

MILITARYSUPER FINANCIAL OVERVIEW 2020–21

Table 48. MilitarySuper unaudited financial information for 2020–21

	\$'000
Net assets available to pay benefits as at 30 June 2020	10,312,696
Inflows	
Changes in fair value of investments	1,902,369
Interest	14
Member contributions	253,447
Employer contributions	153,451
Low income superannuation tax offset contributions	256
Government co-contributions	504
Net appropriation from Consolidated Revenue Fund	1,139,007
Outflows¹	
Benefits and pensions paid	(1,477,680)
Income tax expense	(23,119)
Net assets available to pay benefits as at 30 June 2021	12,260,945
Assets and liabilities as at 30 June 2021²	
Investments	12,255,805
Cash	25,763
Other receivables	6,503
Benefits payable	(8,006)
Other payables	(456)
Tax liabilities	(18,664)
Net assets as at 30 June 2021	12,260,945

¹Expenses relating to investment management were borne by the underlying investments of the Scheme. Costs other than those incurred in managing and investing Scheme assets are met by CSC. Administrative fees are paid by employers to meet these costs.

²Excludes customer benefit liabilities of \$68.6 billion, of which \$56.4 billion is funded by the Commonwealth Government.

The assets of MilitarySuper are invested through the AIT, where they are pooled with the investments of CSC's other schemes.

The AIT invests in multiple specialist investment funds and portfolios.

The AIT receives income such as dividends, interest, trust distributions and gains and losses on sale and incurs administration and management expenses including expenses that would otherwise be incurred by MilitarySuper.

The operating surplus or deficit generated by the AIT is reflected in daily unit prices released by the AIT for its unitholders including MilitarySuper, and daily MilitarySuper unit prices based on the AIT unit prices are published on the CSC website. If you would like to see a copy of MilitarySuper audited financial statements for this year and the report from the auditor, please refer to our Annual Report to Parliament (which is published and tabled in Parliament in October) at csc.gov.au, send an email to members@enq.militarysuper.gov.au, call us on **1300 006 727** or write to MilitarySuper, GPO Box 2252 Canberra ACT 2601.

The Scheme holds an operational risk reserve. The purpose of the operational risk reserve (ORR) is to provide adequate financial resources to address potential losses arising from an operational risk event (such as the use of an inaccurate unit price or earning rate to process a transaction that results in losses to the fund or to customers). The operational risk reserve target amount is determined in accordance with CSC's Operational Risk Financial Requirement Strategy, and any accruals to and calls upon the reserve are also managed in accordance with that strategy. The total of the reserve as at 30 June for the past three years was \$42.3million in 2021, \$39.7 million in 2020 and \$36.2 million in 2019.