

Commonwealth Superannuation Corporation

Agency Resources and Planned Performance

COMMONWEALTH SUPERANNUATION CORPORATION

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COMMONWEALTH SUPERANNUATION CORPORATION

Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

Commonwealth Superannuation Corporation (CSC) manages and invests the monies of four regulated superannuation schemes: the Public Superannuation Scheme Accumulation Plan (PSSap); the Public Sector Superannuation Scheme (PSS); the Commonwealth Superannuation Scheme (CSS); and the Military Superannuation and Benefits Scheme (MSBS); and administers their relevant Acts and Trust Deeds. In addition, CSC administers five '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, and the Papua New Guinea Scheme (PNG).

CSC seeks to deliver consistently competitive investment performance, efficient administration of the schemes' legislation in the best interest of contributors and beneficiaries, and effective interaction with stakeholders, to enable members to make the most of their financial future.

CSC will seek to achieve its outcome agreed with the Government through implementation of these key deliverables:

- risk managed investment governance and portfolio management;
- effective relationships with scheme beneficiaries and business stakeholders; and
- cost effectiveness.

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. CSC will also contribute to the implementation of government decisions on superannuation scheme administration reform.

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

1.2 Agency Resource Statement

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Commonwealth Superannuation Corporation Statement - Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior + year amounts available in 2013-14 \$'000	Proposed at Budget = 2013-14 \$'000	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
REVENUE FROM GOVERNMENT				
Payments from related entities				
Amounts from				
Australian Government agencies	-	5,976	5,976	5,931
Total funds from Government	-	5,976	5,976	5,931
FUNDS FROM OTHER SOURCES				
Sale of goods and services	-	1,223	1,223	1,131
Total	-	1,223	1,223	1,131
Total net resourcing for CSC	-	7,199	7,199	7,062

All figures are recoverable GST exclusive

1.3 Budget Measures

There are no budget measures in 2013-14 for Commonwealth Superannuation Corporation.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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 agencies achieve the intended results of their outcome statements. Agencies 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, specifying the performance indicators and targets used to assess and monitor the performance of CSC in achieving Government outcomes.

Outcome 1: Retirement benefits for past, present and future Australian Government employees and members of the Australian Defence Force through investment and administration of their superannuation funds and schemes.

Outcome 1 Strategy

CSC contributes to the achievement of the outcome through the active investment of the schemes' funds through a pooled superannuation trust, aiming for consistently competitive returns through disciplined and risk managed investment frameworks; proactively working with Government bodies to improve the structure of the schemes and to meet statutory obligations; the pursuit of high standards of governance; meeting fiduciary responsibilities; and providing information and general advice to assist fund members develop the knowledge and skills to manage their superannuation.

Outcome Expense Statement

Table 2.1.1 provides an overview of the total expenses for the Outcome by program.

Table 2.1.1: Budgeted Expenses for Outcome 1

Outcome 1: Retirement benefits for past, present and future Australian Government employees and members of the Australian Defence Force through investment and administration of their superannuation funds and schemes	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 1.1: Superannuation Scheme Governance		
Revenue from Government		
Payment from related entities	5,931	5,976
Revenues from other independent sources	1,131	1,223
Total for Program 1.1	7,062	7,199
Outcome 1 totals by resource type		
Revenue from Government		
Payment from related entities	5,931	5,976
Revenues from other independent sources	1,131	1,223
Total expenses for Outcome 1	7,062	7,199
	2012-13	2013-14
Average Staffing Level (number)	64	72

Contributions to Outcome 1

Program 1.1: Superannuation Scheme Governance

Program 1.1 Objective

- The key objective for CSC in achieving its outcome is to maximise members' superannuation account balances.
- CSC also contributes to its outcome by:
 - ensuring that members, beneficiaries and employers who deal with the PSSap, PSS, CSS and MSBS are well serviced according to their needs and their interaction with CSC is as satisfactory as the best of their experience as a customer elsewhere;
 - ensuring that the PSSap, PSS, CSS and MSBS comply with the requirements of their legislation and CSC maintains its licensed status under the *Superannuation Industry (Supervision) Act 1993* and the *Corporations Act 2001*; and
 - ensuring that CSC's responsibilities in relation to the DFRDB, DFRB, DFSPB, PNG and 1922 schemes are discharged properly and completely and in accordance with the needs of stakeholders.

