36,933,688)
Purchases/Applications	(16,972,821)	7,688,125	18,743,841	-	15,242,350	24,701,495
Sales/Redemptions	-	-	(78,300)	-	-	(78,300)
Transfers into Level 3	-	15,728,554	3,930,146	-	31,277,404	50,936,104
Closing Balance	90,139,141	293,459,844	38,444,621	424,979,651	820,024,148	1,667,047,405

Parent Entity

30 June 2024

	Property \$	TOTAL \$
Opening balance	-	-
Closing Balance	-	-

Consolidated Entity

30 June 2023

	Opportunistic Debt \$	Agriculture \$	Equities \$	Property \$	Infrastructure \$	TOTAL \$
Opening Balance	62,238,407	245,053,735	17,136,974	653,525,274	707,547,746	1,685,502,136
Realised/Unrealised gains	(220,047)	3,092,348	(456,022)	(41,842,290)	56,046,203	16,620,192
Purchases/Applications	-	63,124,995	-	73,067,333	4,711,983	140,904,311
Sales/Redemptions	(12,179,879)	(50,157,660)	(1,733,977)	(199,287,768)	(10,204,188)	(273,563,472)
Transfers into Level 3	55,993,100	-	2,894,023	-	-	58,887,123
Distributions and Interest Income	-	-	-	71,504	-	71,504
Closing Balance	105,831,581	261,113,418	17,840,998	485,534,053	758,101,744	1,628,421,794

Parent Entity

30 June 2023

	Property \$	TOTAL \$
Opening balance	13,300,063	13,300,063
Realised/Unrealised gains	117,437	117,437
Sales/redemptions	(13,489,004)	(13,489,004)
Distributions and interest income	71,504	71,504
Closing Balance	-	-

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements

For the year ended 30 June 2024

4. Fair value of financial instruments (continued)

(c) Transfers Between Hierarchy Levels

Outside of the restatements made to 2023 comparatives outlined in Note 4(a) above, there have been no significant transfers of instruments between Level 1 and Level 2 of the fair value hierarchy during the financial year. However, following a reassessment of the valuation inputs, investments totalling \$50,936,104 have been reclassified from Level 2 to Level 3 (2023: \$58,887,123).

5. Receivables

	Consolidated entity		Parent entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Recoverable within 12 months				
Investment sales proceeds receivable	4,186,627	3,680,923	-	-
GST receivable	182,964	157,228	182,964	157,228
Rental income receivable	-	298	-	298
Prepayments	537,464	-	413,343	-
Receivable from related entity				
BUSS(Q) Pooled Superannuation Trust	-	-	11,483,915	81,174,921
BUSS (Queensland) Pty Ltd	458,689	220,359	458,689	220,359
	<u>5,365,744</u>	<u>4,058,808</u>	<u>12,538,911</u>	<u>81,552,806</u>

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of the receivables. Information regarding credit risk exposure is set out in Note 18.

6. Property, plant and equipment

(i) Property, plant and equipment owned

Information about property, plant and equipment owned by the Fund is presented below:

	Consolidated entity		Parent entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Motor Vehicle				
Cost	433,321	494,908	433,321	494,908
Accumulated depreciation and impairment	(164,943)	(186,561)	(164,943)	(186,561)
	<u>268,378</u>	<u>308,347</u>	<u>268,378</u>	<u>308,347</u>
Office Equipment and Furniture				
Cost	2,017,681	1,993,612	2,017,681	1,993,612
Accumulated depreciation and impairment	(1,727,681)	(1,669,311)	(1,727,681)	(1,669,311)
	<u>290,000</u>	<u>324,301</u>	<u>290,000</u>	<u>324,301</u>
Computer Hardware				
Cost	266,551	220,566	266,551	220,566
Accumulated depreciation and impairment	(167,741)	(129,457)	(167,741)	(129,457)
	<u>98,810</u>	<u>91,109</u>	<u>98,810</u>	<u>91,109</u>
Computer Software				
Cost	7,364	7,364	7,364	7,364
Accumulated depreciation and impairment	(5,814)	(5,298)	(5,814)	(5,298)
	<u>1,550</u>	<u>2,066</u>	<u>1,550</u>	<u>2,066</u>
Net written down value	<u>658,738</u>	<u>725,823</u>	<u>658,738</u>	<u>725,823</u>

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Computer Software	Computer Hardware	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2022	2,754	77,562	245,155	393,035	718,506
Additions	-	41,876	246,222	-	288,098
Disposals	-	-	(139,961)	-	(139,961)
Depreciation	(688)	(28,329)	(43,069)	(68,734)	(140,820)
Balance at 30 June 2023	<u>2,066</u>	<u>91,109</u>	<u>308,347</u>	<u>324,301</u>	<u>725,823</u>
Additions	-	45,984	44,630	24,068	114,682
Disposals	-	-	(14,035)	-	(14,035)
Depreciation	(516)	(38,283)	(70,564)	(58,369)	(167,732)
Carrying amount at 30 June 2024	<u>1,550</u>	<u>98,810</u>	<u>268,378</u>	<u>290,000</u>	<u>658,738</u>

(ii) Right-of-use lease assets

The Fund entered into a three-year contract to lease office premises on 1 November 2022. Set out below are the carrying amounts of right-of-use assets recognised and their movements during the year.

	Consolidated entity		Parent entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Opening balance	899,686	-	899,686	-
Addition	54,324	1,079,623	54,324	1,079,623
Depreciation expense	(281,978)	(179,937)	(281,978)	(179,937)
Carrying amount	<u>672,032</u>	<u>899,686</u>	<u>672,032</u>	<u>899,686</u>

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)
Notes to the Financial Statements
For the year ended 30 June 2024

7. Payables

	Consolidated entity		Parent entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Due within 12 months				
Insurance premiums payable	2,302,674	2,693,363	2,302,674	2,693,363
Audit fees payable	60,000	60,000	60,000	60,000
Operating expenses payable	694,620	200,711	126,320	200,711
Administration expenses payable	420,000	803,578	420,000	420,000
Provision for employee benefits	1,037,224	891,747	1,037,224	891,747
Sundry creditors	72,452	56,128	72,452	56,128
Tenant rental bond	-	16,500	-	16,500
Deferred Income	-	6,256	-	6,256
	<u>4,586,970</u>	<u>4,728,283</u>	<u>4,018,670</u>	<u>4,344,705</u>

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in Note 18.

