

Commonwealth Superannuation Corporation

Entity resources and planned performance

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Commonwealth Superannuation Corporation

Section 1: Entity overview and resources

1.1 Strategic direction statement

Commonwealth Superannuation Corporation (CSC) is responsible for the investment of funds and administration of the Public Superannuation Scheme Accumulation Plan (PSSap); the Public Sector Superannuation Scheme (PSS); the Commonwealth Superannuation Scheme (CSS); the Military Superannuation and Benefits Scheme (MSBS); and the Australian Defence Force Superannuation Scheme (ADF Super). In addition, CSC administers six ‘unfunded’ superannuation schemes: the Defence Forces Retirement Benefits Scheme (DFRB), the Defence Force Retirement and Death Benefits Scheme (DFRDB), the Defence Force (Superannuation) (Productivity Benefit) Scheme (DFSPB), the 1922 Scheme, the Papua New Guinea Scheme (PNG), and the Australian Defence Force Cover Scheme (ADF Cover).

CSC seeks to achieve its outcome agreed with the government by delivering consistently competitive and risk-managed investment performance, efficient scheme administration for contributors and beneficiaries, and effective interaction with its other stakeholders.

CSC aspires to maintain its leadership position as a superannuation provider of choice in the Commonwealth sector. CSC will work with the government to improve or modernise scheme design and will work to improve service to members.

As a holder of licences from both the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC), CSC will continue to ensure the highest standards are maintained and will seek to meet all compliance obligations.

1.2 Entity resource statement

Table 1.1 shows the total resourcing from all sources available to the entity for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Commonwealth Superannuation Corporation resource statement – Budget estimates for 2024-25 as at Budget May 2024

	2023-24 <i>Estimated actual</i> \$'000	2024-25 Estimate \$'000
Opening balance/cash reserves at 1 July	41,800	35,137
Special accounts		
CSC Special Account Departmental	161,646	172,701
Total special accounts	161,646	172,701
Total funds from Government	161,646	172,701
Total net resourcing for Commonwealth Superannuation Corporation	203,446	207,838
	2023-24	2024-25
Average staffing level (a)	519	538

(a) Average staffing levels reflect all staff involved in the investment and administration of the schemes. All employee expenses are paid by CSC and CSC on-charges the scheme for the portion of expenses that are referable to the investment of the scheme funds.

Table 1.1: Commonwealth Superannuation Corporation resource statement – Budget estimates for 2024-25 as at Budget May 2024 (continued)

	2023-24 <i>Estimated actual</i> \$'000	2024-25 Estimate \$'000
Payments made on behalf of another entity (as disclosed in the respective entity's resource statement)		
Finance Superannuation Special Appropriations:		
<i>Superannuation Act 1922</i>	44,496	40,303
<i>Superannuation Act 1976</i>	4,987,975	5,191,523
<i>Superannuation Act 1990</i>	3,978,838	4,212,232
<i>Same-Sex Relationships Act 2008</i> (Equal Treatment in Commonwealth Laws - Superannuation)	75	77
<i>Governance of Australian Government Superannuation Schemes Act 2011</i>	1,000	1,000
Defence Superannuation Special Appropriations:		
<i>Defence Forces Retirement Benefits Act 1948</i>	30,300	28,680
<i>Defence Force Retirement and Death Benefits Act 1973</i>	1,834,852	1,873,927
<i>Military Superannuation and Benefits Act 1991</i>	1,773,270	1,946,697
<i>Australian Defence Force Cover Act 2015</i>	115,000	189,717
CSC draws on the following Finance Annual Appropriations		
<i>Appropriation Act (No.1) (a)</i>	500	500
<i>Appropriation Act (No.1) (b)</i>	745	764
<i>Appropriation Act (No.2) (b)</i>	1,000	1,000
PNG Scheme		
<i>Administered Appropriation Act</i>	2,819	2,800

Prepared on a resourcing (that is, appropriations available) basis.

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Compensation and legal payments

(b) Act of Grace payments

1.3 Budget measures

No budget measures have been announced since the 2023-24 Mid-Year Economic and Fiscal Outlook (MYEFO) that are required to be included in CSC's Portfolio Budget Statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for CSC can be found at:

<https://www.csc.gov.au/Members/About-CSC/Corporate-governance/>

The most recent annual performance statement is included inside CSC's 2022-23 Annual Report to Parliament, which can be found at:

<https://www.csc.gov.au/Members/About-CSC/Corporate-governance/>

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Retirement and insurance benefits for scheme members and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the Australian Defence Force, through investment and administration of their superannuation funds and schemes.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Retirement and insurance benefits for scheme members and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the Australian Defence Force, through investment and administration of their superannuation funds and schemes.

