



Police Superannuation Board – Report to Superannuants 2016-2017



POLICE SUPERANNUATION BOARD

The Police Superannuation Board is responsible for the administration of the Police Superannuation Scheme. Funds SA is responsible for the management and investment of the Police Schemes.

Board Members

The Board consists of five members and met eleven times during the year ended 30 June 2017. The Board and Deputy members are listed below:

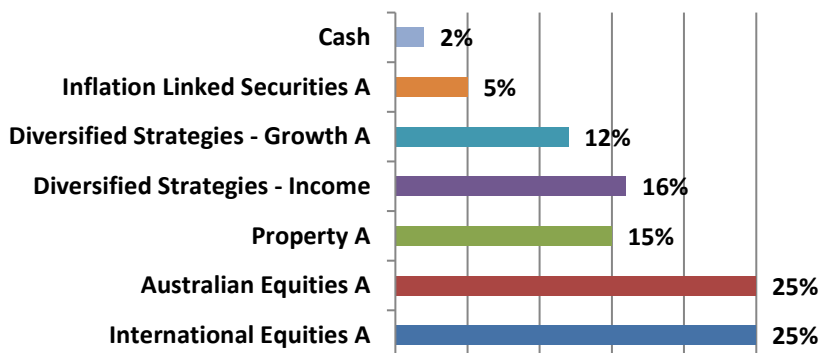
Mr Graeme Barton	appointed as Presiding Member by the Governor on the Minister's nomination. (Deputy Member Mr Garry Powell)
Chief Inspector Keryl Howie	appointed as Member by the Governor on the Minister's nomination. (Deputy Member Chief Inspector Julie Thomas)
Mr Ferdi Pit	appointed as Member by the Governor on the Minister's nomination. (Deputy Member Mr Neil Smith)
Sergeant Bernadette Zimmermann	appointed as Member by the Governor on the nomination of the Police Association of South Australia. (Deputy Member Sergeant Samantha Strange)
Senior Sergeant Thomas Scheffler	appointed as Member by the Governor on the nomination of the Police Association of South Australia. (Deputy Member Senior Sergeant Trevor Milne)

POLICE SUPERANNUATION SCHEME

The Police Superannuation Scheme is made up of the Police Superannuation Fund and the Police Employer Account. The value of the total assets of the Police Superannuation Scheme as at 30 June 2017 was \$1.68 billion compared with \$1.48 billion as at 30 June 2016.

Funds SA Investment Strategy

The allocation of the Scheme's assets by Funds SA as at 30 June 2017 is shown below:



For the 2016-2017 financial year Funds SA's net money weighted investment return (net of investment fees and the Board's administration expenses), was 12.4 per cent for the Pension Scheme division.

The following table shows the investment returns (net of investment fees and the Board's administration expenses) achieved by Funds SA over the past 5 years.

Scheme	Investment Returns					5 years annualised
	2013	2014	2015	2016	2017	
Pension	16.5%	14.8%	10.0%	3.7%	12.4%	11.4%

Police Superannuation Fund

The Police Superannuation Fund consists of the Pension Scheme division which provides pension benefits with a lump sum option. The Pension Scheme division was closed to new members on 31 May 1990.

For the year ended 30 June 2017, \$5.7 million (\$6.2 million in 2015-2016) was deposited into the Fund by members. The net investment income derived by Funds SA from investment of the Fund for the year ended 30 June 2017 amounted to \$59.7 million, compared to \$17.8 million in the previous year. An amount of \$20.2 million (\$19 million in 2015-2016) was paid from the Fund during 2016-2017 in respect of benefits for members of the Pension Scheme. As at 30 June 2017 the balance of the Fund stood at \$529.5 million. This compares with the total of \$483.7 million as at 30 June 2016.

Police Employer Account

During 2016-2017 a total of \$25.7 million (\$26 million in 2015-2016) was deposited by SAPOL into the Police Employer Account to meet the Government's proportion of benefit payments. For the year ended 30 June 2017 the Government transferred a further \$70.1 million (\$63.8 million in 2015-2016) to the Police Employer Account for funding of future liabilities in respect of the Police Superannuation Scheme. The net investment income derived by Funds SA from investment of the Police Employer Account for the year ended 30 June 2017 amounted to \$124.4 million, compared to \$35.7 million in the previous year. An amount of \$71.6 million (\$67.5 million in 2015-2016) was paid from the Police Employer Account during 2016-2017 in respect of benefits for members of the Pension Scheme. As at 30 June 2017 the balance of the Police Employer Account stood at \$1.15 billion. This compares with the total of \$996.2 million as at 30 June 2016.

Actuarial Review

During 2015-2016 the Employer and Fund's prescribed proportions of benefit payments for members of the Pension Scheme were 78 and 22 percent respectively in line with the recommendations made in the Actuarial Report as at 30 June 2014. The Government contribution for future service liabilities during 2015-2016 was 20.5 percent of member salaries in line with the recommendation in the above mentioned report.

MEMBERSHIP

The Scheme is closed to new Police Officers and as at 30 June 2017 had a total membership of 2,920 outlined in the chart below. A total of 1,769 pensions (1,704 at 30 June 2016) were being paid by the Scheme as at 30 June 2017.

<i>MEMBERS BY SCHEME AS AT 30 JUNE</i>			
Category	Number	Superannuants	Number
Contributing Members	1,081	Age Retirements	1,148
Preserved Members	70	Invalidity Retirements	220
Superannuants	1,769	Spouses	374
		Children	27
Total	2,920		1,769

CONSUMER PRICE INDEX ADJUSTMENTS

Pensions are adjusted twice yearly in April and October to reflect any changes in the Consumer Price Index, All Groups for Adelaide (CPI). The following table shows the recent CPI adjustments:

<i>CONSUMER PRICE INDEX (FOR ADELAIDE)</i>		
Date	CPI	CPI plus one third
April-2017	1.12%	1.49%
October-2016	0.19%	0.25%
April-2016	0.47%	0.63%
October-2015	0.57%	0.76%

INQUIRY AND COMPLAINT PROCEDURES

Members' inquiries or complaints (in writing) regarding police superannuation matters can be directed to the Police Superannuation Office. The Police Superannuation Board will consider all members' complaints. Members dissatisfied with the Board's decision in response to their complaint can obtain a review of the decision by:

- applying to the Board for a review of the decision; or
- pursuing the matter with the Police Association, Local Member of Parliament or State Ombudsman; or
- pursuing the matter with the District Court.

COMPLIANCE STATEMENT

The South Australian and Commonwealth Governments have entered into a Heads of Government Agreement to enable certain public sector schemes to be exempt from the Commonwealth's Superannuation Industry (Supervision) Act 1993. As a result of the Agreement, the schemes established under the Police Superannuation Act 1990 are, in terms of the Commonwealth legislation, exempt public sector schemes. In terms of the Agreement, the South Australian Government has made a commitment to ensure that the exempt public sector schemes conform with the principles of the Commonwealth's retirement incomes policy objectives.

CONTACT INFORMATION

Members seeking information regarding their superannuation entitlements are invited to access the Board's Website or contact the Police Superannuation Office.

Police Superannuation Office:

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