8. Changes in fair value of investments

	Consolidated entity		Parent entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Investments held at balance date				
BUSS(Q) Pooled Superannuation Trust	-	-	427,033,269	500,996,514
International Private Equities	(1,842,682)	(2,494,981)	-	-
Fixed Interest	2,477,064	(1,812,519)	-	-
Australian Equities	103,249,653	110,966,106	-	-
International Equities	156,456,720	181,964,933	-	-
Properties	(59,835,953)	(43,667,028)	-	-
Infrastructure	22,064,965	45,325,226	-	-
Derivatives	(7,011,230)	(20,494,859)	-	-
Agriculture	9,587,861	1,408,562	-	-
Opportunistic Debt	29,665,101	24,768,908	-	-
Term Deposits	-	47	-	-
Total unrealised gains / (losses)	<u>254,811,499</u>	<u>295,964,395</u>	<u>427,033,269</u>	<u>500,996,514</u>
Investments realised during the year				
International Private Equities	578,079	(154,008)	-	-
Fixed Interest	3,375,109	(6,821,364)	-	-
Australian Equities	25,704,910	36,356,455	-	-
International Equities	(6,055,531)	76,627,999	-	-
Properties	-	(641,696)	-	117,437
Derivatives	(99,895)	(16,108,853)	-	-
Agriculture	57,497	(4)	-	-
Opportunistic Debt	(2,209,773)	(12,163,720)	-	-
Infrastructure	32,819	194,578	-	-
Total realised gains / (losses)	<u>21,383,215</u>	<u>77,289,387</u>	<u>-</u>	<u>117,437</u>
Change in fair value of investments	<u>276,194,714</u>	<u>373,253,782</u>	<u>427,033,269</u>	<u>501,113,951</u>

The amounts recorded as 'realised gains/(losses)' above is the difference between the fair value at sale and the carrying amount at the beginning of the reporting period or when acquired, if acquired during the year.

9. Funding arrangements

During the year ended 30 June 2024, employers contributed to the Fund on behalf of members as part of the Trust Deed, Award and Superannuation Guarantee Charge of 11% (2023: 10.5%). Member and additional employer contributions are paid to the Fund at a rate determined by the member and/or employer.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

10. Reserves

	Consolidated entity		Parent entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Administration reserve	9,143,802	12,113,553	9,143,802	12,113,553
Operational risk reserve	16,915,456	13,586,251	16,915,456	13,586,251
	<u>26,059,258</u>	<u>25,699,804</u>	<u>26,059,258</u>	<u>25,699,804</u>

The Trustee maintains an Administration reserve and an Operational risk reserve.

The purpose of the Administration Reserve is to fund the operations of the Fund and ensure that it can meet current and future liabilities. The reserve is funded by administration fees charged to members, and a margin on insurance premium used to fund insurance related administration costs.

The purpose of the Operational risk reserve in the parent entity is to provide protection to the Fund in the event that a loss is incurred from an operational risk event occurring. The use of the Operational risk reserve is governed by the requirements of SPS 114, which is applicable to all APRA-regulated funds.

The current Operational risk reserve of the parent entity represents 0.25% (2023: 0.22%) of the net assets available for members benefits. The Trustee intends to maintain a target ORFR percentage of 0.25%, and replenish when it falls 10% or more below the target amount.

The Operational risk reserve requirement target for the Pooled Superannuation Trust (PST) is 0.10% of the total Funds Under Management. As at 30 June 2024, the Operational risk reserve for the PST was \$6,765,852 (2023: \$5,388,310).

11. Income tax

(a) Major components of income tax expense / (benefit) for the years ended 30 June 2024 and 2023:

	Consolidated entity		Parent entity	
	2024	2023	2024	2023
	\$	\$	\$	\$
Income statement				
Current tax expense / (benefit)				
Current tax charge / (benefit)	3,277,380	(4,170,317)	(7,807,225)	(6,583,770)
Adjustments in respect of current income tax of previous years	(7,935,690)	(8,140,899)	41,328	410,007
Deferred tax				
Relating to origination and reversal of temporary differences	21,772,951	42,327,245	507,237	(231,027)
Total tax expense / (benefit) as reported in the income statement	<u>17,114,641</u>	<u>30,016,029</u>	<u>(7,258,660)</u>	<u>(6,404,790)</u>

(b) Reconciliation between income tax expense / (benefit) and the operating result before income tax:

Operating result from operating activities	17,474,095	42,088,940	(6,899,206)	5,668,121
Income tax at 15%	2,621,115	6,313,341	(1,034,881)	850,218
Taxable investment income per custodian	36,211,875	25,669,715	387,164	96,974
Unrealised gain/losses per custodian	21,472,407	46,724,012	-	468,030
Realised gain/losses per custodian	1,993,262	(912,082)	410,586	(450,418)
Unrealised income TOFA	1,276,350	562,765	-	-
Non-taxable investment income	(64,442,147)	(75,400,105)	(64,442,146)	(75,400,105)
Insurance premiums deductions	(3,790,669)	(3,607,576)	(3,790,669)	(3,607,576)
Non deductible investment expense	(4,673,188)	(6,480,784)	2,394	2,268
Non taxable benefits allocated to members	61,823,656	71,200,424	61,823,656	71,200,424
Assessable member contributions adjustment s290-170	(655,803)	71,200,424	(655,803)	71,200,424
Derecognition of temporary differences	5,536	7,062	5,536	7,062
Exempt pension income	(4,853,067)	(6,476,734)	(32,683)	(8,541)
Net imputation and foreign tax credits	(21,965,854)	(19,469,977)	-	-
(Over)/Under provision in the previous year	(7,935,690)	(8,140,899)	41,328	410,007
Trustee Fee	26,858	26,867	26,858	26,867
	<u>17,114,641</u>	<u>30,016,029</u>	<u>(7,258,660)</u>	<u>(6,404,790)</u>

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)Notes to the Financial Statements
For the year ended 30 June 2024**11. Income tax (continued)****(c) Deferred Tax****Consolidated Entity**

	Opening Balance \$	2024 (Charged) / Credited to income \$	Closing Balance \$
Deferred tax assets			
Realised Capital loss	450,418	(410,586)	39,832
Fund expenses accrued but not incurred	4,995,683	(60,918)	4,934,765
Unrealised FFX losses on investments	3	(3)	-
	<u>5,446,104</u>	<u>(471,507)</u>	<u>4,974,597</u>
Deferred tax liabilities			
Income receivable	517,028	(2,409)	514,619
Unrealised (gains) / losses on investments	(85,727,645)	(21,299,035)	(107,026,680)
	<u>(85,210,617)</u>	<u>(21,301,444)</u>	<u>(106,512,061)</u>
Net deferred tax liability	<u>(79,764,513)</u>	<u>(21,772,951)</u>	<u>(101,537,464)</u>

Parent Entity

	Opening Balance \$	2024 (Charged) / Credited to income \$	Closing Balance \$
Deferred tax assets			
Realised Capital loss	450,418	(410,586)	39,832
Fund expenses accrued but not incurred	537,146	(96,648)	440,498
Unrealised FFX losses on investments	3	(3)	-
	<u>987,567</u>	<u>(507,237)</u>	<u>480,330</u>
Deferred tax liabilities			
Unrealised (gains) / losses on investments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net deferred tax asset	<u>987,567</u>	<u>(507,237)</u>	<u>480,330</u>

Consolidated Entity

	Opening Balance \$	2023 (Charged) / Credited to income \$	Closing Balance \$
Deferred tax assets			
Realised Capital loss	-	450,418	450,418
Fund expenses accrued but not incurred	5,329,011	(333,328)	4,995,683
Unrealised FFX losses on investments	422,893	(422,890)	3
	<u>5,751,904</u>	<u>(305,800)</u>	<u>5,446,104</u>
Deferred tax liabilities			
Income receivable	466,086	50,942	517,028
Unrealised (losses) / gains on investments	(43,655,258)	(42,072,387)	(85,727,645)
	<u>(43,189,172)</u>	<u>(42,021,445)</u>	<u>(85,210,617)</u>
Net deferred tax liability	<u>(37,437,268)</u>	<u>(42,327,245)</u>	<u>(79,764,513)</u>

