

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 2026-27 as at Budget May 2026

	<i>2025-26 Estimated actual \$'000</i>	2026-27 Estimate \$'000
Opening balance/cash reserves at 1 July	26,978	51,505
Special accounts (a)		
CSC Special Account Departmental	235,878	216,386
Total special account	235,878	216,386
Total funds from Government	235,878	216,386
Total resourcing for Commonwealth Superannuation Corporation	262,856	267,891

	2025-26	2026-27
Average staffing level (number) (b)	629	629

- a) A Commonwealth Corporate Entity (CCE) may receive payment from a special account held by a Non-Corporate Commonwealth Entity (NCE). 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 2026-27 as at Budget May 2026 (continued)

Third party payments from and on behalf of other entities

	2025-26 <i>Estimated actual</i> \$'000	2026-27 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>	36,172	33,572
<i>Superannuation Act 1976</i>	5,117,492	5,290,657
<i>Superannuation Act 1990</i>	4,814,935	5,038,317
<i>Same-Sex Relationships Act 2008</i> (Equal Treatment in Commonwealth Laws - Superannuation)	78	79
<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>	31,000	32,066
<i>Defence Force Retirement and Death Benefits Act 1973</i>	1,892,982	1,935,754
<i>Military Superannuation and Benefits Act 1991</i>	2,825,056	3,099,619
<i>Australian Defence Force Cover Act 2015</i>	220,000	328,352
CSC draws on the following Finance Annual Appropriations		
<i>Appropriation Act (No.1) (a)</i>	500	500
<i>Appropriation Act (No.1) (b)</i>	711	728
<i>Appropriation Act (No.2) (b)</i>	1,000	1,000
PNG Scheme		
<i>Administered Appropriation Act</i>	2,458	2,451

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 2025-26 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 2024-25 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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Program 1.1: Superannuation Scheme Governance					
Departmental expenses					
Special account					
CSC Special Account	218,016	222,797	214,778	214,557	216,888
Total expenses for program 1.1 (a)	218,016	222,797	214,778	214,557	216,888
Outcome 1 totals by resource type					
Departmental expenses					
Special account	218,016	222,797	214,778	214,557	216,888
Total expenses for Outcome 1	218,016	222,797	214,778	214,557	216,888
	2025-26	2026-27			
Average staffing level (number) (b)	629	629			

- 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.

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. 2025–26), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2026-27 Budget measures that have created new programs or materially changed existing programs are to be provided.

Table 2.1.2 Performance measure for Outcome 1

<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 – Superannuation Scheme Governance 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"> • Manage and invest the funds. • Administer the schemes. • Provide services to customers. 	
<p>Year</p>	<p>Performance measures</p>	<p>Expected performance results</p>
<p>Current Year 2025–26</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 for the default accumulation options 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 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 measure 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 – Superannuation Scheme Governance 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 2026–27	<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 2027–30	As per 2026-27	As per 2026-27
Material changes to Program 1.1 resulting from 2026–27 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2026-27 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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
EXPENSES (a)					
Employee benefits	117,527	119,686	122,078	124,517	127,006
Suppliers	91,774	93,793	83,668	81,623	82,630
Depreciation and amortisation	8,410	8,689	8,254	7,626	6,685
Finance costs	305	629	778	791	567
Total expenses	218,016	222,797	214,778	214,557	216,888
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	216,383	216,204	214,085	213,864	216,195
Interest	693	693	693	693	693
Total own-source revenue	217,076	216,897	214,778	214,557	216,888
Total own-source income	217,076	216,897	214,778	214,557	216,888
Net (cost of)/contribution by services	(940)	(5,900)	-	-	-
Surplus/(deficit) attributable to the Australian Government	(940)	(5,900)	-	-	-

Table continues on next page.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(940)	(5,900)	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(940)	(5,900)	-	-	-

Note: Impact of net cash appropriation arrangements

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(940)	(5,900)	-	-	-
plus: depreciation/amortisation expenses for ROU assets (b)	3,177	3,694	4,357	4,637	4,633
less: lease principal repayments (b)	4,545	4,504	4,472	4,746	5,158
Net Cash Operating Surplus/(Deficit)	(2,308)	(6,710)	(115)	(109)	(525)

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)