Program 1.1 Expenses

Program 1.1: Superannuation Scheme Governance

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Payments from related entities	5,931	5,976	6,036	6,096	6,155
Expenses not requiring appropriation in the Budget year ¹	1,131	1,223	1,171	1,113	1,156
Total program expenses	7,062	7,199	7,207	7,209	7,311

¹ Expenses not requiring appropriation in the Budget year is made up of operating lease rental expenses

Program 1.1 Deliverables

- Risk managed investment of members' superannuation balances.
- Compliance with relevant law.
- Meeting licence obligations set out by APRA and ASIC.
- Development and implementation of industry standard administration services through ComSuper.

Program 1.1 Key Performance Indicators

- CSC has a long term nominal investment performance target of a real return of 3.5% over a prospective rolling 3 year horizon, achieved within Board approved risk parameters.
- Compliance with the relevant law.
- Meet obligations as a Registrable Superannuation Entity (RSE) licensee and Australian Financial Services (AFS) Licence holder.
- Administration quality as reflected in the satisfaction level of members, beneficiaries and employers with the service provided through ComSuper, as CSC's delegate, to standards set by CSC.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and Government indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Table 3.1.1 is not included as there is no movement of administered funds between years.

3.1.2 Special Accounts

Table 3.1.2 is not included as CSC does not have any special accounts.

3.1.3 Australian Government Indigenous Expenditure

The 2013-14 Australian Government Indigenous Expenditure is not applicable because CSC has no indigenous specific expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

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

3.2.2 Analysis of Budgeted Financial Statements

CSC is the trustee for the PSSap, PSS, CSS and MSBS superannuation schemes (the schemes). The governance arrangements of these schemes are set out in the *Superannuation Act 2005*, *Superannuation Act 1990*, *Superannuation Act 1976*, *Military Superannuation and Benefits Act 1991* and related rules and determinations. This legislation prescribes which costs are to be paid from scheme funds, and which costs are to be borne by the fees levied upon Commonwealth agencies.

CSC's budgeted expenses shown in this document are funded from the Administration Levy and administration fee from the Department of Defence. CSC's budget as expressed in these papers reflects only the costs paid, and income received, by CSC into the account attributed under the CAC Act and does not reflect the total cost involved in the administration and management of the schemes.

3.2.3 Budgeted Financial Statements

Table 3.2.1 Budgeted Statement of Comprehensive Income – Departmental (Showing Net Cost of Services) for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Suppliers	7,062	7,199	7,207	7,209	7,311
Total expenses	7,062	7,199	7,207	7,209	7,311
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	7,062	7,199	7,207	7,209	7,311
Total own-source revenue	7,062	7,199	7,207	7,209	7,311
Total own-source income	7,062	7,199	7,207	7,209	7,311
Net cost of (contribution by) services	-	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted Balance Sheet - Departmental as at 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,049	5,049	5,049	5,049	5,049
Total financial assets	5,049	5,049	5,049	5,049	5,049
Total assets	5,049	5,049	5,049	5,049	5,049
LIABILITIES					
Total liabilities	-	-	-	-	-
Net assets	5,049	5,049	5,049	5,049	5,049
EQUITY ¹					
Contributed equity	2,324	2,324	2,324	2,324	2,324
Reserves	511	511	511	511	511
Retained surplus (Accumulated deficit)	2,214	2,214	2,214	2,214	2,214
Total equity	5,049	5,049	5,049	5,049	5,049

Prepared on Australian Accounting Standards basis.

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

Table 3.2.3: Budgeted Statement of Changes in Equity – Departmental for the period ended 30 June 2014

Table 3.2.3 is not included because CSC does not have any changes in equity.

Table 3.2.4: Budgeted Statement of Cash Flows - Departmental for the period ended 30 June

	Estimated actual	Budget estimate	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	8,212	7,199	7,207	7,209	7,311
Total cash received	8,212	7,199	7,207	7,209	7,311
Cash used					
Employees	1,887	-	-	-	-
Suppliers	8,438	7,199	7,207	7,209	7,311
Net GST paid	609	-	-	-	-
Other	1,152	-	-	-	-
Total cash used	12,086	7,199	7,207	7,209	7,311
Net cash from (used by) operating activities	(3,874)	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	4,151	-	-	-	-
Total cash received	4,151	-	-	-	-
Net cash from (used by) investing activities	4,151	-	-	-	-
Net increase (decrease) in cash held	277	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	4,772	5,049	5,049	5,049	5,049
Cash and cash equivalents at the end of the reporting period	5,049	5,049	5,049	5,049	5,049

Prepared on Australian Accounting Standards basis.