Parent Entity

	Opening Balance \$	2023 (Charged) / Credited to income \$	Closing Balance \$
Deferred tax assets			
Realised Capital loss	-	450,418	450,418
Fund expenses accrued but not incurred	378,636	158,510	537,146
Unrealised FFX losses on investments	422,893	(422,890)	3
	<u>801,529</u>	<u>186,038</u>	<u>987,567</u>
Deferred tax liabilities			
Unrealised (losses) / gains on investments	(44,989)	44,989	-
	<u>(44,989)</u>	<u>44,989</u>	<u>-</u>
Net deferred tax asset	<u>756,540</u>	<u>231,027</u>	<u>987,567</u>

The Fund offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)
Notes to the Financial Statements
For the year ended 30 June 2024

12. Lease liabilities

	Consolidated entity		Parent entity	
	2024 \$	2023 \$	2024 \$	2023 \$
Lease liabilities	675,101	909,494	675,101	909,494
Total lease liabilities	675,101	909,494	675,101	909,494

The Fund leases commercial office space at 299 Coronation Drive, Milton, Queensland.

13. Operating expenses

	Consolidated entity		Parent entity	
	2024 \$	2023 \$	2024 \$	2023 \$
APRA & ASIC fees	657,863	563,652	657,863	563,652
Arrears/Debt collection	183,113	183,113	183,113	183,113
Assurance services other	157,396	180,269	157,396	180,269
Audit and taxation services	369,083	216,452	303,448	153,342
Bank charges	81,841	75,657	81,841	75,657
Catering & meals	14,371	10,628	14,371	10,614
Conferences	41,375	46,806	41,375	46,806
Consulting fees	388,401	409,245	388,401	409,245
Director Fees	593,230	674,092	296,615	356,514
Committee Member Fees	13,658	-	6,829	-
Financial planning member fees	185,376	152,459	185,376	152,459
Legal fees	326,438	506,780	326,438	500,696
IT expenses	1,672,011	1,531,674	1,672,011	1,531,674
Marketing, advertising & sponsorship	1,303,479	1,195,652	1,303,479	1,195,652
Motor vehicle expenses	155,695	167,783	155,695	167,783
Office rental & Car Spaces	243,628	242,723	243,628	242,723
Other premises costs	447,873	373,975	447,873	373,945
Other staff costs	1,004,391	779,681	957,037	737,286
Preparation & printing	116,234	145,978	116,234	145,978
Salaries and on costs	7,846,937	6,658,428	7,205,295	6,101,954
Subscriptions	35,030	80,342	35,030	79,816
Sundry expenses	275,009	206,367	263,457	206,357
Telephone/fax	63,998	58,094	63,998	58,094
Travel & accommodation	161,650	143,497	161,843	124,656
Trustee and other liability insurance	99,480	181,682	49,740	90,841
Trustee fee	-	447,857	-	447,857
	<u>16,437,560</u>	<u>15,232,886</u>	<u>15,318,386</u>	<u>14,136,983</u>

14. Auditors' remuneration

	2024 \$	2023 \$	2024 \$	2023 \$
Ernst & Young:				
Audit of financial statements and compliance	165,000	165,000	77,000	77,000
Taxation	199,498	84,808	199,498	84,808
	<u>364,498</u>	<u>249,808</u>	<u>276,498</u>	<u>161,808</u>

15. Cash flow statement reconciliation

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2024 \$	2023 \$	2024 \$	2023 \$
Cash and cash equivalents	<u>4,938,717</u>	<u>13,287,566</u>	<u>4,938,717</u>	<u>13,287,566</u>
Reconciliation of net cash from operating activities to operating result after income tax				
Operating result after income tax	359,454	12,072,911	359,454	12,072,911
Adjustments for:				
Increase in assets measured in fair value	(276,194,714)	(373,253,782)	(427,033,269)	(501,113,951)
Movement in applications / redemptions	-	-	(70,566,109)	70,962,202
Depreciation and impairment	449,710	320,757	449,710	320,757
Decrease in insurance payable	(6,102,830)	(7,288,242)	(6,102,830)	(7,288,242)
(Increase) / decrease in receivables	(1,306,936)	(3,909,323)	69,013,895	(72,050,426)
(Decrease) / increase in payables	(141,313)	(654,339)	(326,035)	812,227
Increase / (Decrease) in income tax payable	8,280,844	(5,845,201)	10,671,705	7,846,284
Increase / (decrease) in net deferred tax payable	21,772,952	42,327,243	507,237	(231,027)
Allocation to members' accounts	412,157,706	474,669,490	412,157,706	474,669,490
Net cash inflows / (outflows) from operating activities	<u>159,274,873</u>	<u>138,439,514</u>	<u>(10,868,536)</u>	<u>(13,999,775)</u>

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)**Notes to the Financial Statements****For the year ended 30 June 2024****16. Segment information**

The Fund operates solely in one reportable business segment, being the provision of superannuation benefits to members. The Fund also operates from one reportable geographic segment, being Australia, from where its activities are managed. Revenue is derived from interest, dividends, gains on the sale of investments and unrealised changes in the value of investments.

17. Related party disclosures**(a) Trustee and Key Management Personnel**

The Trustee of the Building Unions Superannuation Scheme (Queensland) is BUSS (Queensland) Pty Ltd (ABN 85 571 332 201), which as an RSE licensee fulfils the role of Key Management Personnel of the Fund.

The names of the directors of the trustee company, which are Key Management Personnel of the Trustee, who held office during part or all of the year, or who have subsequently held office are:

Employer Representatives	Mr Christopher Taylor (Chairperson of the Board) Mr Geoffrey Baguley Mr Paul Hick Mr Benjamin Young
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Member Representatives	Ms Jacqueline Colлие (ceased on 12/09/2024) Mr Michael Ravbar (ceased on 12/09/2024) Ms Linda Vickers Ms Emma Eaves Mr Hemal Patel (appointed on 12/09/2024) Mr Paul Dunbar (appointed on 12/09/2024)
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Other members of Key Management Personnel	Mr Damian Wills Mr Peter Laity Ms Angela de Vine (resigned on 5/10/2023) Mr Matthew Forrest Ms Leigh Mackay Ms Lisa Cumberland Ms Carolyn Bartsch (appointed on 23/10/2023)
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(b) Compensation of Key Management Personnel

	2024 \$	2023 \$
Directors' fees - short term benefits	534,441	558,564
Directors' fees - post employment benefits	58,789	54,079
Other key management personnel - short term benefits	1,928,373	1,792,106
Other key management personnel - post employment benefits	163,698	153,979
Other key management personnel - long term benefits	38,278	38,541
	<u>2,723,579</u>	<u>2,597,269</u>

The Fund pays each director of the Trustee fees for services rendered to the Fund and PST.