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
Program 1.1: Superannuation Scheme Governance					
Revenue from Government					
Special accounts					
CSC Special Account	161,634	172,164	168,809	170,596	172,491
Revenues from other independent sources	630	630	630	630	630
Total expenses for Program 1.1 (a)	162,264	172,794	169,439	171,226	173,121
Outcome 1 totals by resource type					
Revenue from Government					
Special accounts	161,634	172,164	168,809	170,596	172,491
Revenues from other independent sources	630	630	630	630	630
Total expenses for Outcome 1	162,264	172,794	169,439	171,226	173,121
	2023-24	2024-25			
Average staffing level (number) (b)	519	538			

(a) Expenses reflect only the cost paid by CSC and do not reflect the total cost involved in the investment of funds and administration of the schemes.

(b) Average staffing levels reflect all staff involved in the investment and administration for the schemes. All employee expenses are paid by CSC and CSC on-charges the schemes for the portion of expenses that are referable to the investment of the scheme funds.

Table 2.1.2: Performance measures for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan, the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2024-25 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Retirement and insurance benefits for scheme members and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the Australian Defence Force, through investment and administration of their superannuation funds and schemes.		
Program 1.1 Build, support and protect better retirement outcomes for all our customers (being current and former Australian Government employees and members of the Australian Defence Force) and their families.		
Key Activities	<ul style="list-style-type: none"> • Risk managed investment of member’s superannuation balances. • Meeting licence obligations set out by APRA and ASIC. • Development and implementation of industry standard administration services. • Provision of information for scheme members including responding to member enquiries and publications, websites and seminars. 	
Year	Performance measures	Expected Performance Results
Current Year 2023-24	<ul style="list-style-type: none"> • CSC’s investment performance for its default accumulation options over a rolling three-year period. • CSC’s investment portfolio is maintained within Board approved risk parameters, such that negative returns are expected in no more than five out of every 20 years for the default accumulation options. • Achievement of operational objectives for contributions processing and benefits/pension payments. • Adequate satisfaction levels of customers and employers with the service provided. 	<ul style="list-style-type: none"> • The annual real return target of 3.5% over a rolling three-year period is not expected to be met. Negative market returns in 2021-22 combined with the high inflationary environment over the past 3 years has resulted in an estimated rolling 3 year performance of 5.1% p.a. versus a nominal return target of approximately 8.7% p.a. • The target risk objective of delivering no more than five negative return years out of every 20 years for the default accumulation options is expected to be met. • The target of achieving 90% of each operational objective is expected to be met. • The target of increasing the Net Promoter Score (industry standard satisfaction measure) survey result of +10 for employers is not expected to be met.

Table continues on next page

Table 2.1.2: Performance measures for Outcome 1 (continued)

Program 1.1		
Year	Performance measures	Expected Performance Results
Current Year 2023-24	<ul style="list-style-type: none"> Adequate satisfaction levels of customers and employers with the service provided. 	<ul style="list-style-type: none"> The target of increasing the Net Promoter Score survey result for Australian Defence Force customers by two points per annum is not expected to be met. The target of increasing the Net Promoter Score survey result for other customers by two points per annum is not expected to be met.
Year	Performance measures	Planned Performance Results
Budget Year 2024-25	<ul style="list-style-type: none"> CSC's investment performance for its default accumulation options over a rolling three-year period. CSC's investment portfolio is maintained within Board approved risk parameters, such that negative returns are expected in no more than five out of every 20 years for the default accumulation options. Achievement of operational objectives for contributions processing and benefits/pension payments. Adequate satisfaction levels of customers and employers with the service provided. 	<ul style="list-style-type: none"> Default accumulation options annual real return of 3.5% over a rolling three year period. Negative returns in no more than five out of every 20 years for the default accumulation options. 90% of each operational objective achieved. Net Promoter Score survey result of +10 for employers Annual increases in Net Promoter Score survey results for both ADF customers and other customers of two points each.
Forward Estimates 2025-28	As per 2024-25	As per 2024-25
Material changes to Program 1.1 resulting from 2024-25 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2024-25 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

No material differences exist between entity resourcing and the financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

CSC is the trustee for the PSSap, PSS, CSS, MSBS and ADF Super regulated superannuation schemes and six ‘unfunded’ superannuation schemes. The governance arrangements of these schemes are set out in the *Governance of Australian Government Superannuation Schemes Act 2011* and various scheme specific Acts, Trust Deeds, legislation, rules and determinations. These requirements prescribe which costs are to be paid from scheme funds, and which costs are to be borne by the fees levied upon Commonwealth entities.