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	71,779	68,311	75,856	81,674	86,236
Trade and other receivables	20,990	20,990	20,990	20,990	20,990
Total financial assets	92,769	89,301	96,846	102,664	107,226
Non-financial assets					
Land and buildings	9,012	17,760	18,065	12,999	8,320
Property, plant and equipment	2,826	2,162	1,521	828	689
Intangibles	5,474	4,242	2,987	1,942	897
Other non-financial assets	10,374	10,581	10,793	11,009	11,229
Total non-financial assets	27,686	34,745	33,366	26,778	21,135
Total assets	120,455	124,046	130,212	129,442	128,361
LIABILITIES					
Payables					
Supplier payables	7,698	7,698	7,698	7,698	7,698
Other payables	1,192	681	681	681	681
Total payables	8,890	8,379	8,379	8,379	8,379
Interest bearing liabilities					
Leases	8,736	18,581	19,972	15,226	10,068
Total interest bearing liabilities	8,736	18,581	19,972	15,226	10,068
Provisions					
Employee provisions	42,223	39,386	41,008	41,828	42,664
Other provisions	2,082	2,174	2,269	2,368	2,472
Total provisions	44,305	41,560	43,277	44,196	45,136
Total liabilities	61,931	68,520	71,628	67,801	63,583
Net assets	58,524	55,526	58,584	61,641	64,778
EQUITY*					
Parent entity interest					
Contributed equity	35,475	35,475	35,475	35,475	35,475
Reserves	11,395	14,297	17,355	20,412	23,549
Retained surplus (accumulated deficit)	11,654	5,754	5,754	5,754	5,754
Total parent entity interest	58,524	55,526	58,584	61,641	64,778
Total equity	58,524	55,526	58,584	61,641	64,778

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 2026-27)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2026					
Balance carried forward from previous period	11,654	2,764	8,631	35,475	58,524
Adjusted opening balance	11,654	2,764	8,631	35,475	58,524
Comprehensive income					
Surplus/(deficit) for the period	(5,900)	-	-	-	(5,900)
Total comprehensive income	(5,900)	-	-	-	(5,900)
Transfers to/(from) reserves	-	-	2,902	-	2,902
Estimated closing balance as at 30 June 2027	5,754	2,764	11,533	35,475	55,526
Closing balance attributable to the Australian Government	5,754	2,764	11,533	35,475	55,526

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	235,185	215,693	214,085	213,864	216,195
Interest	693	693	693	693	693
Total cash received	235,878	216,386	214,778	214,557	216,888
Cash used					
Employees	111,913	122,304	120,232	123,469	125,937
Suppliers	92,119	94,127	84,009	81,968	82,979
Interest payments on lease liability	305	516	756	791	567
Total cash used	204,337	216,947	204,997	206,228	209,483
Net cash from/(used by) operating activities	31,541	(561)	9,781	8,329	7,405
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	1,543	1,305	822	822	822
Total cash used	1,543	1,305	822	822	822
Net cash from/(used by) investing activities	(1,543)	(1,305)	(822)	(822)	(822)
FINANCING ACTIVITIES					
Cash received					
Other	1,647	2,902	3,058	3,057	3,137
Total cash received	1,647	2,902	3,058	3,057	3,137
Cash used					
Principal payments on lease liability	4,545	4,504	4,472	4,746	5,158
Total cash used	4,545	4,504	4,472	4,746	5,158
Net cash from/(used by) financing activities	(2,898)	(1,602)	(1,414)	(1,689)	(2,021)
Net increase/(decrease) in cash held	27,100	(3,468)	7,545	5,818	4,562
Cash and cash equivalents at the beginning of the reporting period	44,679	71,779	68,311	75,856	81,674
Cash and cash equivalents at the end of the reporting period	71,779	68,311	75,856	81,674	86,236

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	1,543	15,541	6,663	822	822
TOTAL	1,543	15,541	6,663	822	822
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,543	15,541	6,663	822	822
less: ROU asset Additions	-	(14,236)	(5,841)	-	-
Total cash used to acquire assets	1,543	1,305	822	822	822

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of departmental asset movements (Budget year 2026-27)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and Intangibles \$'000	Total \$'000
As at 1 July 2026				
Gross book value	5,242	9,555	38,843	53,640
Gross book value - ROU assets	26,460	-	-	26,460
Accumulated depreciation/ amortisation and impairment	(1,793)	(6,729)	(33,369)	(41,891)
Accumulated depreciation/amortisation and impairment - ROU assets	(20,897)	-	-	(20,897)
Opening net book balance	9,012	2,826	5,474	17,312
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	805	500	1,305
By purchase - other - ROU assets	14,236	-	-	14,236
Total additions	14,236	805	500	15,541
Other movements				
Depreciation/ amortisation expense	(1,794)	(1,469)	(1,732)	(4,995)
Depreciation/ amortisation on ROU assets	(3,694)	-	-	(3,694)
Total other movements	(5,488)	(1,469)	(1,732)	(8,689)
As at 30 June 2027				
Gross book value	5,242	10,360	39,343	54,945
Gross book value - ROU assets	40,696	-	-	40,696
Accumulated depreciation/ amortisation and impairment	(3,587)	(8,198)	(35,101)	(46,886)
Accumulated depreciation/amortisation and impairment - ROU assets	(24,591)	-	-	(24,591)
Closing net book balance	17,760	2,162	4,242	24,164

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 2026-27)

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