(c) Related party transactions**Trustee**

The following Directors during part or all of the year are also members of the Fund:

Ms Jacqueline Colлие	Mr Michael Ravbar
Ms Emma Eaves	Ms Linda Vickers
Mr Christopher Taylor	Mr Benjamin Young
Mr Hemal Patel	Mr Paul Dunbar

The trustee Directors' membership terms and conditions are the same as those available to other members of the Fund.

Key Management Personnel

Damian Wills, Peter Laity and Angela De Vine were members of the Fund for all or part of the year. Their membership terms and conditions are the same as those available to other members of the Fund.

BUSS (Queensland) Pty Ltd

The Fund pays directors fees and Trustee liability insurance for the directors of the Trustee.

	2024 \$	2023 \$
Directors' fees	534,441	558,564
Trustee liability insurance	49,740	90,841
Trustee fee	-	447,857
	<u>584,181</u>	<u>1,097,262</u>

	2024 \$	2023 \$
ASIC fees	-	4,706
Taxation service fees	-	1,306
Income tax liability	135,082	128,633
GST liability	103,249	85,714
	<u>238,331</u>	<u>220,359</u>

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

17. Related party disclosures (continued)

(c) Related party transactions (continued)

BUSS (Queensland) Pooled Superannuation Trust

Half of the directors' fees and Trustee liability insurance paid by the Fund is reallocated to the Pooled Superannuation Trust (the Trust). The Trust's 2023 income tax liability and 2024 BAS PAYG was paid from the Fund. Refer to note 5 for the receivable from the Trust.

	2024 \$	2023 \$
Directors' fees	329,785	314,851
Committee Member Fees	6,829	-
Investment team remuneration	673,404	584,019
Trustee liability insurance	92,058	90,841
Other expenses	11,357	84,460
PAYG	(53,304,439)	53,247,855
Income tax liability	(17,500,000)	17,500,000
	(69,691,006)	71,822,026

Shareholders

Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland and Queensland Master Builders Association, Industrial Organisation of Employers are shareholders of BUSS(Q) Pty Ltd.

The following table provides the total amount of transactions, that have been entered into with shareholder entities for the relevant financial year. Management of the Fund prepares business cases for Board consideration and approval for all significant expenditures, carrying out and monitoring services provided in line with contracts signed with the relevant shareholder entity. These transactions are conducted at arms length on commercial terms. 2023's expenses have been restated by \$7,431 to include the value of union fee subscriptions paid via credit card not previously included in this note disclosure.

	2024 \$	2023 (Restated) \$
Expenses	670,403	666,132

18. Financial risk management objectives and policies

(a) Financial instruments management

The Fund's principal financial instruments comprise investment mandates and units in collective investment vehicles such as unit trusts, pooled superannuation trusts and private equity trusts. The main purpose of these financial instruments is to generate a return on investment. The Fund also has various other financial instruments such as sundry receivables and payables, which arise directly from its operations.

The main risks arising from the Fund's financial instruments are interest rate risk, credit risk, market price risk, and foreign currency risk. The Trustee reviews and agrees policies for managing each of these risks. The Fund also monitors the market price risk arising from all financial instruments.

Each investment manager is required to invest the assets managed by them in accordance with the terms of a written investment mandate. The Trustee has determined that the appointment of these managers is appropriate for the Fund and is in accordance with the Fund's investment strategy. The Trustee obtains regular reports from each investment manager on the nature of the investments made and the associated risks.

(b) Significant accounting policies

Details on the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability, are disclosed in Note 2 to the financial statements.

(c) Categories of financial instruments

The Fund's investments, including derivatives, are recorded at fair value. Changes in fair value are recognised through the income statement in the year they occur, in accordance with the requirements of AASB 1056.

(d) Financial risk management objectives

The Fund is exposed to a variety of financial risks as a result of its activities. These risks include market risk, (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Fund's risk management and investment policies, approved by the Trustee, seek to manage and where possible minimise the potential adverse effects of these risks on the Fund's financial performance. These policies may include the use of certain derivative financial instruments.

The Fund is committed to effectively integrating climate change risks and opportunities into its investment processes across the Fund and expects its investment managers and advisors to integrate these throughout their investment process. We continue to consider our approach to climate change over time.

Risks from climate change transitions will have a varied impact on investments, with some assets anticipated to yield decreasing returns, while others increase. Opportunities for the Fund include influencing and encouraging responsible investment by directing investments to projects aligned to its purpose and risk appetite. To address these effects, the Trustee will look to consider the implications of potentially stranded assets, carbon-intensive industries and evolving opportunities in determining its investment strategy and portfolio allocations.

It is ultimately the responsibility of the Trustee to ensure that there is an effective risk management control framework in place. Consistent with regulatory requirements, the Trustee has the function of overseeing the establishment and maintenance of risk-based systems and controls for the Fund. The Trustee has developed, implemented and maintains a Risk Management Framework ("RMF").

The RMF identifies the Trustee's policies and procedures, processes, and controls that comprise its risk management and control systems. These systems address all material risks, financial and non-financial, likely to be faced by the fund. Annually, the Trustee certifies to APRA that adequate strategies have been put in place to monitor those risks, that the Trustee has systems in place to ensure compliance with legislative and prudential requirements and that the Trustee has satisfied itself as to the compliance with the RMF.

The financial risk management policies detailed below for the Fund are applicable to both the consolidated and parent entity, unless stated otherwise.

(e) Market risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual instrument (or its issuer) or factors affecting all instruments in the market. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

18. Financial risk management objectives and policies (continued)**(f) Currency & Foreign Exchange risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund has exposure to foreign currency risk implicit in the value of portfolio securities denominated in a foreign currency. Foreign exchange contracts are used by the Fund to reduce exposure to adverse foreign currency movements in the value of underlying international listed equities. Exchange rate exposures are managed within approved policy parameters. The exchange rate exposure is managed in line with the Trustee's investment policies and Risk Management Framework. The Fund's overall strategy in foreign currency risk management remains unchanged from 2023.

Consolidated Entity 2024	USA A\$	GBP A\$	EURO A\$	JPY A\$	Other A\$	Total A\$
Financial assets						
Gross investment amounts denominated in foreign currency	1,249,881,133	82,661,126	259,947,525	66,492,146	152,149,275	1,811,131,205
Derivative Financial Instruments	2,265,530	105,205	162,126	99,873	308,633	2,941,367
Total assets	1,252,146,663	82,766,331	260,109,651	66,592,019	152,457,908	1,814,072,572
Financial liabilities						
Gross investment amounts denominated in foreign currency	(100,467,852)	(207,726)	(261,929)	(1,590,814)	(98,503)	(102,626,824)
Derivative Financial Instruments	(7,914,962)	(223,878)	(1,065,515)	(188,688)	(189,977)	(9,583,020)
Total Liabilities	(108,382,814)	(431,604)	(1,327,444)	(1,779,502)	(288,480)	(112,209,844)
Net assets/(liabilities)	1,143,763,849	82,334,727	258,782,207	64,812,517	152,169,428	1,701,862,728
2023	USA A\$	GBP A\$	EURO A\$	JPY A\$	Other A\$	Total A\$
Financial assets						
Gross investment amounts denominated in foreign currency	1,066,038,823	82,902,002	280,389,596	43,560,550	112,419,541	1,585,310,512
Derivative Financial Instruments	3,384,875	32,412	227,114	98,595	163,334	3,906,330
Total assets	1,069,423,698	82,934,414	280,616,710	43,659,145	112,582,875	1,589,216,842
Financial liabilities						
Gross investment amounts denominated in foreign currency	(62,000,421)	(210,326)	(177,474)	(2,194,053)	(85,931)	(64,668,205)
Derivative Financial Instruments	(12,096,517)	(828,639)	(1,055,804)	(117,300)	(463,504)	(14,561,764)
Total Liabilities	(74,096,938)	(1,038,965)	(1,233,278)	(2,311,353)	(549,435)	(79,229,969)
Net assets/(liabilities)	995,326,760	81,895,449	279,383,432	41,347,792	112,033,440	1,509,986,873

