

**Commonwealth
Superannuation Corporation**

**Entity resources and planned
performance**

Commonwealth Superannuation Corporation

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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 2025–26 as at Budget March 2025

	<i>2024-25 Estimated actual \$'000</i>	2025-26 Estimate
		\$'000
Opening balance/cash reserves at 1 July	40,917	41,782
Special accounts (a)		
CSC Special Account Departmental	185,974	189,426
Total special accounts	185,974	189,426
Total funds from Government	185,974	189,426
Total net resourcing for Commonwealth Superannuation Corporation	226,891	231,208
	2024-25	2025-26
Average staffing level (b)	526	558

- a) A Commonwealth Corporate Entity (CCE) may receive payment from a special account held by a Non-Corporate Commonwealth Entity (NCCE). The CCE does not hold the special account itself and therefore does not have a balance carried forward from earlier years.
- b) 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 schemes 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 2025–26 as at Budget March 2025 (continued)

Third party payments from and on behalf of other entities

	2024-25 <i>Estimated actual</i> \$'000	2025-26 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>	40,368	37,001
<i>Superannuation Act 1976</i>	5,076,798	5,233,093
<i>Superannuation Act 1990</i>	4,367,090	4,594,161
<i>Same-Sex Relationships Act 2008</i> (Equal Treatment in Commonwealth Laws - Superannuation)	82	84
<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>	27,800	25,568
<i>Defence Force Retirement and Death Benefits Act 1973</i>	1,859,015	1,847,140
<i>Military Superannuation and Benefits Act 1991</i>	1,962,085	2,294,140
<i>Australian Defence Force Cover Act 2015</i>	190,000	255,776
CSC draws on the following Finance Annual Appropriations		
<i>Appropriation Act (No.1) (a)</i>	500	500
<i>Appropriation Act (No.1) (b)</i>	762	781
<i>Appropriation Act (No.2) (b)</i>	1,000	1,000
PNG Scheme		
<i>Administered Appropriation Act</i>	2,674	2,673

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 2024-25 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 2023-24 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.

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Program 1.1: Superannuation Scheme Governance					
Revenue from Government					
Special accounts					
CSC Special Account	185,335	188,787	189,615	191,740	193,923
Revenues from other independent sources	732	732	732	732	732
Total expenses for Program 1.1 (a)	186,067	189,519	190,347	192,472	194,655
Outcome 1 totals by resource type					
Revenue from Government					
Special accounts	185,335	188,787	189,615	191,740	193,923
Revenues from other independent sources	732	732	732	732	732
Total expenses for Outcome 1	186,067	189,519	190,347	192,472	194,655
	2024-25	2025-26			
Average staffing level (number) (b)	526	558			

- 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 (i.e. 2024–25), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025–26 Budget measures that have created new programs or materially changed existing programs are provided.

<p>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.</p>		
<p>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.</p>		
<p>Key activities</p>	<ul style="list-style-type: none"> • Risk managed investment of member’s superannuation balances. • Meeting license 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. 	
<p>Year</p>	<p>Performance measures</p>	<p>Expected performance results</p>
<p>Current Year 2024–25</p>	<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 expected to be met. • 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 expected to be met. • The target of increasing the Net Promoter Score survey result for Australian Defence Force customers by two points per annum is expected to be met. • The target of increasing the Net Promoter Score survey result for other customers by two points per annum is expected to be met.

Table continues on next page.

Table 2.1.2: Performance measures for Outcome 1 (continued)

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.		
Year	Performance measures	Planned performance results
Budget Year 2025–26	<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 2026–29	As per 2025-26	As per 2025-26
Material changes to Program 1.1 resulting from 2025–26 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2025–26 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

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
EXPENSES (a)					
Employee benefits	99,305	99,993	101,991	104,028	106,106
Suppliers	81,897	85,358	82,564	82,552	81,235
Depreciation and amortisation	7,460	8,714	8,426	7,246	6,976
Finance costs	339	252	250	262	338
Total expenses	189,001	194,317	193,231	194,088	194,655
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	185,335	188,787	189,615	191,740	193,923
Interest	732	732	732	732	732
Total own-source revenue	186,067	189,519	190,347	192,472	194,655
Gains					
Total gains	-	-	-	-	-
Total own-source income	186,067	189,519	190,347	192,472	194,655
Net (cost of)/contribution by services	(2,934)	(4,798)	(2,884)	(1,616)	-
Surplus/(deficit) attributable to the Australian Government	(2,934)	(4,798)	(2,884)	(1,616)	-

Table continues on next page.

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

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(2,934)	(4,798)	(2,884)	(1,616)	-
Total comprehensive income/(loss) attributable to the Australian Government	(2,934)	(4,798)	(2,884)	(1,616)	-

Note: Impact of net cash appropriation arrangements

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(2,934)	(4,798)	(2,884)	(1,616)	-
plus: depreciation/amortisation expenses for ROU assets (b)	3,133	3,133	2,909	1,767	2,845
less: lease principal repayments (b)	5,224	4,937	4,864	4,581	4,206
Net Cash Operating Surplus/ (Deficit)	(5,025)	(6,602)	(4,839)	(4,430)	(1,361)

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.
- b) Applies to leases under AASB 16 Leases.