CSC receives revenue through fees paid by Commonwealth entities and some entities with residual membership in the schemes, such as the Northern Territory and Australian Capital Territory governments. All CSC fee revenue from Commonwealth entities is managed through a Special Account.

CSC’s budgeted departmental expenses shown in this document reflect only the costs paid, and income received, by CSC into its Special Account and does not reflect the total cost involved in the investment of funds and administration of the schemes.

The projected operating losses reflect the estimated accounting losses associated with the cost of replacing CSC’s scheme administration systems for its defined benefit schemes. CSC has sufficient cash reserves to fund the operating losses without impacting on the financial viability of CSC in the future.

3.2. Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
EXPENSES (a)					
Employee benefits	80,565	82,174	83,816	85,491	87,199
Suppliers	77,395	89,736	80,522	77,148	77,400
Depreciation and amortisation	8,816	8,904	8,713	8,428	8,428
Finance costs	431	339	252	159	94
Total expenses	167,207	181,153	173,303	171,226	173,121
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	161,634	172,164	168,809	170,596	172,491
Interest	630	630	630	630	630
Total own-source revenue	162,264	172,794	169,439	171,226	173,121
Total own-source income	162,264	172,794	169,439	171,226	173,121
Net (cost of)/contribution by services	(4,943)	(8,359)	(3,864)	-	-
Surplus/(deficit) attributable to the Australian Government	(4,943)	(8,359)	(3,864)	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(4,943)	(8,359)	(3,864)	-	-

Prepared on Australian Accounting Standards basis.

(a) Expenses reflect only the cost paid by CSC and do not reflect the total cost involved in the investment of funds and administration of the schemes.

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forw ard estimate \$'000	2026-27 Forw ard estimate \$'000	2027-28 Forw ard estimate \$'000
Total comprehensive income/(loss)					
- as per statement of					
Comprehensive Income	(4,943)	(8,359)	(3,864)	-	-
plus: depreciation/amortisation					
expenses for ROU assets (a)	3,027	3,132	3,132	2,911	2,911
less: lease principal repayments (a)	4,805	4,773	4,933	4,862	5,724
Net Cash Operating Surplus/ (Deficit)	(6,721)	(10,000)	(5,665)	(1,951)	(2,813)

Prepared on Australian Accounting Standards basis.

(a) Applies to leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forw ard estimate \$'000	2026-27 Forw ard estimate \$'000	2027-28 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	50,950	45,974	44,867	48,151	50,508
Trade and other receivables	8,293	8,293	8,293	8,293	8,293
Total financial assets	59,243	54,267	53,160	56,444	58,801
Non-financial assets					
Land and buildings	15,420	10,908	6,396	5,809	12,412
Property, plant and equipment	5,219	4,632	4,013	3,438	2,863
Intangibles	8,225	6,595	5,583	4,121	2,659
Other non-financial assets	12,172	12,172	12,172	12,172	12,172
Total non-financial assets	41,036	34,307	28,164	25,540	30,106
Assets held for sale					
Total assets	100,279	88,574	81,324	81,984	88,907
LIABILITIES					
Payables					
Suppliers	7,859	7,859	7,859	7,859	7,859
Other payables	4,338	4,245	4,152	4,152	4,152
Total payables	12,197	12,104	12,011	12,011	12,011
Interest bearing liabilities					
Leases	13,922	9,149	4,216	3,058	8,228
Total interest bearing liabilities	13,922	9,149	4,216	3,058	8,228
Provisions					
Employee provisions	16,689	16,689	16,689	16,689	16,689
Other provisions	1,598	1,663	1,728	1,793	1,793
Total provisions	18,287	18,352	18,417	18,482	18,482
Total liabilities	44,406	39,605	34,644	33,551	38,721
Net assets	55,873	48,969	46,680	48,433	50,186
EQUITY*					
Parent entity interest					
Contributed equity	35,475	35,475	35,475	35,475	35,475
Reserves	8,175	9,630	11,205	12,958	14,711
Retained surplus (accumulated deficit)	12,223	3,864	-	-	-
Total parent entity interest	55,873	48,969	46,680	48,433	50,186
Total equity	55,873	48,969	46,680	48,433	50,186

Prepared on Australian Accounting Standards basis.

*Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity – summary of movement (Budget year 2024-25)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2024	12,223	2,466	5,709	35,475	55,873
Comprehensive income					
Surplus/(deficit) for the period	(8,359)	-	-	-	(8,359)
Total comprehensive income	(8,359)	-	-	-	(8,359)
Transfers to/(from) reserves	-	-	1,455	-	1,455
Estimated closing balance as at 30 June 2025	3,864	2,466	7,164	35,475	48,969
Closing balance attributable to the Australian Government	3,864	2,466	7,164	35,475	48,969

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forw ard estimate \$'000	2026-27 Forw ard estimate \$'000	2027-28 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	166,366	172,071	168,716	170,596	172,491
Interest	630	630	630	630	630
Total cash received	166,996	172,701	169,346	171,226	173,121
Cash used					
Employees	80,057	81,946	83,583	85,253	86,956
Suppliers	82,828	89,964	80,755	77,386	77,643
Net GST paid	520	-	-	-	-
Interest payments on lease liability	366	274	187	94	94
Total cash used	163,771	172,184	164,525	162,733	164,693
Net cash from/(used by) operating activities	3,225	517	4,821	8,493	8,428
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	4,337	2,175	2,570	2,100	2,100
Total cash used	4,337	2,175	2,570	2,100	2,100
Net cash from/(used by) investing activities	(4,337)	(2,175)	(2,570)	(2,100)	(2,100)
FINANCING ACTIVITIES					
Cash received					
Other	1,334	1,455	1,575	1,753	1,753
Total cash received	1,334	1,455	1,575	1,753	1,753
Cash used					
Principal payments on lease liability	4,805	4,773	4,933	4,862	5,724
Total cash used	4,805	4,773	4,933	4,862	5,724
Net cash from/(used by) financing activities	(3,471)	(3,318)	(3,358)	(3,109)	(3,971)
Net increase/(decrease) in cash held	(4,583)	(4,976)	(1,107)	3,284	2,357
Cash and cash equivalents at the beginning of the reporting period	55,533	50,950	45,974	44,867	48,151
Cash and cash equivalents at the end of the reporting period	50,950	45,974	44,867	48,151	50,508

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forw ard estimate \$'000	2026-27 Forw ard estimate \$'000	2027-28 Forw ard estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	7,644	2,175	2,570	5,804	12,994
TOTAL	7,644	2,175	2,570	5,804	12,994
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	7,644	2,175	2,570	5,804	12,994
less: ROU Additions	(3,307)	-	-	(3,704)	(10,894)
Total cash used to acquire assets	4,337	2,175	2,570	2,100	2,100

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2024-25)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2024				
Gross book value	5,818	15,334	37,501	58,653
Gross book value - ROU assets	24,724	-	-	24,724
Accumulated depreciation/ amortisation and impairment	(1,380)	(10,115)	(29,276)	(40,771)
Accumulated depreciation/amortisation and impairment - ROU assets	(13,742)	-	-	(13,742)
Opening net book balance	15,420	5,219	8,225	28,864
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	2,175	-	2,175
Total additions	-	2,175	-	2,175
Other movements				
Depreciation/amortisation expense	(1,380)	(2,762)	(1,630)	(5,772)
Depreciation/amortisation on ROU assets	(3,132)	-	-	(3,132)
Total other movements	(4,512)	(2,762)	(1,630)	(8,904)
As at 30 June 2025				
Gross book value	5,818	17,509	37,501	60,828
Gross book value - ROU assets	24,724	-	-	24,724
Accumulated depreciation/ amortisation and impairment	(2,760)	(12,877)	(30,906)	(46,543)
Accumulated depreciation/amortisation and impairment - ROU assets	(16,874)	-	-	(16,874)
Closing net book balance	10,908	4,632	6,595	22,135

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

CSC has no budgeted income and expenses administered on behalf of the government.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

CSC has no budgeted assets and liabilities administered on behalf of the government.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

CSC has no budgeted cash flows administered on behalf of the government.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

CSC has no budgeted capital administered on behalf of the government.

Table 3.11: Statement of administered asset movements (Budget year 2024-25)

CSC has no budgeted non-financial assets administered on behalf of the government.