Parent Entity

The parent entity does not have any direct exposure to foreign currency risk at the balance date or in the prior year.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

18. Financial risk management objectives and policies (continued)

(f) Currency & Foreign Exchange risk (continued)

Sensitivity Analysis - Currency Risk

The following table details the Fund's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currencies. 10% is the sensitivity rate management has assessed as the possible change in foreign exchange rates. A positive number indicates an increase in benefits accrued as a result of operations after income tax and liability for accrued benefits where the Australian dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the benefits as a result of operations after income tax and on the net assets available to pay benefits, and the balances below would be negative. 2023 sensitivities have been restated to adjust the calculation of the tax effect for changes in net assets.

Note that the analysis does not take into account the impact of movements in exchange rates on the value of foreign currency assets held in Australian denominated collective investment vehicles. The potential effects of such movements is included in the sensitivity analysis under "other price risk".

Foreign Currency Sensitivity Analysis - Effects in AUD

Consolidated Entity 30 June 2024

	Carrying value	Operating result after tax +10%	-10%	Net assets available to pay +10%	-10%
Total assets that are denominated in a currency other than the Australian dollar					
USD-AUD Equivalent	1,252,146,663	106,432,466	(106,432,466)	106,432,466	(106,432,466)
GBP-AUD Equivalent	82,766,331	7,035,138	(7,035,138)	7,035,138	(7,035,138)
EURO-AUD Equivalent	260,109,651	22,109,320	(22,109,320)	22,109,320	(22,109,320)
JPY-AUD Equivalent	66,592,019	5,660,322	(5,660,322)	5,660,322	(5,660,322)
Other-AUD Equivalent	152,457,908	12,958,922	(12,958,922)	12,958,922	(12,958,922)
	<u>1,814,072,572</u>	<u>154,196,168</u>	<u>(154,196,168)</u>	<u>154,196,168</u>	<u>(154,196,168)</u>
Total liabilities that are denominated in a currency other than the Australian dollar					
USD-AUD Equivalent	(108,382,814)	(9,212,539)	9,212,539	(9,212,539)	9,212,539
GBP-AUD Equivalent	(431,604)	(36,686)	36,686	(36,686)	36,686
EURO-AUD Equivalent	(1,327,444)	(112,833)	112,833	(112,833)	112,833
JPY-AUD Equivalent	(1,779,502)	(151,258)	151,258	(151,258)	151,258
Other-AUD Equivalent	(288,480)	(24,521)	24,521	(24,521)	24,521
	<u>(112,209,844)</u>	<u>(9,537,837)</u>	<u>9,537,837</u>	<u>(9,537,837)</u>	<u>9,537,837</u>
Net assets/(liabilities)	<u>1,701,862,728</u>	<u>144,658,331</u>	<u>(144,658,331)</u>	<u>144,658,331</u>	<u>(144,658,331)</u>

30 June 2023 (Restated)

	Carrying value	Operating result after tax +10%	-10%	Net assets available to pay +10%	-10%
Total assets that are denominated in a currency other than the Australian dollar					
USD-AUD Equivalent	1,069,423,698	90,901,014	(90,901,014)	90,901,014	(90,901,014)
GBP-AUD Equivalent	82,934,414	7,049,425	(7,049,425)	7,049,425	(7,049,425)
EURO-AUD Equivalent	280,616,710	23,852,420	(23,852,420)	23,852,420	(23,852,420)
JPY-AUD Equivalent	43,659,145	3,711,027	(3,711,027)	3,711,027	(3,711,027)
Other-AUD Equivalent	112,582,875	9,569,544	(9,569,544)	9,569,544	(9,569,544)
	<u>1,589,216,842</u>	<u>135,083,430</u>	<u>(135,083,430)</u>	<u>135,083,430</u>	<u>(135,083,430)</u>
Total liabilities that are denominated in a currency other than the Australian dollar					
USD-AUD Equivalent	(74,096,938)	(6,298,240)	6,298,240	(6,298,240)	6,298,240
GBP-AUD Equivalent	(1,038,965)	(88,312)	88,312	(88,312)	88,312
EURO-AUD Equivalent	(1,233,278)	(104,829)	104,829	(104,829)	104,829
JPY-AUD Equivalent	(2,311,353)	(196,465)	196,465	(196,465)	196,465
Other-AUD Equivalent	(549,435)	(46,702)	46,702	(46,702)	46,702
	<u>(79,229,969)</u>	<u>(6,734,548)</u>	<u>6,734,548</u>	<u>(6,734,548)</u>	<u>6,734,548</u>
Net assets/(liabilities)	<u>1,509,986,873</u>	<u>128,348,882</u>	<u>(128,348,882)</u>	<u>128,348,882</u>	<u>(128,348,882)</u>

Parent Entity

The parent entity does not have any direct exposure to foreign currency risk at the balance date or in the prior year.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

18. Financial risk management objectives and policies (continued)**(g) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

The majority of the Fund's financial instruments are non-interest bearing with only cash and cash equivalents, short term deposits, debt securities and interest bearing securities being directly subject to interest rate risk. As a result, the Fund is subject to limited direct exposure to interest rate fluctuations in prevailing levels of market interest rates. The Fund is indirectly exposed to fluctuations in market interest rates through its investments in collective investment vehicles, which invest in a variety of short and long term interest bearing securities. Floating rate instruments expose the Fund to cash flow risk, whereas fixed interest rate instruments expose the fund to fair value interest rate risk. The Fund's Trustee monitors its exposure to interest rate risk.

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument.

The Fund's exposure to interest rate risk and the weighted average effective interest rate (for each class of financial asset and financial liability) is set out in the following table.