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

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	56,295	54,251	54,647	55,349	57,976
Trade and other receivables	14,662	14,662	14,662	14,662	14,662
Total financial assets	70,957	68,913	69,309	70,011	72,638
Non-financial assets					
Land and buildings	12,427	7,914	7,329	15,114	12,269
Property, plant and equipment	5,387	4,768	4,193	3,618	3,043
Intangibles	5,392	4,380	2,918	1,456	-
Other non-financial assets	10,237	10,237	10,237	10,237	10,237
Total non-financial assets	33,443	27,299	24,677	30,425	25,549
Total assets	104,400	96,212	93,986	100,436	98,187
LIABILITIES					
Payables					
Suppliers	5,689	5,689	5,689	5,689	5,689
Other payables	3,380	3,287	3,287	3,287	3,287
Total payables	9,069	8,976	8,976	8,976	8,976
Interest bearing liabilities					
Leases	10,856	5,919	4,759	11,072	6,866
Total interest bearing liabilities	10,856	5,919	4,759	11,072	6,866
Provisions					
Employee provisions	27,910	27,910	27,910	27,910	27,910
Other provisions	2,136	2,201	2,266	2,266	2,266
Total provisions	30,046	30,111	30,176	30,176	30,176
Total liabilities	49,971	45,006	43,911	50,224	46,018
Net assets	54,429	51,206	50,075	50,212	52,169
EQUITY*					
Parent entity interest					
Contributed equity	35,475	35,475	35,475	35,475	35,475
Reserves	9,656	11,231	12,984	14,737	16,694
Retained surplus (accumulated deficit)	9,298	4,500	1,616	-	-
Total parent entity interest	54,429	51,206	50,075	50,212	52,169
Attributed to non-controlling interest					
Total non-controlling interest	-	-	-	-	-
Total equity	54,429	51,206	50,075	50,212	52,169

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 2025–26)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2025					
Balance carried forward from previous period	9,298	2,673	6,983	35,475	54,429
Adjusted opening balance	9,298	2,673	6,983	35,475	54,429
Comprehensive income					
Surplus/(deficit) for the period	(4,798)				(4,798)
Total comprehensive income	(4,798)	-	-	-	(4,798)
Transactions with owners					
<i>Distributions to owners</i>					
<i>Contributions by owners</i>					
Sub-total transactions with owners	-	-	-	-	-
Transfers to/(from) reserves			1,575		1,575
Estimated closing balance as at 30 June 2026	4,500	2,673	8,558	35,475	51,206
Closing balance attributable to the Australian Government	4,500	2,673	8,558	35,475	51,206

Prepared on Australian Accounting Standards basis.

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

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	185,242	188,694	189,615	191,740	193,923
Interest	732	732	732	732	732
Total cash received	185,974	189,426	190,347	192,472	194,655
Cash used					
Employees	99,096	99,780	101,774	103,807	105,881
Suppliers	79,887	85,571	82,781	82,773	81,460
Interest payments on lease liability	274	187	185	262	338
Total cash used	179,257	185,538	184,740	186,842	187,679
Net cash from/(used by) operating activities	6,717	3,888	5,607	5,630	6,976
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	3,095	2,570	2,100	2,100	2,100
Total cash used	3,095	2,570	2,100	2,100	2,100
Net cash from/(used by) investing activities	(3,095)	(2,570)	(2,100)	(2,100)	(2,100)
FINANCING ACTIVITIES					
Cash received					
Other	1,455	1,575	1,753	1,753	1,957
Total cash received	1,455	1,575	1,753	1,753	1,957
Cash used					
Principal payments on lease liability	5,224	4,937	4,864	4,581	4,206
Total cash used	5,224	4,937	4,864	4,581	4,206
Net cash from/(used by) financing activities	(3,769)	(3,362)	(3,111)	(2,828)	(2,249)
Net increase/(decrease) in cash held	(147)	(2,044)	396	702	2,627
Cash and cash equivalents at the beginning of the reporting period	56,442	56,295	54,251	54,647	55,349
Cash and cash equivalents at the end of the reporting period	56,295	54,251	54,647	55,349	57,976

Prepared on Australian Accounting Standards basis.

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

	2024-25 Estimated actual \$'000	2025-26 Budget \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Total new capital appropriations	-	-	-	-	-
<i>Provided for:</i>					
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	3,095	2,570	5,804	12,994	2,100
TOTAL	3,095	2,570	5,804	12,994	2,100
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	3,095	2,570	5,804	12,994	2,100
less: ROU Additions	-	-	(3,704)	(10,894)	-
Total cash used to acquire assets	3,095	2,570	2,100	2,100	2,100

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2025–26)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2025				
Gross book value	5,486	10,875	36,769	53,130
Gross book value - ROU assets	26,033	-	-	26,033
Accumulated depreciation/ amortisation and impairment	(1,384)	(5,488)	(31,377)	(38,249)
Accumulated depreciation/amortisation and impairment - ROU assets	(17,708)	-	-	(17,708)
Opening net book balance	12,427	5,387	5,392	23,206
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	2,120	450	2,570
Total additions	-	2,120	450	2,570
Other movements				
Depreciation/amortisation expense	(1,380)	(2,739)	(1,462)	(5,581)
Depreciation/amortisation on ROU assets	(3,133)	-	-	(3,133)
Total other movements	(4,513)	(2,739)	(1,462)	(8,714)
As at 30 June 2026				
Gross book value	5,486	12,995	37,219	55,700
Gross book value - ROU assets	26,033	-	-	26,033
Accumulated depreciation/ amortisation and impairment	(2,764)	(8,227)	(32,839)	(43,830)
Accumulated depreciation/amortisation and impairment - ROU assets	(20,841)	-	-	(20,841)
Closing net book balance	7,914	4,768	4,380	17,062

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 2025–26)

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