Consolidated Entity
30 June 2024

	Weighted Average Interest rate	Floating Interest rate	Fixed Interest & Non-Interest Bearing	Total
Financial Assets				
Cash	4.20%	4,938,717	-	4,938,717
Investments		-	6,803,728,919	6,803,728,919
Trade and other receivables		-	5,365,744	5,365,744
Total assets		<u>4,938,717</u>	<u>6,809,094,663</u>	<u>6,814,033,380</u>
Financial Liabilities				
Trade and other payables		-	(4,586,970)	(4,586,970)
		-	-	-
Total Liabilities		<u>-</u>	<u>(4,586,970)</u>	<u>(4,586,970)</u>
Net Financial Assets		<u>4,938,717</u>	<u>6,804,507,693</u>	<u>6,809,446,410</u>

30 June 2023

	Weighted Average Interest rate	Floating Interest rate	Fixed Interest & Non-Interest Bearing	Total
Financial Assets				
Cash	3.95%	13,287,566	-	13,287,566
Investments		-	6,167,352,990	6,167,352,990
Trade and other receivables		-	4,058,808	4,058,808
Total assets		<u>13,287,566</u>	<u>6,171,411,798</u>	<u>6,184,699,364</u>
Financial Liabilities				
Trade and other payables		-	(4,728,283)	(4,728,283)
Total Liabilities		<u>-</u>	<u>(4,728,283)</u>	<u>(4,728,283)</u>
Net Financial Assets		<u>13,287,566</u>	<u>6,166,683,515</u>	<u>6,179,971,081</u>

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

18. Financial risk management objectives and policies (continued)

(g) Interest rate risk (continued)

Parent Entity
30 June 2024

	Weighted Average Interest rate	Floating Interest rate	Fixed Interest & Non-Interest Bearing	Total
Financial Assets				
Cash	4.20%	4,938,717	-	4,938,717
Investments		-	6,736,264,861	6,736,264,861
Trade and other receivables		-	12,538,911	12,538,911
Total assets		<u>4,938,717</u>	<u>6,748,803,772</u>	<u>6,753,742,489</u>
Financial Liabilities				
Trade and other payables		-	(4,018,670)	(4,018,670)
Total Liabilities		-	<u>(4,018,670)</u>	<u>(4,018,670)</u>
Net Financial Assets		<u>4,938,717</u>	<u>6,744,785,102</u>	<u>6,749,723,819</u>

30 June 2023

	Weighted Average Interest rate	Floating Interest rate	Fixed Interest & Non-Interest Bearing	Total
Financial Assets				
Cash	3.95%	13,287,566	-	13,287,566
Investments		-	6,048,627,676	6,048,627,676
Trade and other receivables		-	81,552,806	81,552,806
Total assets		<u>13,287,566</u>	<u>6,130,180,482</u>	<u>6,143,468,048</u>
Financial Liabilities				
Trade and other payables		-	(4,344,705)	(4,344,705)
Total Liabilities		-	<u>(4,344,705)</u>	<u>(4,344,705)</u>
Net Financial Assets		<u>13,287,566</u>	<u>6,125,835,777</u>	<u>6,139,123,343</u>

Sensitivity Analysis - Interest Rate Risk

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 75 basis points increase or decrease is used when reporting interest rate risk internally to the Trustee and represents the Trustee's assessment of the possible change in interest rates.

The following table illustrates the effect on benefits accrued as a result of operations and the net assets available to pay member liabilities from possible changes in interest rate risk that were reasonably possible based on the risk the Fund was exposed to at reporting date. The table is based on the Fund's interest bearing financial instruments of cash and cash equivalents at balance date.

An increase/decrease of 75 basis points in interest rates at the reporting date would have increased/decreased the change in net assets available to pay benefits and the benefits accrued as a result of operations by the amounts below:

Consolidated Entity	Carrying value	Net assets available to pay member liabilities			
		Operating result before tax			
		-75bps	75bps	-75bps	75bps
30 June 2024					
Cash and cash equivalents	4,938,717	(37,040)	37,040	(37,040)	37,040
Interest bearing securities	1,067,963,026	(8,009,723)	8,009,723	(8,009,723)	8,009,723
30 June 2023					
Cash and cash equivalents	13,287,566	(99,657)	99,657	(99,657)	99,657
Interest bearing securities	822,200,922	(6,166,507)	6,166,507	(6,166,507)	6,166,507

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

18. Financial risk management objectives and policies (continued)**(g) Interest rate risk (continued)**

Parent Entity	Carrying value	Operating result before tax		Net assets available to pay member liabilities	
		-75bps	75bps	-75bps	75bps
30 June 2024					
Cash and cash equivalents	4,938,717	(37,040)	37,040	(37,040)	37,040
30 June 2023					
Cash and cash equivalents	13,287,566	(99,657)	99,657	(99,657)	99,657

(h) Other market price risk

Other market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As the Fund's financial instruments are carried at fair value with changes recognised in the Income Statement, changes in market conditions affecting net fair value will be recognised in the Income Statement. As the investments of the Fund (other than cash held for liquidity purposes) comprise a combination of directly held securities and units in collective investment vehicles, the Fund's exposure to other market risk is therefore limited to the market price movement of these investments. The Fund's exposure at year end to other market price is detailed below:

	Volatility Factor Minimum	Volatility Factor Maximum	Volatility Factor Average
Investment Held			
Consolidated Entity			
Australian Equities	(18.40%)	32.50%	7.05%
Australian Fixed Interest	(0.70%)	8.80%	4.05%
Cash Enhanced/Term Deposits	2.50%	3.90%	3.20%
Direct Property	(6.30%)	16.90%	5.30%
International Equities	(15.40%)	26.60%	5.60%
International Equities - Emerging Markets	(17.20%)	33.90%	8.35%
Overseas Fixed Interest	(0.50%)	9.10%	4.30%
Agriculture	(1.70%)	16.10%	7.20%
Australian Private Equities	(1.70%)	16.10%	7.20%
Derivatives	(1.70%)	16.10%	7.20%
Infrastructure	(1.70%)	16.10%	7.20%
International Private Equities	(1.70%)	16.10%	7.20%
Opportunistic Growth	(1.70%)	16.10%	7.20%
Parent Entity			
Cash Enhanced/Term Deposits	2.50%	3.90%	3.20%
Pooled Superannuation Trust - BUSS(Q)	(5.09%)	17.56%	6.23%

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

18. Financial risk management objectives and policies (continued)

(h) Other market price risk (continued)

Sensitivity Analysis - Other market price risk

The following table illustrates the effect of profit/(loss) and net assets available to pay member liabilities from possible changes in market risk that were reasonably possible based on the risk the Fund was exposed to at reporting date.

The increase/decrease in the market price against the investments of the Fund at 30 June 2024 would have increased/(decreased) the operating result post tax by the amounts shown below. The analysis assumes that all other variables, in particular, interest rates and foreign exchange rates remain constant. The analysis is performed on the same basis for the prior year and is not guaranteed.

Consolidated Entity

2024	Volatility Factor Average	Carrying Value	Impact on Operating result		Impact on Other Components of Equity	
			Decrease	Increase	Decrease	Increase
Term Deposits	3.20%	677,934,325	(18,439,814)	18,439,814	(18,439,814)	18,439,814
International Private Equities	7.20%	72,765,401	(4,453,243)	4,453,243	(4,453,243)	4,453,243
Fixed Interest	4.05%	436,197,592	(15,016,102)	15,016,102	(15,016,102)	15,016,102
Australian Equities	7.05%	1,712,215,935	(102,604,540)	102,604,540	(102,604,540)	102,604,540
International Equities	5.60%	1,818,556,979	(86,563,312)	86,563,312	(86,563,312)	86,563,312
Properties	5.30%	428,116,042	(19,286,628)	19,286,628	(19,286,628)	19,286,628
Derivative Assets	7.20%	12,595,519	(770,846)	770,846	(770,846)	770,846
Derivative Liabilities	7.20%	(17,524,309)	1,072,488	(1,072,488)	1,072,488	(1,072,488)
Infrastructure	7.20%	872,050,623	(53,369,498)	53,369,498	(53,369,498)	53,369,498
Opportunistic Debt	7.20%	390,838,513	(23,919,317)	23,919,317	(23,919,317)	23,919,317
Agriculture	7.20%	295,961,749	(18,112,859)	18,112,859	(18,112,859)	18,112,859
Cash and Short-term Deposits	3.20%	104,020,550	(2,829,359)	2,829,359	(2,829,359)	2,829,359
		6,803,728,919	(344,293,030)	344,293,030	(344,293,030)	344,293,030

2023	Volatility Factor Average	Carrying Value	Impact on Operating result		Impact on Other Components of Equity	
			Decrease	Increase	Decrease	Increase
Term Deposits	3.25%	570,790,798	(15,768,096)	15,768,096	(15,768,096)	15,768,096
International Private Equities	7.95%	26,797,632	(1,810,850)	1,810,850	(1,810,850)	1,810,850
Fixed Interest	3.25%	334,074,409	(9,228,806)	9,228,806	(9,228,806)	9,228,806
Australian Equities	8.05%	1,542,873,397	(105,571,112)	105,571,112	(105,571,112)	105,571,112
International Equities	7.40%	1,653,068,979	(103,978,039)	103,978,039	(103,978,039)	103,978,039
Properties	7.00%	492,781,347	(29,320,490)	29,320,490	(29,320,490)	29,320,490
Derivative Assets	7.95%	12,723,456	(859,788)	859,788	(859,788)	859,788
Derivative Liabilities	7.95%	(33,659,272)	2,274,525	(2,274,525)	2,274,525	(2,274,525)
Infrastructure	7.95%	835,172,305	(56,436,769)	56,436,769	(56,436,769)	56,436,769
Opportunistic Debt	7.95%	368,040,073	(24,870,308)	24,870,308	(24,870,308)	24,870,308
Agriculture	7.95%	283,511,007	(19,158,256)	19,158,256	(19,158,256)	19,158,256
Cash and Short-term Deposits	3.25%	81,178,859	(2,242,566)	2,242,566	(2,242,566)	2,242,566
		6,167,352,990	(366,970,555)	366,970,555	(366,970,555)	366,970,555

Parent Entity

Parent Entity		Volatility Factor	Carrying Value	Impact on Operating result		Impact on Other Components of Equity	
2024		Average		Decrease	Increase	Decrease	Increase
Cash and Short-term Deposits		3.20%	70,153,453	(1,908,174)	1,908,174	(1,908,174)	1,908,174
Pooled Superannuation Trust		6.23%	6,666,111,408	(353,265,446)	353,265,446	(353,265,446)	353,265,446
			6,736,264,861	(355,173,620)	355,173,620	(355,173,620)	355,173,620

2023	Volatility Factor Average	Carrying Value	Impact on Operating result		Impact on Other Components of Equity	
			Decrease	Increase	Decrease	Increase
Cash and Short-term Deposits	3.25%	45,404,332	(1,254,295)	1,254,295	(1,254,295)	1,254,295
Pooled Superannuation Trust	6.82%	6,003,223,344	(348,163,865)	348,163,865	(348,163,865)	348,163,865
		6,048,627,676	(349,418,160)	349,418,160	(349,418,160)	349,418,160

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
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18. Financial risk management objectives and policies (continued)**(i) Credit Risk**

Credit Risk is the risk that a counterparty to a financial instrument will cause a loss to the other party by failing to discharge an obligation. The Trustee of the Fund has adopted the policy of spreading the aggregate value of transactions concluded amongst approved counterparties with appropriate credit qualities, as a means of mitigating the risk of financial loss. The Fund's exposure is continuously monitored by the Trustee. The credit policy provides guidelines as to the appropriate terms and conditions of transactions entered into and the escalation procedures to follow when the recovery of assets is considered doubtful.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. No collateral is held as security nor do other credit enhancements exist for financial assets held. No financial assets are considered past due as all payments are considered recoverable when contractually due. The Fund does not have any significant exposure to any individual counterparty or industry.

The operational bank account is held with Westpac Bank. The Fund monitors its credit risk exposure with the bank through regular monitoring of the bank's credit rating.

For investments in listed Australian equities, credit risk arising on these investments is mitigated by monitoring that managers transact predominantly with reputable brokers on recognised exchanges.

Credit risk arising from other collective investments is mitigated by extensive due diligence prior to the appointment of Investment and Fund Managers, and benchmark analysis of the Investment and Fund Managers appointed.

Credit risk associated with contributions receivable and other receivables is considered low as there is usually a short settlement period as the receivable relates to timing differences in respect of the receipt of contributions from the employer sponsors.

All investment and cash assets of the Fund (other than short term deposits and operational cash) are held via a Custodian. The table below shows maximum exposure to credit risk at the reporting date. It is the opinion of the Trustee that the carrying amount of these financial assets represent the maximum credit risk exposure at reporting date. There were no significant concentrations of credit risk to counterparties.

Investments and Cash Assets	Consolidated Entity		Parent Entity	
	2024	2023	2024	2023
Term Deposits	677,934,325	570,790,798	-	-
International Private Equities	72,765,401	26,797,632	-	-
Fixed Interest	436,197,592	334,074,409	-	-
Australian Equities	1,712,215,935	1,542,873,397	-	-
International Equities	1,818,556,979	1,653,068,979	-	-
Properties	428,116,042	492,781,347	-	-
Derivative Assets	12,595,519	12,723,456	-	-
Derivative Liabilities	(17,524,309)	(33,659,272)	-	-
Infrastructure	872,050,623	835,172,305	-	-
Opportunistic Debt	390,838,513	368,040,073	-	-
Agriculture	295,961,749	283,511,007	-	-
Cash and Short-term Deposits	104,020,550	81,178,859	70,153,453	45,404,332
Pooled Superannuation Trust	-	-	6,666,111,408	6,003,223,344
Cash and cash equivalents	4,938,717	13,287,566	4,938,717	13,287,566
Receivables	5,365,744	4,058,808	12,538,911	81,552,806
Total	6,814,033,380	6,184,699,364	6,753,742,489	6,143,468,048

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

18. Financial risk management objectives and policies (continued)

(j) Liquidity risk

The Fund's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities. The Fund allows members to withdraw benefits and is therefore exposed to the liquidity risk of meeting member's withdrawals at any time. The Fund invests in financial instruments, which under normal market conditions are readily convertible to cash. The Fund's financial instruments also include instruments in unlisted investments and private equity which are not traded in an organised market and which generally may be illiquid. As a result, there is a risk that the Fund may not be able to liquidate all of its investments at their fair value in order to meet its liquidity requirements.

The Fund's liquidity risk is managed in accordance with the Fund's investment strategy. The Fund has a high level of net inward cash flows (through contributions) which provides capacity to manage liquidity risk. Liquidity risk is managed through monthly monitoring of administration, including reports of monthly cash flow and monitoring cashflow to each option and monitoring trends in regards to transfers in and out of the Fund.

The following table summarises the maturity profile of the Fund's financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay. The tables include both interest and principal cash flows.

Vested benefits have been included in the less than three months column, as this is the amount that the Fund could be required to pay members' vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

Consolidated Entity

	Carrying Value	Total Contractual Cashflows	Less than 3 months	3 months to 1 year	1-5 years	5+ years
2024						
Vested benefits	(6,664,287,547)	(6,664,287,547)	(6,664,287,547)	-	-	-
Payables	(4,586,970)	(4,586,970)	(4,586,970)	-	-	-
Forward exchange contracts	8,460,865	8,856,932	8,556,194	214,862	85,876	-
Equity futures	(936,469)	(936,469)	(936,469)	-	-	-
Interest rate swaps	1,121,577	(9,450,840)	(50,715)	(1,322,451)	(8,077,674)	-
Total return swaps	(12,835,174)	-	-	-	-	-
Inflation index swaps	(252,745)	(1,277,728)	(42,427)	(121,819)	(1,113,482)	-
Exchange Traded Interest Rate Options	(4,328)	(4,328)	(4,328)	-	-	-
Interest Rate Futures	(553,844)	(553,845)	(585,813)	53,567	(21,599)	-
Warrants	71,328	71,328	-	-	71,328	-
	(9,515,760)	(7,881,920)	2,349,472	(1,175,841)	(9,055,551)	-

	Carrying Value	Total Contractual Cashflows	Less than 3 months	3 months to 1 year	1-5 years	5+ years
2023						
Vested benefits	(6,065,285,813)	(6,065,285,813)	(6,065,285,813)	-	-	-
Payables	(4,728,283)	(4,728,283)	(4,728,283)	-	-	-
Forward exchange contracts	(2,882,879)	(2,692,628)	(3,217,361)	376,096	148,637	-
Equity futures	(677,772)	(677,772)	(677,772)	-	-	-
Interest rate swaps	89,011	(3,163,800)	(125,982)	(759,547)	(2,278,271)	-
Total return swaps	(14,808,261)	-	-	-	-	-
Inflation index swaps	(932,609)	327,502	36,278	65,114	226,110	-
Interest Rate Futures	(1,702,091)	(1,702,090)	(1,773,406)	66,189	5,127	-
Warrants	10,840	10,840	-	-	10,840	-
Options On Futures	(32,055)	(32,056)	(2,207)	(29,849)	-	-
	(25,664,099)	(12,658,287)	(10,488,733)	(281,997)	(1,887,557)	-

Parent Entity

	Carrying Value	Total Contractual Cashflows	Less than 3 months	3 months to 1 year	1-5 years	5+ years
2024						
Payables	(4,018,670)	(4,018,670)	(4,018,670)	-	-	-
	(4,018,670)	(4,018,670)	(4,018,670)	-	-	-

	Carrying Value	Total Contractual Cashflows	Less than 3 months	3 months to 1 year	1-5 years	5+ years
2023						
Payables	(4,344,705)	(4,344,705)	(4,344,705)	-	-	-
	(4,344,705)	(4,344,705)	(4,344,705)	-	-	-

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)

Notes to the Financial Statements
For the year ended 30 June 2024

19. Commitments

At year end the Fund had future commitments in respect of investments in unit trusts, as follows:

	2024 \$	2023 \$
HayFin Special Opportunities Fund II LP	31,992,541	16,390,053
SDCL Green Energy Solutions Fund	74,472,012	90,511,415
Harbourvest Partners Stewardship Feeder Fund L.P.	59,065,519	-
Stafford Private Equity 2 Fund	-	210,440
Stafford Private Equity 3 Fund	749,993	749,993
Stafford Private Equity 4 Fund	749,849	749,849
Siguler Guff Distressed Opportunities Fund III	416,926	416,549
Newbury Equity Partners II	1,086,957	1,085,973
Siguler Guff Distressed Opportunities Fund IV	2,415,459	2,413,273
P.A. Private Capital 3	-	290,000
The Development Capital Fund II	-	976,642
Antin Infrastructure Partners V Feeder SCA SICAV-RAF	65,897,084	-
	<u>236,846,340</u>	<u>113,794,187</u>

20. Contingent Liabilities

The Fund has no contingent liabilities as at 30 June 2024 (2023: nil).

21. Insurance

The Fund provides death and disability benefits to members. These benefits are greater than the members' vested benefit and as such the Trustee has a group policy in place with a third party to insure death and disability benefits in excess of vested benefits. The Trustee acts as an agent for these arrangements.

22. Guaranteed benefits

No guarantees have been made in respect of any part of the liability for accrued benefits.

23. Significant events after balance date

On 12 September 2024, Michael Ravbar and Jacqueline Collie ceased to hold office as member representative directors of the Trustee; Hemal Patel and Paul Dunbar were appointed to those positions on the same date.

BUSS (Queensland) Pty Ltd (BUSSQ) has applied to the Federal Court of Australia in NSW regarding APRA's decision to impose additional licence conditions on the trustee, which APRA announced on 14 August. APRA has agreed to suspend the effect of the licence conditions until the court's determination of this matter, on the basis that BUSSQ has requested an expedited hearing. The hearing is set for 15th and 16th October 2024.

No matters or circumstances have arisen since 30 June 2024 and to the date of this report that, in the opinion of the directors has significantly affected or may significantly affect:

- (i) the operations of the Trust in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Trust in future financial years.

BUILDING UNIONS SUPERANNUATION SCHEME (QUEENSLAND)
FINANCIAL STATEMENTS
For the year ended 30 June 2024

TRUSTEE DECLARATION

In the opinion of the Trustee of the Fund:

- (i) The accompanying financial statements are drawn up so as to present fairly the financial position of the Fund as at 30 June 2024 and the results of its operations and cash flows for the year then ended; and
- (ii) The operation of the Fund has been carried out in accordance with its Trust Deed, as amended and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993, Regulations and the Guidelines issued by the Australian Prudential Regulation Authority and the Corporations Act 2001 and Regulations and Guidelines, during the year ended 30 June 2024; and
- (iii) The financial statements have been prepared in accordance with Accounting Standards, other mandatory professional reporting requirements and the provisions of the Trust Deed, as amended.

Signed in accordance with a resolution of the directors of the Trustee.

Dated at Brisbane this Wednesday the 25th of September 2024.



Director



Director

Part 1 - Independent auditor's report to the members of Building Unions Superannuation Scheme (Queensland)

Opinion

We have audited the financial report of Building Unions Superannuation Scheme (Queensland) (the RSE), which comprises the statement of financial position as at 30 June 2024, the income statement, statement of changes in member benefits, statement of cash flows and statement of changes in equity for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the RSE is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the RSE's financial position as at 30 June 2024, and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 RSE in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 2 and 3 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Building Unions Superannuation Scheme (Queensland) for the year ended 30 June 2024, complies with section 300C of the *Corporations Act 2001*.

Responsibilities

The directors of the trustee are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300C of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



John MacDonald
Partner
Melbourne
25 September 2024